Neighbourhood, development and international cooperation instrument 2021–2027

2018/0243(COD) - 11/03/2019 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Foreign Affairs adopted the report by Pier Antonio PANZERI (S&D, IT), Cristian Dan PREDA (EPP, RO), Frank ENGEL (EPP, LU) and Charles GOERENS (ALDE, LU) on the proposal for a regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI).

The Committee on Budgets, exercising its prerogative as an associated committee in accordance with Rule 54 of the Rules of Procedure, also gave its opinion on the report.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows:

Subject matter

This Regulation establishes the Programme “Neighbourhood, Development and International Cooperation Instrument”. It lays down the objectives of the Instrument, the budget for the period 2021 – 2027, the forms of Union funding and the rules for providing such funding. It also establishes the European Fund for Sustainable Development Plus (the ‘EFSD+’) and an External Action Guarantee.

Objectives

The general objective of this Regulation is to lay down the financial framework enabling the Union to uphold and promote its values, principles and fundamental interests worldwide.

The specific objectives of this Regulation are the following:

- contribute to the achievement of the international commitments and objectives that the Union has agreed to, in particular the 2030 Agenda, the SDGs and the Paris Agreement;

- develop a special strengthened relationship with the countries in the eastern and southern neighbourhood of the Union, founded on cooperation, peace and security, mutual accountability and shared commitment to the universal values of democracy, rule of law and respect for human rights, socio-economic integration and environmental protection and climate action;

- pursue the reduction and, in the long term, the eradication of poverty, particularly in least developed countries (LDCs); to enable sustainable social and economic development;

- at global level, support civil society organisations and local authorities, further stability and peace, prevent conflict and promote just and inclusive societies, advance multilateralism, international justice and accountability, and address other global and regional challenges including climate change and environmental degradation as well as foreign policy needs and priorities, as set out in Annex III, including the promotion of confidence building and good neighbourly relations;

- protect, promote and advance human rights, democracy, the rule of law as well as gender and social equality, including in the most difficult circumstances and urgent situations, in partnership with civil society including human rights defenders worldwide.

At least ***95%*** (as opposed to 92 % proposed by the Commission) of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. This Regulation shall contribute to reaching the collective target of achieving 0.2% of the Union's Gross National Income to Least Developed Countries and 0.7% of the Union Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda.

At least ***20%*** of the Official Development Assistance funded under this Regulation, across all programmes, geographic and thematic, annually and over the duration of its actions, shall be ring-fenced for social inclusion and human development, in order to support and strengthen the provision of basic social services, such as health, education, nutrition and social protection, particularly to the most marginalised, and with an emphasis on women and children.

At least ***85%*** of the Official Development Assistance funded programmes, geographic and thematic, under this Regulation shall have gender equality and women's and girls' rights and empowerment as a principal or a significant

Budget

The financial envelope for the application of this Regulation for the period 2021- 2027 shall be **EUR 82 451 million in 2018 prices** (EUR 93 154 million in current prices) [100%].

The financial envelope be composed of:

- ***Geographical programmes***: EUR 63 687 million in 2018 prices (EUR 71 954 million in current prices) [77.24%] for geographic programmes;

- ***Thematic programmes***: EUR 9 471 million in 2018 prices (EUR 10 700 million in current prices) [11.49 %] for thematic programmes:

- ***Rapid response actions***: EUR 3 098 million in 2018 prices (EUR 3 500 million in current prices) [3.76%] for rapid response actions.

The annual appropriations shall be authorised by the European Parliament and by the Council within the limits of the multiannual financial framework during the budgetary procedure, after the priorities have been agreed by the Institutions.

Small projects funds

Financing under this Regulation may be provided to small projects funds, aimed at the selection and implementation of projects of limited financial volume. The beneficiaries of a small project fund shall be civil society organisations.

Suspension of assistance

Without prejudice to the provisions on the suspension of aid in agreements with partner countries and regions, where a partner country persistently fails to observe the principles of democracy, the rule of law, good governance, respect for human rights and fundamental freedoms, or nuclear safety standards, the Commission shall be empowered to adopt delegated acts amending Annex VII-a, by adding a partner country to the list of partner countries for which Union assistance is suspended or partly suspended. In the case of a partial suspension, the programmes for which the suspension applies shall be indicated.

Where the Commission finds that the reasons justifying the suspension of assistance no longer apply, it shall be empowered to adopt delegated acts to amend Annex VII-a in order to reinstate Union assistance.

The Commission shall take due account of relevant European Parliament resolutions in its decision-making.

Evaluation

The mid-term evaluation report shall be undertaken for the specific purpose of improving the application of the Union funding. It shall contain consolidated information from relevant annual reports on all funding governed by this Regulation, including external assigned revenues and contributions to trust funds offering a breakdown of spending by, beneficiary country, use of financial instruments, commitments and payments, as well as by geographic and thematic programme and rapid response action, including funds mobilised from the emerging challenges and priorities cushion.

Democratic accountability

In order to enhance dialogue between the institutions of the Union, in particular the European Parliament, Commission and the EEAS, and to ensure greater transparency and accountability, as well as the expediency in the adoption of acts and measures by the Commission, the European Parliament may invite the Commission and the EEAS to appear before it to discuss the strategic orientations and guidelines for the programming under this Regulation. That dialogue may take place prior to the adoption of delegated acts and of the draft annual budget by the Commission.

The European Parliament shall be fully involved in the design, programming, monitoring and evaluation phases of the instruments in order to guarantee political control and democratic scrutiny and accountability of Union funding in the field of external action.

Entry into force

It is proposed that the Regulation shall apply from 1 January 2021 until 31 December 2027.