



EUROPEAN UNION

THE EUROPEAN PARLIAMENT

THE COUNCIL

**Brussels, 18 March 2026
(OR. en)**

2025/0262(COD)

PE-CONS 8/26

**NDICI 3
DEVGEN 14
RELEX 114
PE 10
ACP 11
COAFR 27
COASI 23
COEST 71
COLAC 14**

**COWEB 11
ELARG 12
MAMA 24
MOG 28
GLOBAL GATEWAY 8
FIN 163
ECOFIN 117
CODEC 126**

LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: **REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL amending Regulation (EU) 2021/947 as regards increased
efficiency of the External Action Guarantee**

REGULATION (EU) 2026/...
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of ...

amending Regulation (EU) 2021/947
as regards increased efficiency of the External Action Guarantee

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 209 and 212 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure¹,

¹ Position of the European Parliament of 10 March 2026 (not yet published in the Official Journal) and decision of the Council of ...

Whereas:

- (1) The Union's external financing instruments, including the European Fund for Sustainable Development Plus (EFSD+) as established by Regulation (EU) 2021/947 of the European Parliament and of the Council², continue to be guided by the objectives and principles of the Union's external action, as laid down in Article 3(5) and Articles 8 and 21 of the Treaty on European Union (TEU), as well as by Union policy in the field of development cooperation as laid down in Article 208 of the Treaty on the Functioning of the European Union (TFEU). Measures to enhance the efficiency of the External Action Guarantee established by Regulation (EU) 2021/947 (the 'External Action Guarantee') should be pursued in a manner fully consistent with those objectives and principles, while ensuring alignment between Union policies and partner countries' own priorities.

² Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe, amending and repealing Decision No 466/2014/EU of the European Parliament and of the Council and repealing Regulation (EU) 2017/1601 of the European Parliament and of the Council and Council Regulation (EC, Euratom) No 480/2009 (OJ L 209, 14.6.2021, p. 1, ELI: <http://data.europa.eu/eli/reg/2021/947/oj>).

- (2) The global geopolitical and geoeconomic context requires that the Union reaffirms its commitment to establish mutually beneficial partnerships with partner countries, including its commitment to consolidate democratic institutions, strengthen regional stability and security, address migration challenges, foster human development, diversify supply chains, uphold the rules-based international order and address the consequences of Russia's war of aggression against Ukraine.
- (3) The Union and its Member States collectively remain the world's largest providers of official development assistance, and their strategic ambitions and actions therefore require strong visibility. As part of the Team Europe approach, the Union's international cooperation policies and those of its Member States should complement each other to improve the effectiveness, impact and added value of their collective assistance and contribute to strengthening awareness and visibility of the actions of the Union and its Member States in partner countries.

- (4) The 2024 Draghi report on the future of European competitiveness recommends ensuring a greater involvement of the private sector and reducing excessive external dependencies by securing supplies of raw materials, clean energy, sustainable transport fuels, and clean tech from across the world, and by upgrading and leveraging the Global Gateway strategy laid down in the joint communication to the European Parliament, the Council, the European Economic and Social Committee, the Committee of the Regions and the European Investment Bank of 1 December 2021 entitled ‘The Global Gateway’ (the ‘Global Gateway’) as well as the growth plans for the enlargement countries and the comprehensive partnerships with the Neighbourhood, which require additional resources.
- (5) An important Union financing instrument to deliver on the Global Gateway objectives and the strategic investments is the EFSD+, and in particular its budgetary guarantee, a component of the External Action Guarantee. Efficiency gains on the External Action Guarantee would free up funding for Union external action priorities, including possibly scaling up the Global Gateway, while adopting a differentiated context-specific approach to partner countries, especially those identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries.
- (6) Taking into account risks of foreign influence and competing initiatives, when implementing the EFSD+, attention should be paid to ensuring that the Union provides support under the External Action Guarantee only to operations that comply with Union values and interests and ensure a level playing field and fair competition for Union companies.

- (7) The EFSD+ is facing very high demand from the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD) and other development financial institutions (DFIs), as confirmed by the Commission's evaluation of the External Financing Instruments for the 2014-2020 and 2021-2027 Multiannual Financial Frameworks.
- (8) The guarantee coverage of EFSD+ could be increased until 2027 by using surpluses from the European Fund for Sustainable Development (EFSD), as established by Regulation (EU) 2017/1601 of the European Parliament and of the Council³, and by making more efficient use of the Union budgetary guarantee by reducing Union liability from 65 % to 60 % under the EIB's exclusive dedicated investment window for operations with sovereign counterparts and non-commercial sub-sovereign counterparts. That liability reduction would only come into effect after the amendment of the corresponding guarantee agreement between the Commission and the EIB. The assignment of surpluses from legacy instruments to the benefit of EFSD+ should be without prejudice to the negotiations on the post-2027 multiannual financial framework.

³ Regulation (EU) 2017/1601 of the European Parliament and of the Council of 26 September 2017 establishing the European Fund for Sustainable Development (EFSD), the EFSD Guarantee and the EFSD Guarantee Fund (OJ L 249, 27.9.2017, p. 1, ELI: <http://data.europa.eu/eli/reg/2017/1601/oj>).

- (9) Assigning the EFSD guarantee surpluses to the EFSD+ provisioning as from 31 December 2024 requires a derogation from Article 216(4), point (a), of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council⁴.
- (10) In the interest of a balanced and inclusive external action that reflects the Union's broader geopolitical commitments, the assignment of EFSD guarantee surpluses to the EFSD+ provisioning should balance financing across all eligible regions, as enshrined in the financial geographic envelopes set out in Regulation (EU) 2021/947, and in particular with the minimum amounts allocated to geographic programmes set out in Article 6(2), point (a), of that Regulation.
- (11) Allowing the use of resources of the EFSD+ guarantee to pay guarantee calls on the EFSD guarantee as from 31 December 2024 requires a derogation from Article 214(6) of Regulation (EU, Euratom) 2024/2509.

⁴ Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).

- (12) The capacity of the EIB, the EBRD and the DFIs to efficiently implement additional resources should be increased by simplifying the framework for blending operations, consolidating guarantee and technical assistance agreements with the same implementing partner and reducing the frequency of financial reporting from an obligation to report quarterly to an obligation to report twice per year. Simplification is essential to mobilise private investment at scale, increase the leverage effect of Union funds and create a predictable environment for private partners willing to co-invest in sustainable development.
- (13) In addition, in terms of simplification, the obligation of implementing partners to audit the information on individual operations under the guarantee agreements that implementing partners are to provide in their annual reporting to the Commission should be removed, as it is not required by Regulation (EU, Euratom) 2024/2509.
- (14) Efficiency and simplification should be accompanied by appropriate transparency and accountability, in line with the Commission's reporting obligations under Article 41(7) of Regulation (EU) 2021/947 towards the budgetary authority, including clear information about the performance of EFSD and EFSD+, on the leveraging of the funds, the fund allocation to programmes and projects, total surpluses and deficits identified, the origin of any surpluses and the amounts proposed for reallocation. The Commission should provide clear and regular reporting on the additionality of EFSD+ operations, including evidence that supported portfolios carry a higher risk profile than comparable normal investment activities of implementing partners.

- (15) Since the objectives of this Regulation, namely to enhance the Union's engagement with its partner countries and to reduce its excessive external dependencies, cannot be sufficiently achieved by the Member States, but can rather, by reason of the scale and effects of the action, be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Article 1
Amendments to Regulation (EU) 2021/947

Regulation (EU) 2021/947 is amended as follows:

(1) in Article 30, paragraph 4 is replaced by the following:

- ‘4. By way of derogation from Article 212(3) of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council*, repayments and revenues generated by a financial instrument established under this Regulation shall be assigned to the budget line of origin after deduction of management costs and fees.

By way of derogation from Article 216(4), point (a), of Regulation (EU, Euratom) 2024/2509, any surplus of provisions for the EFSD guarantee under Regulation (EU) 2017/1601 reported in 2025, 2026 and 2027 in the working document attached to the draft budget in accordance with Article 41(5), point (h), of Regulation (EU, Euratom) 2024/2509 shall be used for the provisioning of the budgetary guarantee supported by EFSD+.

The resources referred in the first and second subparagraphs of this paragraph shall constitute internal assigned revenue within the meaning of Article 21(5) of Regulation (EU, Euratom) 2024/2509.

* Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>).’;

(2) in Article 31(8), the following subparagraph is added:

‘By way of derogation from Article 214(6) of Regulation (EU, Euratom) 2024/2509, EFSD+ resources relating to the provisioning of the budgetary guarantee supported by EFSD+ and referred to in Article 214(4), first subparagraph, points (b) and (d), of Regulation (EU, Euratom) 2024/2509 shall be used to cover the payment of calls above EUR 10 million on the EFSD guarantee in 2025, 2026 and 2027.’;

(3) in Article 36(1), the second subparagraph is replaced by the following:

‘The EIB shall have the exclusivity for operations with sovereign counterparts and non-commercial sub-sovereign counterparts under the exclusive dedicated investment window. Under the exclusive dedicated investment window, the own resources contribution shall be understood as the assumption of residual risk and the EU guarantee shall cover 60 % of the aggregate amount disbursed and guaranteed under EIB financing operations, less amounts reimbursed, plus all related amounts.’;

(4) in Article 38, paragraph 6 is deleted.

Article 2
Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President
