

Neighbourhood, development and international cooperation instrument 2021–2027

2018/0243(COD) - 29/05/2020 - Supplementary legislative basic document

The Commission has presented an amended proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument for the period 2021-2027 to support the recovery from the COVID-19 pandemic.

BACKGROUND: in order to contain the ‘COVID-19’ outbreak, Member States and third countries have adopted an unprecedented set of measures. These measures have significantly disrupted economic activities.

A sharp contraction of growth in the Union is now forecast for 2020 and is likely to continue into 2021. Recovery risks being very uneven in the different Member States, increasing the divergence between national economies. The different fiscal ability of Member States to provide financial support where it is needed most for recovery and the divergence of national measures endangers the single market.

This exceptional situation calls for a coherent and unified approach at the level of the Union to prevent further deterioration of the economy and to boost a balanced recovery of the economic activity, ensuring continuity and increase in investments for the green and digital transition.

A comprehensive set of measures for economic recovery are needed, requiring substantial amounts of public and private investment to energise the economy, create high-quality jobs and invest in repairing the immediate damage brought by the COVID-19 pandemic.

Targeted changes to the Framework Programme for Research and Innovation and its implementing Specific Programme [Horizon Europe](#), – the Neighbourhood, Development and International Cooperation Instrument (NDICI) – the European Agricultural Fund for Rural Development ([EAFRD](#)) interventions under the CAP strategic plans are proposed by the Commission as part of the revised proposal for the Multiannual Financial Framework (MFF) for the period 2021-2027, which includes the [EU Recovery Instrument](#).

CONTENT: the main amendments to the Regulation establishing the Neighbourhood, Development and International Cooperation Instrument (NDICI) are intended to:

- enable the implementation of the measures laid down in the proposal for a Regulation establishing an EU Recovery Instrument through the mechanisms for implementing the framework programme for research and innovation;
- enable financing from the EU Recovery Instrument as external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

Trade and economic relations with neighbouring and developing countries, including Western Balkans, countries of the European Neighbourhood and African countries, are of high relevance for the economy in the Union. For that reason, and in line with the global role and responsibility of the Union as well as its values, financial resources from the Recovery Instrument via NDICI should also be used to provide support for the efforts of those countries to fight the impact of the COVID-19 pandemic and recover from it.

Budgetary implications

The Commission proposes to make available a total of **EUR 11 448 million** for the increase of the External action guarantee under the Neighbourhood, Development and International Cooperation Instrument. Beneficiaries listed in Annex I of the Instrument for Pre-Accession Assistance (IPA) shall be eligible under such an increase. The additional financing shall be made available through the European Recovery Instrument based on empowerment provided in the new Own Resources Decision.

Under the external action guarantee, the Union may guarantee operations signed between 1 January 2021 and 31 December 2027 up to EUR 130 billion. Up to EUR 70 billion of this amount shall be allocated to operations implementing the measures referred to in the Regulation establishing a European Union Instrument for Recovery to support recovery from the COVID-19 pandemic.

As a general rule, the financial support and the relevant actions carried out by the Commission should be frontloaded by the end of 2024 and, as regards the non-repayable financial support, for at least 60 % of the total, be undertaken by the end of 2022.

The remaining years after 2024 until the end of the MFF should therefore be used by the Commission to foster the implementation of the relevant actions on the ground and to achieve the expected recovery in the relevant economic and social sectors and promoting resilience and convergence.