

Basic information	
2025/0262(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
Increased efficiency of the External Action Guarantee Subject 6.30 Development cooperation 6.40.15 European neighbourhood policy	

Key players				
European Parliament	Joint committee responsible		Rapporteur	Appointed
	AFET Foreign Affairs		MCALLISTER David (EPP)	20/08/2025
	DEVE Development		GOERENS Charles (Renew)	20/08/2025
			Shadow rapporteur GEUKING Niels (EPP) MAIJ Marit (S&D) GÓMEZ LÓPEZ Sandra (S&D) HÖLVÉNYI György (P/E) STORM Kristoffer (ECR) BARNA Dan (Renew) STRIK Tineke (Greens/EFA) MARQUARDT Erik (Greens/EFA) LUCANO Mimmo (The Left) JONGEN Marc (ESN)	
	Committee for budgetary assessment		Rapporteur for budgetary assessment	Appointed
	BUDG Budgets		The committee decided not to give an opinion.	
Council of the European Union				

European Commission	Commission DG	Commissioner
	International Partnerships	SÍKELA Jozef

Key events

Date	Event	Reference	Summary
28/05/2025	Legislative proposal published	COM(2025)0262 	Summary
19/06/2025	Committee referral announced in Parliament, 1st reading		
05/11/2025	Vote in committee, 1st reading		
05/11/2025	Committee decision to open interinstitutional negotiations with report adopted in committee		
10/11/2025	Committee report tabled for plenary, 1st reading	A10-0221/2025	Summary
12/11/2025	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 71)		
24/11/2025	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 71)		
25/02/2026	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE784.373 GEDA/A(2026)001121	
10/03/2026	Decision by Parliament, 1st reading	T10-0059/2026	Summary
10/03/2026	Results of vote in Parliament		
30/03/2026	Act adopted by Council after Parliament's 1st reading		
29/04/2026	Final act signed		
04/05/2026	Final act published in Official Journal		

Technical information

Procedure reference	2025/0262(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 58 Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 209-p1 Treaty on the Functioning of the European Union TFEU 294-p7-ac Treaty on the Functioning of the European Union TFEU 212
Stage reached in procedure	Procedure completed
Committee dossier	CJ19/10/02990

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE776.794	05/09/2025	
Committee report tabled for plenary, 1st reading/single reading		A10-0221/2025	10/11/2025	Summary
Text agreed during interinstitutional negotiations		PE784.373	10/02/2026	
Text adopted by Parliament, 1st reading/single reading		T10-0059/2026	10/03/2026	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2026)001121	04/02/2026	
Draft final act	00008/2026/LEX	17/04/2026	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2025)0262 	28/05/2025	Summary
Document attached to the procedure	SWD(2025)0262 	28/05/2025	
Commission response to text adopted in plenary	SP(2026)04-22	22/04/2026	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

[Regulation 2026/0995](#)
[OJ OJ L 04.05.2026](#)

Increased efficiency of the External Action Guarantee

2025/0262(COD) - 28/05/2025 - Legislative proposal

PURPOSE: to increase the efficiency of the External Action Guarantee (EAG) by cutting red tape and unlocking additional resources for external action.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the EU's Global Gateway strategy provides the framework for the EU's external action. It is the EU's positive offer to partner countries aiming to foster sustainable development and resilience through value-driven investments. Global Gateway supports the twin green and digital transitions outside the EU by mobilising public and private sector resources and strengthening strategic connectivity.

The Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI – Global Europe) Regulation, the financial basis of the Global Gateway, provides a unified financial architecture to crowd in private sector investment outside the EU, based on three pillars: the European Fund for Sustainable Development + (EFSD+), the unified budgetary guarantee - the EAG, and financial assistance.

The European Commission is proposing to increase the efficiency of its External Action Guarantee (EAG), a key financial tool under the Global Gateway strategy that offers more affordable loans to unlock investments in partner countries around the world.

CONTENT: the Commission proposal aims to enhance the Unions engagement with its partner countries and reduce its excessive external dependencies. More specifically, it seeks a more dynamic use of EU resources, without requiring additional budget. This objective can be achieved by making **targeted amendments** to the current rules on EU's investments in partner countries. The new rules will enable the EU to **redistribute fundings more easily** between its financing instruments, so that it can maximise the efficiency of EU's foreign aid. More flexible rules will allow **transfers of extra funds** between different guarantee funds. At the same time, the EU will leverage extra room for investment by lowering the risk coverage of some European Investment Bank (EIB) loans.

EFSD+

The guarantee cover of EFSD+ could be increased until 2027 with surpluses from the European Sustainable Development Fund (EFSD) and by using more efficiently the Union guarantee by reducing its EU liability under the EIB's exclusive dedicated investment window for operations with sovereign counterparts and non-commercial sub-sovereign counterparts from 65 % to 60 %.

In addition, a series of **simplification measures** are underway to reduce lengthy procedures, so that access to investment under the EAG can take place more quickly. Some of these measures include:

- removing from the annual reporting on guarantee agreements by implementing partners to the Commission the requirement to audit the risk assessment and grading information of the implementing partner on individual operations,
- **reducing the negotiation burden** for EFSD+ guarantee agreements by consolidating proposals from the same implementing partner under a single guarantee agreement;
- prioritising, where duly justified, top-ups to existing guarantee agreements for new proposals by implementing partners, which require negotiating only the terms related to the new operations;
- **reducing the frequency of financial reporting** for guarantee agreements from a quarterly frequency to a semi-annual one;
- carrying out a **broad simplification of the blending framework**, in particular with the EIB: (i) streamlining the application form and the approval process, (ii) simplifying the contracting arrangements by signing framework blending contracts, (iii) consolidating the reporting by aggregating the current individual reporting by blending operation under a single report by framework contract.

Budgetary implications

The proposed amendments to the NDICI-Global Europe Regulation do not require new contributions from the Union's budget. A surplus of provisions for the EFSD guarantee for the years 2024 and 2025 estimated at EUR 471 million would be assigned to EFSD+.

Increased efficiency of the External Action Guarantee

2025/0262(COD) - 10/11/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Foreign Affairs and the Committee on Development jointly adopted a report by David MCALLISTER (EPP, DE) and Charles GOERENS (Renew, LU) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee.

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

Members made amendments **solely to the recitals** of the proposed regulation. These concern in particular:

- the continuation of measures aimed at strengthening the effectiveness of the guarantee for external action in a manner fully **consistent with the Union's foreign policy objectives** (promotion of democracy, the rule of law, human rights and respect for the principles of the Charter of the United Nations), while also strengthening the Union's capacity to act as a global strategic actor, safeguarding the sovereignty of partners, combating external interference and strengthening resilience to geopolitical and economic shocks;
- **strengthening partnerships** which should aim to diversify supply chains and maintain the rules-based international order, taking into account factors such as positions regarding Russia's war of aggression against Ukraine, thereby promoting sustainable prosperity and advancing human development;
- the integration into the Union's external action of concrete actions to address the challenges related to **climate change, biodiversity, gender equality and respect for human rights**, as they have significant implications for stability and sustainable development;
- improved communication regarding actions financed by the Union and greater coherence between the Union and its Member States, necessary to present external action as a unified effort of the Union;

- the importance of a **more focused approach to enlargement**, recognising the importance of the Middle East, North Africa and the Gulf, as well as Central Asia and the South Caucasus;
- the fact that Union financial support under the External Action Guarantee should explicitly promote reform in the **areas of rule of law**, democratic governance and the fight against corruption, thereby underpinning credibility and public trust in the accession processes;
- the implementation of the External Action Guarantee should promote **local ownership** and ensure complementarity with the national development strategies of partner countries, while adopting a **differentiated approach** that reflects the specific needs, vulnerabilities and development priorities of low- and middle-income countries;
- further attention to be paid to the **specific investment priorities** of EU enlargement countries and the distinct nature and needs of fragile contexts, less developed countries, low-income countries and countries in debt distress, including small island states, which face specific vulnerabilities related to climate change, food insecurity, and political instability;
- the need for Chinese companies and entities not to secure funds under the EFSD+, particularly when these companies are associated with the Chinese Belt and Road Initiative or are owned by the Chinese state or influenced by the Chinese Communist Party.

Members stressed that while efficiency and simplification of procedures for implementing partners are necessary, they must be accompanied by enhanced **transparency and accountability** in the financing of the EU's external actions

Reporting obligations should therefore continue to provide clear information on risk exposure, development impact and the geopolitical relevance of the operations concerned.

The European Parliament should receive a detailed annual report on the use of resources from the EFSD+ guarantee including a breakdown by sectors and regions, the impact on the sustainable Development goals and the level of participation of civil society organisations.

The European Parliament and the Council, as the budgetary authority of the Union, should therefore, in a timely manner, be systematically, comprehensively and regularly informed about the performance of EFSD and EFSD+, including clear information on the fund leveraging, the fund allocation to programmes and projects, total surpluses and deficits identified, the origin of any surpluses and the amounts proposed for reallocation.

Increased efficiency of the External Action Guarantee

2025/0262(COD) - 10/03/2026 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 441 votes to 105, with 81 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/947 as regards increased efficiency of the External Action Guarantee.

The European Parliament adopted its position at first reading by amending the Commission's proposal.

According to the proposal, 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 Council, 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.

The amendments to Regulation (EU) 2021/947 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe provide that, by way of derogation from Regulation (EU, Euratom) 2024/2509 on the financial rules applicable to the general budget of the Union:

- repayments and revenues generated by a financial instrument established under this Regulation should be assigned to the budget line of origin after deduction of management costs and fees;
- 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 Regulation (EU, Euratom) 2024/2509 should be used for the provisioning of the budgetary guarantee supported by EFSD+;
- EFSD+ resources relating to the provisioning of the budgetary guarantee supported by EFSD+ must be used to cover the payment of calls above EUR 10 million on the EFSD guarantee in 2025, 2026 and 2027.

Increase the effectiveness of the guarantee for external action

The amended text emphasised the following points:

- it is necessary to ensure that measures to enhance the efficiency of the External Action Guarantee established by Regulation (EU) 2021/947 should be pursued in a manner fully consistent with those objectives and principles, while ensuring alignment between Union policies and partner countries' own priorities;
- 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;

- 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;

- 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 that Regulation.

Simplification

The regulation underlined the need to increase the capacity of the EIB, the EBRD and the DFIs to efficiently implement additional resources 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.

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.

Efficiency and simplification should be accompanied by **appropriate transparency and accountability**, in line with the Commission's reporting obligations 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.