

Special report

Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe

Comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring



EUROPEAN
COURT
OF AUDITORS

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Executive summary

I The new Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-Global Europe) is the main financing tool for implementing EU cooperation with partner countries. With a total EU budget of €79.5 billion, it covers more than 70 % of the EU funding allocated for external action in the 2021-2027 financing period. The NDICI-Global Europe regulation defines the financial envelopes for geographical and thematic programmes, emerging challenges and priorities cushion.

II Programming is the process through which the EU defines its priorities for international cooperation. The NDICI-Global Europe programming process consists of preparing and adopting country, regional and thematic multiannual indicative programmes for Neighbourhood and non-Neighbourhood countries. We audited the geographical programmes, which defined the priority areas and sectors in each partner country for seven years (2021-2027) and set the financial envelope for the first four years (2021-2024). We expect our work to help improve the financial allocation for the three remaining years (2025-2027) and inform the setup for the next programming period.

III Our objective was to assess whether the Commission and the European External Action Service (EEAS) had programmed the NDICI-Global Europe appropriately.

IV Our conclusion was that, overall, the Commission and the EEAS had designed comprehensive geographical programmes, addressing a broad range of partner country needs and EU priorities, but there were deficiencies in the methodologies used for allocating funding to partner countries and in the setup of the monitoring framework.

V Although the Commission and the EEAS had merged funding into a single instrument, they followed two different allocation methodologies to Neighbourhood and non-Neighbourhood countries.

VI We found that the Commission and the EEAS had not used a standardised, transparent allocation methodology for the Neighbourhood countries. The Commission and the EEAS carried out short, narrative country assessments, which were not comparable. We were unable to link the allocation criteria of the NDICI-Global Europe regulation to the financial allocations.

VII In contrast, the allocations for non-Neighbourhood countries were calculated in a more comparable and transparent way, building on a formula that reflected the programming principles. In general, we were able to reconcile our calculations with the Commission's and the EEAS's figures. However, we found shortcomings in the application of this formula concerning, among others, the collection and processing of raw data, and the related process documentation.

VIII The Commission and the EEAS analysed the partner countries' situations and their needs. The selected priority areas for each programme were broad. This provides flexibility for adapting to unforeseen events, but can limit the focus of EU funding, with the risk that high impact is not achieved. The late adoption of the NDICI-Global Europe regulation delayed the adoption of the MIPs.

IX The multiannual indicative programmes included relevant but numerous performance indicators whose use was not compulsory. The large majority of the indicators were specific, but more than 20 % had unclear or missing baselines and targets. Furthermore, the varied and inconsistent use of common EU indicators will limit the potential for aggregating results.

X On the basis of these conclusions, we recommend that the Commission and the EEAS:

- improve the methodology for allocating funding to Neighbourhood countries, making it standardised, comparable and transparent;
- further document and rigorously apply the methodology for establishing allocations for non-Neighbourhood countries;
- clarify the methodology for assessing the impact of EU support;
- focus the scope of the programming exercise;
- simplify and ensure the consistent use of multiannual indicative programmes' indicators.

Introduction

NDICI – Global Europe: the new instrument for EU external action

01 The Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-Global Europe) is the main financial tool for implementing EU cooperation with partner countries. It covers more than 70 % of the EU funding allocated for external action under the 2021-2027 Multiannual Financial Framework (MFF) (see [Table 1](#)).

Table 1 – EU external action budget (current prices)

Instrument	Amount (million euro)	Share of Heading 6
NDICI-Global Europe	79 462	72 %
Instrument for Pre-Accession assistance	14 162	13 %
Humanitarian aid	11 569	10 %
Common Foreign and Security Policy	2 679	2 %
Overseas countries and territories including Greenland	500	1 %
Other	2 225	2 %
Total Heading 6 'Neighbourhood and the World' of the 2021-2027 MFF	110 597	100 %

Source: European Commission.

02 The NDICI-Global Europe was adopted in June 2021¹ with retroactive effect from 1 January 2021. It merged a number of instruments used to implement external action from 2014 to 2020 (see [Figure 1](#)), some of which were not included in the EU budget. This instrument merger addressed issues mentioned in both its impact assessment² and various evaluations of previous instruments, such as overlapping aid, diverging

¹ Regulation (EU) 2021/947 of the European Parliament and of the Council.

² European Commission. [Impact assessment accompanying the document 'Proposal for a Regulation of the European Parliament and of the Council establishing the Neighbourhood, Development and International Cooperation Instrument'](#), SWD(2018) 337 final.

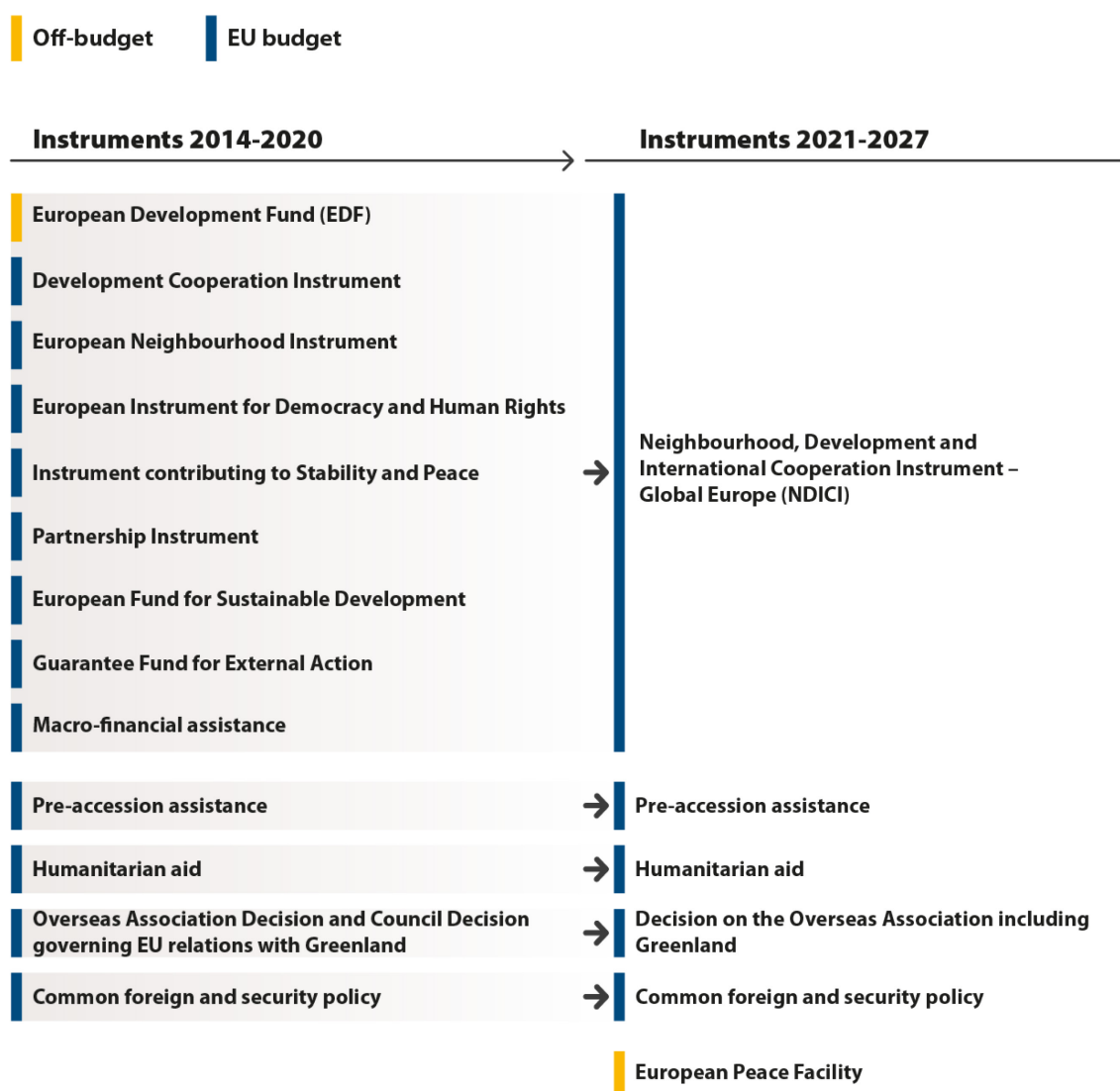
objectives, lack of flexibility, a need for simplification³, better mainstreaming and a more strategic approach⁴.

³ Commission staff working document, [Evaluation of the Development Cooperation Instrument](#), SWD(2017) 600 final, p. 20; Commission staff working document, [Evaluation of the 11th European Development Fund](#), SWD(2017) 601 final, p. 22; Commission staff working document, [Evaluation of the European Neighbourhood Instrument](#), SWD(2017) 602 final, p. 32; Report from the Commission to the European Parliament and the Council, [Mid-term review report of the external financing instruments](#), COM(2017) 720 final, p. 10, 13 and 19.

⁴ Report from the Commission to the European Parliament and the Council, [Mid-term review report of the external financing instruments](#), COM(2017) 720 final, p. 20.

European Commission, Coherence Report – [Insights from the external evaluation of the external financing instruments](#), July 2017, p. 20.

Figure 1 – EU instruments for external action (2014-2020 versus 2021-2027)



Source: ECA based on the Commission's documents.

03 The NDICI-Global Europe consists of three pillars:

- a geographical pillar (€60 388 million) for EU cooperation with the following four regions: sub-Saharan Africa, Neighbourhood, Asia and the Pacific, and Americas and the Caribbean;
- a thematic pillar (€6 358 million) complementing the geographical pillar with support for human rights and democracy, civil society organisations, peace, stability and conflict prevention, and global challenges;
- a non-programmable rapid response pillar (€3 182 million), which aims to respond swiftly to crises, support conflict prevention, increase the resilience of states,

societies, communities and individuals, link humanitarian aid and development action, and ensure early action to address foreign policy objectives.

04 In addition, a cushion for emerging challenges and priorities (€9 534 million) caters for unforeseen needs and priorities. This can be used to top up the three pillars mentioned above.

05 The geographical and thematic pillars require multiannual indicative programmes (MIPs) to be drawn up, setting priorities and objectives for a seven-year period to address the challenges identified.

06 Actions funded under the geographical pillar are implemented under country and regional programmes. These geographical MIPs also cover the new European Fund for Sustainable Development Plus⁵ (EFSD+), a financial tool to leverage investments by providing guarantees and combining EU grants with bank loans (blending). Furthermore, the EU and its Member States joined forces as Team Europe⁶ in 2020, coordinating their actions jointly under the Team Europe Initiatives (see paragraph 63).

07 Thematic programmes support global and trans-regional initiatives, protect global public goods, or address global challenges. They can also be used in countries that do not have a country MIP (Article 4(5) of the NDICI-Global Europe Regulation).

The programming process

08 Programming is the process through which the EU defines its priorities for international cooperation. Chapter I (Title II) of the NDICI-Global Europe regulation describes the programming. Chapter II includes specific provisions for the Neighbourhood area. The NDICI-Global Europe regulation underlines the importance of dialogue with the EU Member States and partner countries concerned, and alignment with partner countries' strategy cycles. The programming of geographical programmes provides a specific framework for cooperation, based on the the programming principles for all countries (Article 13(2)) complemented by specific provisions for the Neighbourhood (Article 19(2)) (see [Figure 2](#)).

⁵ International Partnerships - [European Fund for Sustainable Development Plus](#) webpage.

⁶ International Partnerships - [Team Europe Initiatives](#) webpage.

Figure 2 – Allocation criteria and programming principles

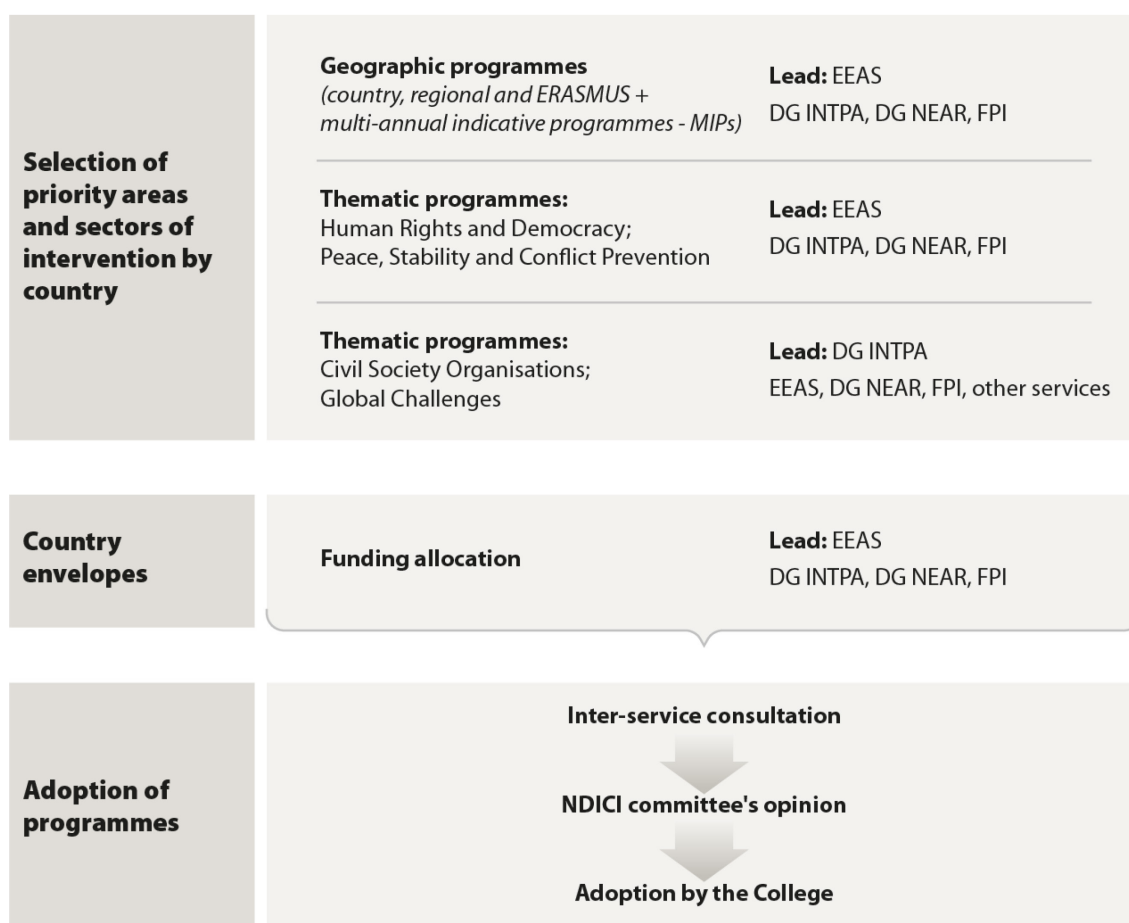
Geographic programmes programming principles Based on Article 13 (2) of the NDICI- Global Europe Regulation		Specific provisions for the Neighbourhood countries allocation criteria Based on Article 19 (2) of the NDICI- Global Europe Regulation
<i>needs</i> , established on the basis of specific criteria , taking into account the population, poverty, inequality, human development, economic and environmental vulnerability, and state and societal resilience and the impact of protracted and recurrent crises	Needs 	<i>needs</i> , using indicators such as population, inequalities, and level of development
<i>partners' capacity and commitment</i> to promote shared values, principles and interests, including human rights, fundamental freedoms, democracy, the rule of law, good governance, fight against corruption, open civic space and gender equality and to support common goals and multilateral alliances and cooperation, a rules-based international system, as well as the advancement of Union priorities <i>partners' commitments</i> , including those jointly agreed with the Union , and performance established on the basis of criteria such as political reform; and economic and social development, environmental sustainability, and the effective use of aid , taking into account the specificities and development level of partner countries <i>partners' capacities</i> to mobilise and make effective use of domestic resources as well as to access financial resources, to manage resources transparently in support of national development priorities and their absorption capacities	Commitments and capacities 	<i>commitment to and progress in</i> implementing jointly agreed political, economic, environmental and social reform objectives <i>commitment to and progress in</i> building deep and sustainable democracy , the rule of law, good governance, human rights , and the fight against corruption partnership with the Union , including the level of ambition for that partnership absorption capacity
<i>potential impact</i> of Union funding in partner countries and regions	Potential impact 	<i>potential impact</i> of Union support under the instrument

Source: ECA based on [Regulation \(EU\) 2021/947](#).

09 The NDICI-Global Europe programming process consists of drawing up and adopting programming documents – MIPs. The EU delegations design the country

MIPs, in cooperation with the Commission and the European External Action Service (EEAS), in particular the Directorate-General for International Partnerships (DG INTPA), Directorate-General for Neighbourhood and Enlargement Negotiations (DG NEAR), and Foreign Policy Instrument service (FPI). The Commission and the EEAS also draw up the regional and thematic programmes, following consultation with the relevant EU delegations and other Commission services. The Member States provide their opinions in the NDICI-Global Europe committee. The final decision is taken by the Commission's College of Commissioners. *Figure 3* shows the division of responsibilities.

Figure 3 – Responsibilities in the programming process



Source: ECA based on EC internal documents.

10 By December 2022, the Commission had adopted MIPs for 102 partner countries, five regions (sub-Saharan Africa, Southern Neighbourhood, Eastern Neighbourhood, Asia/Pacific and Americas and the Caribbean), four thematic programmes and a MIP for the Erasmus+ programme. No MIPs were yet proposed for adoption for seven partner countries, due to their specific situations. The absence of a basis for programming in a form of a joint document has not yet resulted in the finalisation of MIPs for Morocco and Tunisia.

11 Although the funding programmes cover a period of seven years, the Commission and the EEAS only allocated the funds in MIPs for the partner countries for a four-year period (2021-2024). The remaining funds will be distributed following a mid-term review, informed by a mid-term evaluation to be completed by December 2024 (see paragraph 54).

12 To increase the impact of the EU's collective cooperation, the NDICI-Global Europe Regulation strongly encourages joint programming where possible and appropriate. Joint programming occurs when the EU and its Member States, together with the national development agencies and financing institutions, agree to adopt a common multiannual programming document setting out their cooperation with a partner country.

13 The NDICI-Global Europe shapes EU development aid and external cooperation for the entire MFF period. A proper programming exercise is crucial to ensure that EU support addresses partner countries' needs, while taking into account their commitment to carrying out reforms, their domestic capacity and contributions from other donors. Good programming is therefore an essential condition for effective delivery and better impact, two aspects that the EU is committed to achieving⁷.

⁷ Paris declaration on aid effectiveness, the Accra agenda for action, and the Busan high level forum on aid effectiveness.

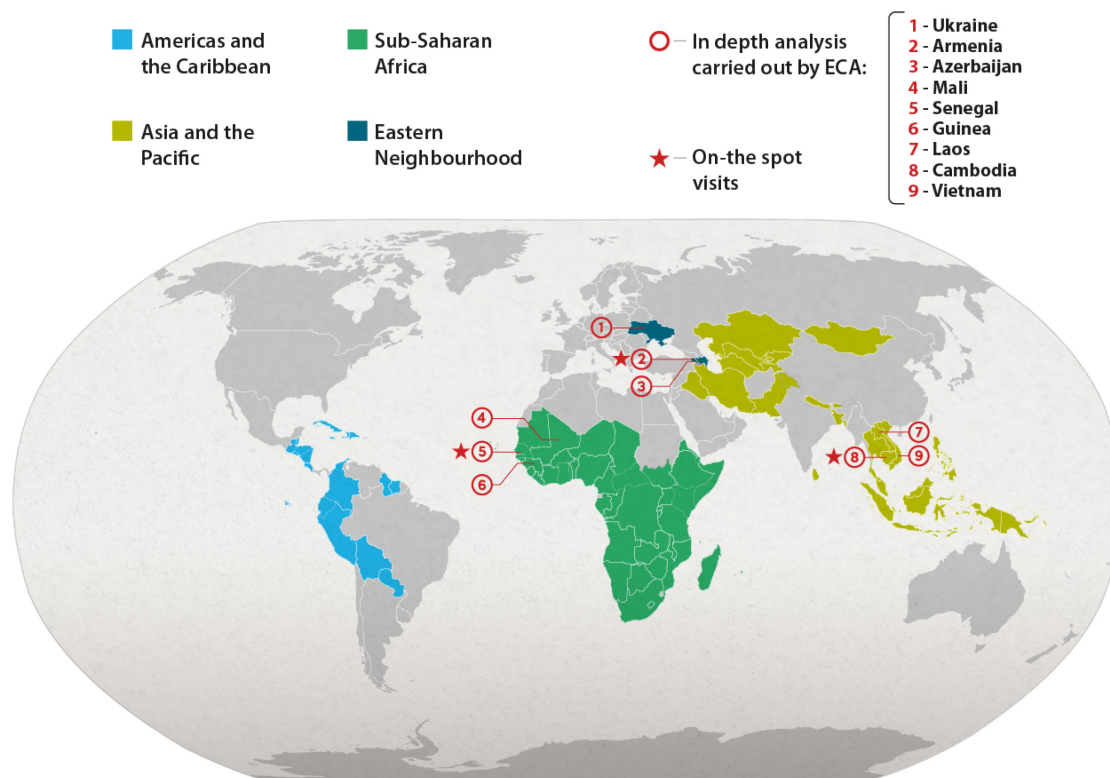
Audit scope and approach

14 The objective of our audit was to assess whether the Commission and the EEAS had programmed the NDICI-Global Europe appropriately and make recommendations for improvements in future programming processes, in particular providing input for the NDICI-Global Europe mid-term review in 2024. To answer the main question, we considered three sub-questions:

- Did the Commission and the EEAS allocate the NDICI-Global Europe funds using sound methodology based on strategic principles?
- Did the Commission and the EEAS select priority areas and sectors based on a proper assessment of the development situation and needs?
- Did the programming documents set out a comprehensive results monitoring approach for the NDICI-Global Europe?

15 Our work included a review of the Commission's and the EEAS's internal instructions, guidance, working papers, decisions and reports. We carried out the audit based on a review of all the country MIPs that had been adopted by 31 May 2022 (89 in total). This review consisted in examining horizontal topics, such as priority areas, joint programming, Team Europe initiatives, EFSD+ or monitoring indicators. We also analysed the timeliness of the launched MIPs. In addition, we performed an in-depth analysis of a sample of nine country MIPs (Senegal, Mali, Guinea, Cambodia, Vietnam, Laos, Ukraine, Armenia and Azerbaijan) in the three geographical regions that featured the highest financial materiality: sub-Saharan Africa, Eastern Neighbourhood, and Asia and the Pacific. In each region sampled, we visited one country (Senegal, Armenia and Cambodia) and performed desk reviews for the other sampled countries (see [Figure 4](#)). We examined the regional MIPs related to the sampled countries to identify potential complementarities or overlaps between regional and country MIPs.

Figure 4 – Multiannual indicative programmes covered by the audit



Source: ECA based on the MIPs.

16 We reviewed the financial allocation, priority areas, sectors (based on the development assistance committee (DAC) code information), planned indicators, Team Europe initiatives and EFSD+ allocation for every country. For the sample, we analysed the choice of sectors for cooperation, coordination between the donors, consultations with national authorities and civil society, coherence with regional and thematic programmes and the monitoring arrangements in place. To complement our analysis, we interviewed the EEAS, the Commission, the EU delegations and various stakeholders (e.g. donors, ministries and civil society organisations) in the countries we visited.

17 We focused our audit on the geographical programmes, in particular the country MIPs (see paragraph 03).

Observations

The methodology for the allocation of NDICI-Global Europe funds was not fully transparent, consistent or comprehensive

18 The NDICI-Global Europe Regulation⁸ determines the financial envelopes for geographical and thematic programmes, rapid response actions, and the emerging challenges and priorities cushion (see [Table 2](#)).

Table 2 – NDICI-Global Europe financial envelope (2021-2027)

	Financial envelope (million euro)	Share of total NDICI-Global Europe budget
Geographical programmes	60 388	76 %
Sub-Saharan Africa	at least 29 181	37 %
Neighbourhood	at least 19 323	24 %
Asia and the Pacific	8 489	11 %
Americas and the Caribbean	3 395	4 %
Thematic programmes	6 358	8 %
Human Rights and Democracy	1 362	2 %
Civil Society Organisations	1 362	2 %
Peace, Stability and Conflict Prevention	908	1 %
Global Challenges	2 726	3 %
Rapid response actions	3 182	4 %
Emerging challenges and priorities cushion	9 534	12 %
TOTAL NDICI-Global Europe	79 462	100 %

Source: Regulation (EU) 2021/947.

19 We assessed the way in which NDICI-Global Europe funds were allocated to all country MIPs. In particular, we analysed whether the financial allocations were based on consistent, transparent, measurable and comparable assessments reflecting the key allocation and programming principles stated in the NDICI-Global Europe Regulation

⁸ Article 6 of 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](#).

(see paragraph 08 and [Figure 2](#)). We checked whether the Commission and the EEAS took into account potential contributions from other donors in their assessments as this has an impact on partner country needs and absorption capacity, and the risk of fraud. We also examined the reliability of the allocation methodology used for non-Neighbourhood countries and the justification for any *ad hoc* adjustments.

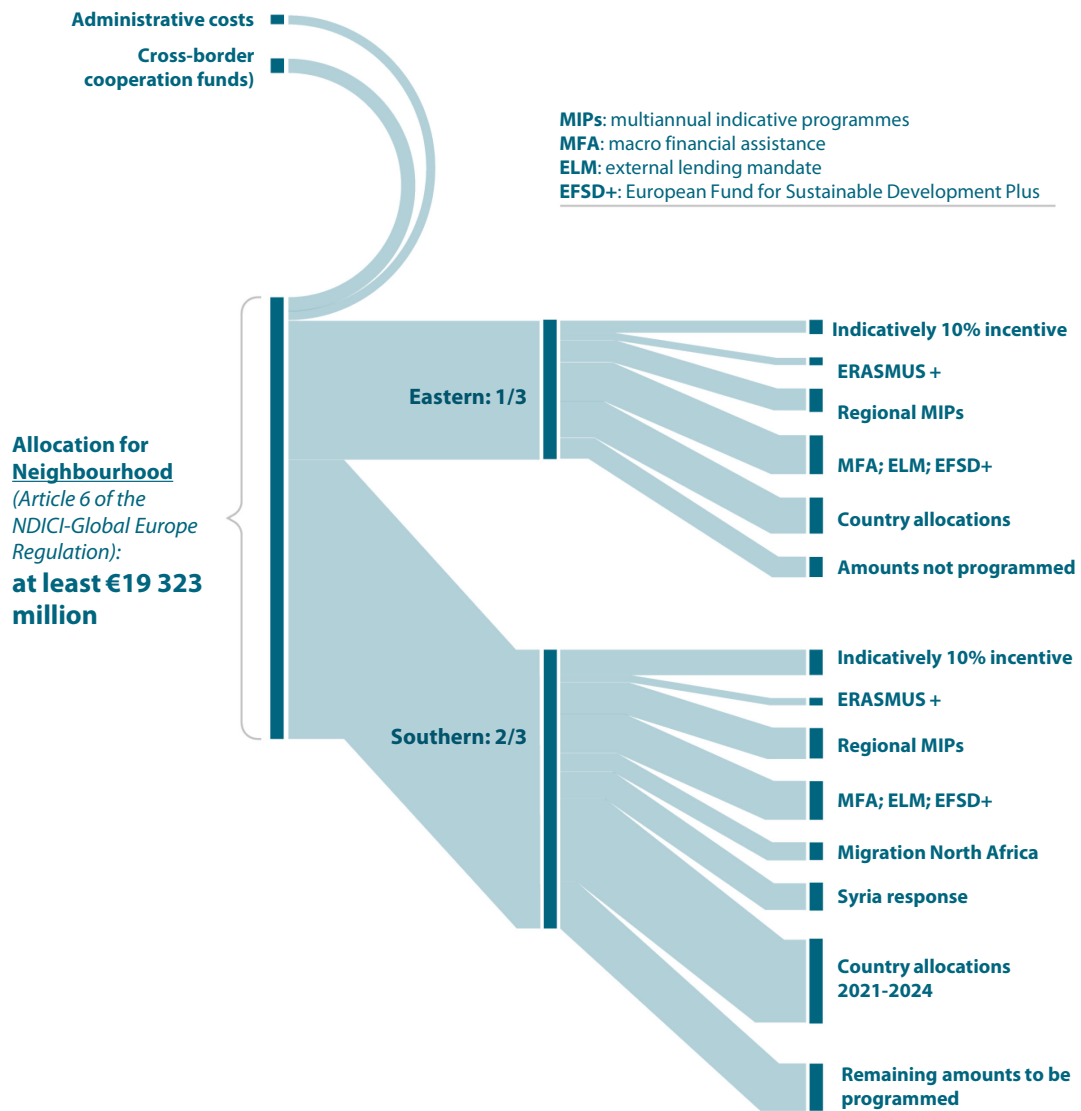
The Commission and the EEAS still use various fund allocation methodologies, despite having one specific instrument

20 The Commission and the EEAS deducted funds from the geographical envelopes to cover administrative costs, ERASMUS+, regional priorities, cross-border cooperation (for Neighbourhood countries), and other investments. They then allocated the remaining funds among the proposed country MIPs. [Figure 5](#) and [Figure 6](#) show the breakdown of the envelopes, established in the regulation, available for the Neighbourhood and non-Neighbourhood regions.

21 The Neighbourhood envelope was split between the Eastern Neighbourhood (Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine) and Southern Neighbourhood countries (Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestine, Syria and Tunisia); one-third and two-thirds of the financial allocation, respectively. The NDICI-Global Europe Regulation aims to ensure an adequate geographical balance (recital 27). The indicative ratios of one-third and two-thirds are not specified in the NDICI-Global Europe Regulation, but were derived from the previous programme period (2014-2020). The July 2020 European Council Conclusions⁹ reiterate the need to maintain an adequate geographical balance, but do not specify the ratio.

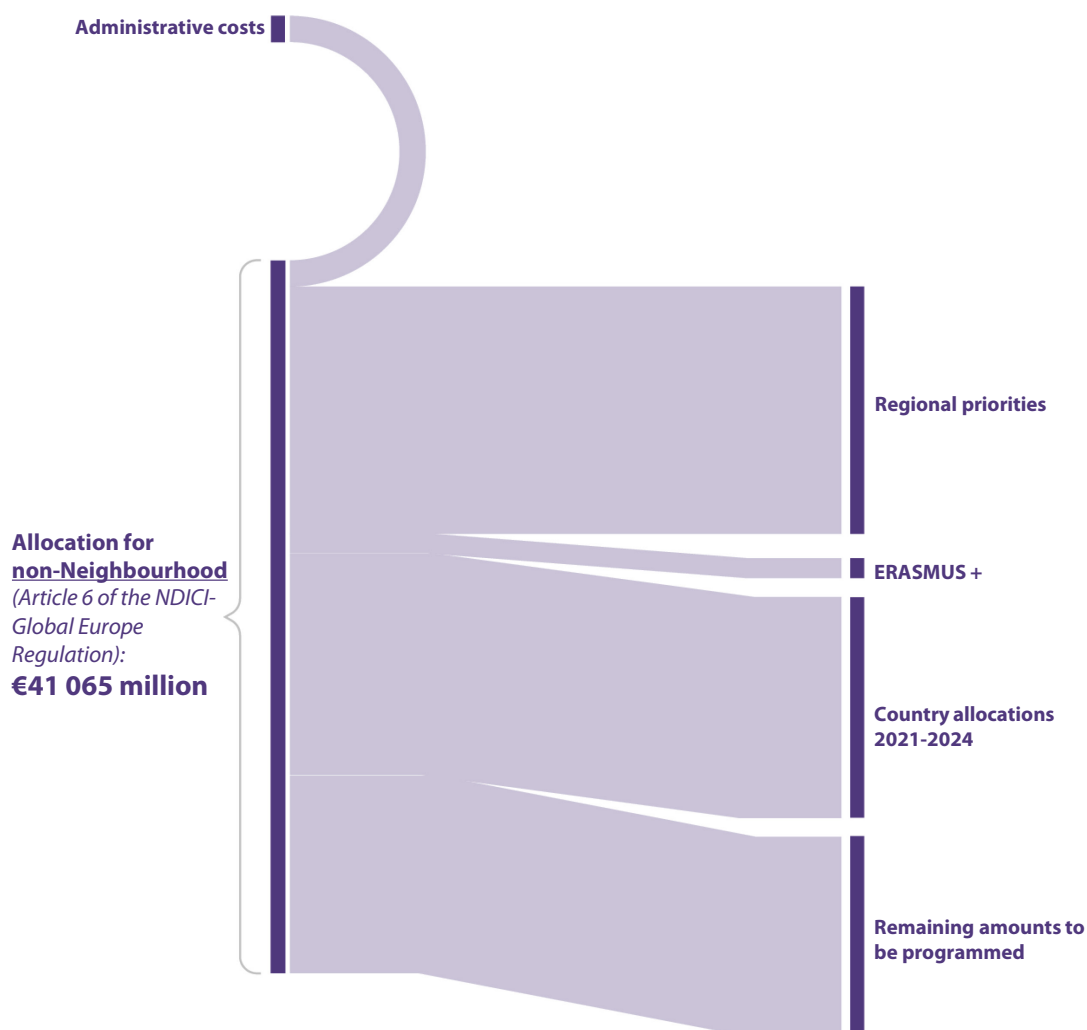
⁹ European Council Conclusions. [Special meeting of the European Council](#) (17, 18, 19, 20 and 21 July 2020), paragraph 120, p. 55.

Figure 5 – Breakdown of the Neighbourhood envelope



Source: ECA.

Figure 6 – Breakdown of the non-Neighbourhood envelope



Source: ECA.

22 Despite having one specific instrument, the Commission and the EEAS use different methodologies to set financial allocations across the geographical programmes. For the non-Neighbourhood countries, the approach is quantitative, based on collected data with subsequent qualitative adjustments. The collected data, in the form of indicators, were converted into adjusted numerical values and allocations were calculated using a formula (see paragraphs [28-32](#)).

23 The Commission and the EEAS consider that a quantitative approach would not be suitable for addressing the specificities of the Neighbourhood countries. The services involved highlighted the limited number of countries in the Neighbourhood regions and the significant differences between these countries in terms of population and human development. According to the Commission and the EEAS, a quantitative approach as followed for the non-Neighbourhood countries would favour highly populated countries and require too many adjustments to take proper account of

cooperation needs. Nevertheless, the Commission and the EEAS could have set a maximum value, as they did with the population and the Gross National Income for the non-Neighbourhood countries.

24 Merging several instruments into one single instrument was supposed to lead to greater coherence in the area of external action, simplify procedures and improve spending transparency. Using different allocation methodologies for countries in different geographical regions does not contribute to these goals. Moreover, it hampers the comparability and transparency of the assessments and the corresponding financial allocations.

The allocation for Neighbourhood countries was based on non-comparable and insufficiently documented qualitative assessments

25 The Commission and the EEAS carried out short, narrative assessments of the Neighbourhood countries, referring to the NDICI-Global Europe Regulation criteria (see [Figure 2](#)). Syria, Libya, Israel and Belarus were not included in the application of the qualitative methodology, as the Commission and the EEAS did not foresee any MIPs due to political considerations.

26 However, we found that these 12 assessments were not comparable, as they did not systematically cover the same allocation criteria and the wording was inconsistent (see [Box 1](#)). Furthermore, there was no evidence to support the underlying criteria used for the assessments (e.g. through the inclusion of figures to justify the high or very high absorption capacity reported in the assessment). As the assessments of needs, commitment, progress in implementing reforms, level of partnership and absorption capacity were not standardised, we could not establish a link between the financial allocations and ranking of the countries according to the established criteria. In addition, the Commission and the EEAS did not take into account potential contributions from other donors. Although not included in the allocation criteria, the donors' support has an impact on the needs assessment and absorption capacity.

Box 1**Examples of non-comparable assessments of Neighbourhood countries**

The following aspects were not comprehensively assessed in the Commission's and the EEAS's short narrative assessments of Neighbourhood countries:

- levels of 'inequality-adjusted human development' as an indicator of needs: only assessed for seven of the 12 countries, while classification criteria (low/medium/high) were not documented despite being based on a quantifiable indicator;
- absorption capacity of partner countries: the Commission used a wide variety of non-comparable wording (e.g. 'slightly lower than the region's average', 'comparably lower than for most of the partners in the region', etc.);
- Gross Domestic Product per capita: only mentioned for Morocco, Libya and Algeria.

27 The financial allocations of the country MIPs proposed for adoption are the result of these assessments and of internal negotiations reflecting the political context and taking into account the level of cooperation. The allocation criteria, as per the regulation, are mainly qualitative. They were not converted into measurable factors in a standardised and comparable way. Therefore, we could not replicate the financial allocation process.

The allocation methodology for non-Neighbourhood countries was quantitative, comparable and more transparent, but insufficiently rigorous in its application

28 The Commission and the EEAS worked together to establish an allocation methodology based on a formula that reflected programming principles stated in article 13(2) of the regulation, notably partner countries' needs (including factors, such as population and gross national income per capita) and their performance in governance issues.

29 The use of quantitative allocation methodology is more transparent and facilitates the audit trail, allowing the independent replication of the methodology used and enabling comparability between countries.

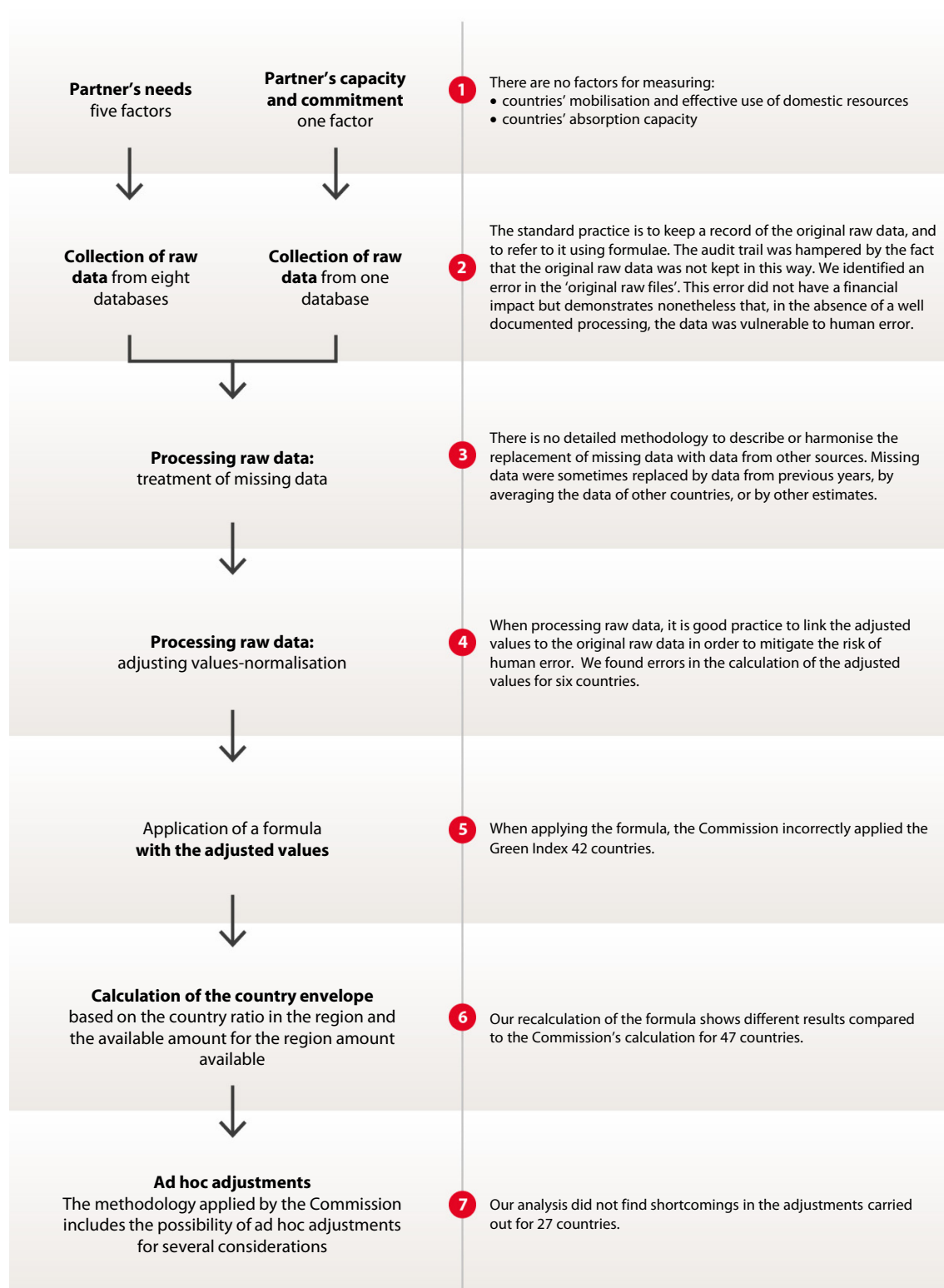
30 However, the applied methodology did not include standardised, documented procedures (see [Figure 7](#)) for:

- specifying the indicators used and the reason for their selection, as there can be different calculation methods (e.g. the World Bank uses seven different methods for measuring gross national income per capita);
- specifying the data sources to be used and relevant year to ensure transparency;
- keeping the original unprocessed information (extraction files) and showing how this raw data was linked to the processed, normalised data;
- replacing missing data;
- removing countries from the calculation methodology, which impacts the allocations for the remaining countries in the same region.

31 Furthermore, the methodology for country allocations did not take into account two programming principles: mobilisation and effective use of domestic resources, and absorption capacity (see [Figure 7](#)). This could lead to risks in the effectiveness of spending in the partner countries.

32 We also reviewed the reliability of the raw data collected and used by the Commission, by reprocessing the data, and by re-running the formula using the Commission's adjusted values for all the recipient countries. We compared our own calculations with the Commission and the EEAS results. We were in general able to reconcile our calculations with the Commission and the EEAS figures. However, we also found shortcomings (see [Figure 7](#)).

Figure 7 – The ECA’s analysis on the Commission’s allocation methodology



Source: ECA.

The MIPs favoured flexibility, but were adopted late and their wide scope can undermine impact

33 The NDICI-Global Europe Regulation¹⁰ states that country MIPs will select priority areas for EU financing. The NDICI-Global Europe programming guidelines specify that EU cooperation should be concentrated on three priority areas, except in the case of the Neighbourhood. These priority areas may be further divided into a maximum of three indicative sectors each. By limiting the areas of intervention, the Commission and the EEAS aimed to increase the impact of its funding.

34 We examined whether the Commission and the EEAS had:

- analysed the partner countries' situations, vulnerabilities and needs;
- provided sound justification for their selection of priority areas and sectors;
- analysed the potential impact of EU funding;
- identified the potential for blending and guarantees; and
- consulted relevant stakeholders and coordinated both internally and with other donors, in particular through joint programming and Team Europe initiatives.

The Commission and the EEAS analysed the needs for the cooperation areas they planned to cover and consulted most of the stakeholders

The Commission and the EEAS analysed countries' situations and needs

35 The Commission performed a sustainable development goals (SDG) analysis by country and, together with the EEAS, asked the EU delegations to analyse the available national development priorities, draft country assessments and meet relevant stakeholders during the preparatory work for the post-2020 programming exercise, which started in February 2019.

36 The EU delegations drew up country assessments, which included a brief description of the countries' situations and their inhabitants' needs, trends, the main political, social, economic and environmental issues, progress in terms of SDGs, the main interests of the EU and the Member States, policy and political objectives, the proposed response from the EU and Member States, and consultations held.

¹⁰ Article 14.2 of [Regulation \(EU\) 2021/947](#).

37 In line with the NDICI-Global Europe Regulation and the guidelines, the EU delegations drew up preliminary conflict assessments for countries in crisis and post-crisis, fragile countries and countries in vulnerable situations. The assessments covered the main security, political and economic risks.

The EU delegations consulted most of the stakeholders

38 All the EU delegations sampled provided a list of the stakeholders they consulted, including those to whom they presented the MIP priorities. These consultations involved partner-country governments, Member States' representatives, Member States' development agencies, UN organisations, other donors, European and international financial institutions, a large number of civil society organisations, and representatives from the private sector. The consultations took place early in the MIP preparation process and included written feedback and online meetings.

39 Most of the stakeholders we interviewed emphasised the inclusiveness of consultations and the good ongoing cooperation with the EU delegations. However, some stakeholders in the nine countries that we analysed could have provided interesting input but were not thoroughly consulted. For example, the Commission did not consult religious leaders and traditional authorities in Guinea, even though the EU delegation acknowledged them as potential drivers of change. The MIP itself recognises the need to support the legal system through religious and traditional leaders and explore the role of religious authorities in peace and security.

40 In general, the contributions from participating stakeholders were considered, and were reflected in the choice of priority areas and cooperation objectives. This was confirmed during our meetings with the stakeholders. However, some pointed out challenging issues they had encountered during consultations (see [Box 2](#)).

Box 2

Stakeholder feedback on the consultation process

The civil society organisation (CSO) representatives in Armenia criticised the lack of discussion on the MIP indicators, although this was something that had taken place in the past. The CSOs stressed the importance of choosing relevant indicators, which are a strong tool for the CSOs to be able to monitor the government's progress in carrying out reforms.

In Cambodia, the Ministry of the Environment was sceptical about including renewable energy in the MIP. Other horizontal government structures recognised the need for renewable energy, but considered it a longer-term goal. Their immediate priority was to increase productivity through energy efficiency. Renewable energy was therefore more of an EU than a government priority.

41 Consultations focused on the countries' needs and priorities, but did not include discussions on NDICI-Global Europe financial allocations with governments, donors or other stakeholders. Discussions on the potentially most resource-intensive sectors or the areas in which EU funds are considered most necessary would have been helpful for financial allocation and for planning government actions in partner countries.

42 Furthermore, the consultations held in partner countries did not cover the regional priorities (see paragraph 09). The Commission and the EEAS drew up the regional multiannual indicative programmes (regional MIPs) in parallel to the MIPs and consulted a variety of partners and stakeholders, mainly in Brussels. The EU delegations were not sufficiently involved in the process and did not consult with donors to determine regional needs. It is worth noting that donors who cooperate in several countries in a given region could add value when it comes to setting regional priorities (e.g. Germany is strongly involved in regional cooperation in Asia). Moreover, the national authorities in Senegal observed that there was a lack of discussion on regional priorities. The Commission and the EEAS organised four information meetings on the Sub-Saharan Africa regional MIP priorities, but these were limited to regional organisations and the African Union and not with national representatives.

The selected priorities and sectors for EU cooperation corresponded to the Commission's and partner countries' priorities

43 When drafting the MIPs, the EU delegations and the Commission and the EEAS coordinated with Member States and with other services of the Commission through the country team meetings and inter-service consultations. Overall, the priority areas and supported sectors were relevant, as they responded to the development priorities

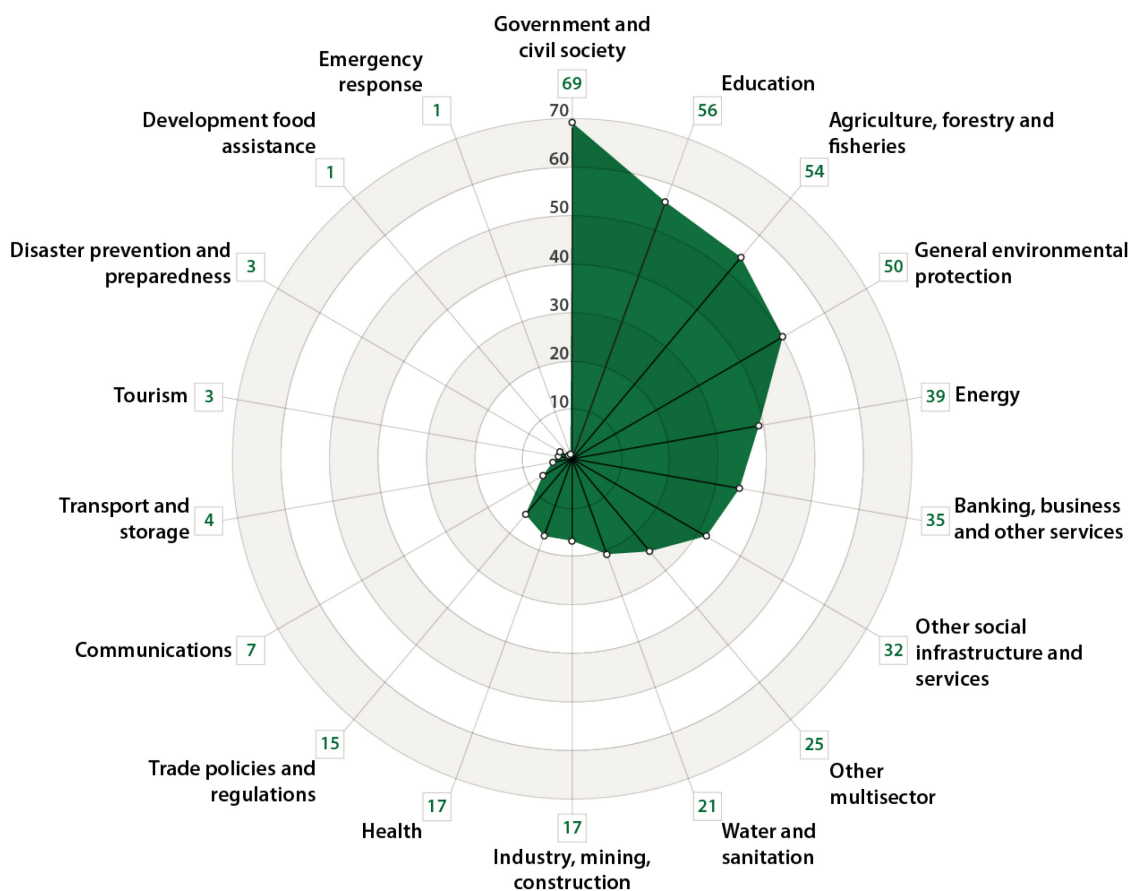
of partner countries. They were also well aligned with the Commission priorities for the EU's international partnerships (Green Deal, digital transformation and data technologies, alliances for sustainable growth and decent jobs, better management and governance of migration, migration partnerships, and governance, peace and security)¹¹. There were clear complementarities between different priority areas.

44 In order to report on and coordinate their efforts, international development stakeholders use the Organisation for Economic Cooperation and Development classification of sectors in the form of development assistance codes (DAC codes)¹². Analyses of the available DAC codes (see [Figure 8](#)) showed that all the MIPs concerned addressed governance, apart from those for Botswana, Guyana, Nicaragua, Iran, Suriname and Tajikistan, together with one multi-country MIP. Education was addressed in almost three quarters of the MIPs (56 countries), with a focus on vocational training. The 'Green Deal' sectors (agriculture, environment, forestry, fishing and green energy) were largely addressed by the MIPs. In comparison, healthcare was only addressed in 17 countries.

¹¹ EU International Partnerships. [European Commission priorities](#).

¹² Organisation for Economic Cooperation and Development. [DAC code lists](#).

Figure 8 – Frequency of priority sectors according to DAC codes



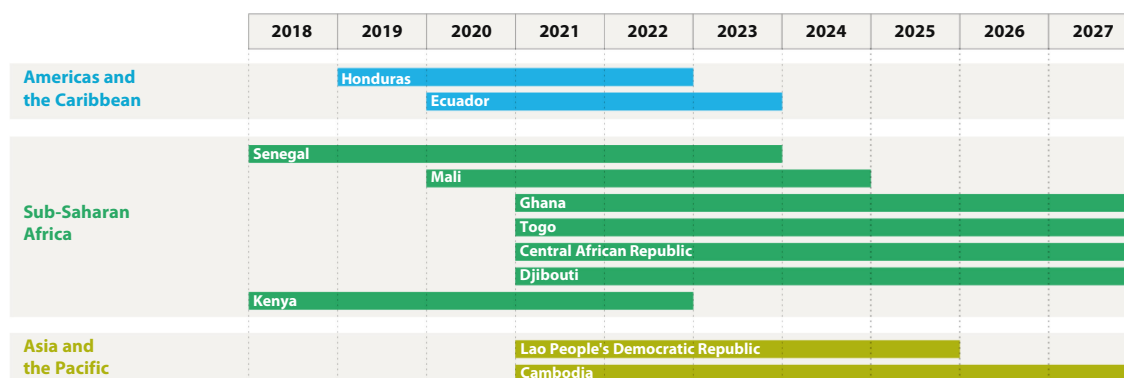
Source: ECA based on country MIPs adopted by January 2022.

Joint programming remains limited as its preparation involves a heavy workload

45 Joint programming documents are multiannual programming documents outlining the potential sectors and objectives for cooperation between the EU and its Member States and partner countries. When the Commission's College of Commissioners adopts a joint programming document, the latter replaces the MIP. This is the case for seven countries including Cambodia, Laos, Senegal and Mali in our sample. The NDICI-Global Europe Regulation¹³ states that MIPs should preferably be based on joint programming strategies, since these enable coherence, complementarity and consistency with the support provided by other EU Member States. The number of joint programming strategies remains limited, with 11 (out of 89) countries at the time of the audit (see [Figure 9](#)) compared to the previous programme period with 17 countries. Eight additional joint programming documents were in the process of being adopted. Joint programming is therefore not yet the most commonly used approach.

¹³ Article 12.2 (c) of the [Regulation \(EU\) 2021/947](#).

Figure 9 – Joint programming documents as at January 2022



Source: ECA based on MIPs.

46 This exercise is useful in order to identify needs and areas for intervention or of interest to all participants. However, it entails a heavy workload for the EU Member States and the EU delegations. EU Member States' development agencies referred to the limited added value of the document compared with the time spent. Joint programming is expected to be followed by joint implementation, which involves pooling resources and joining forces to maximise the resulting impact. However, the European partners each have their own bilateral or regional strategy and only use the joint programming document for reference, especially as these documents are not legally binding for EU Member States.

The broad scope of the selected priority areas risks undermining the impact of EU funding

The priority areas are broad

47 As required by the guidelines, all the non-Neighbourhood MIPs include three broad priority areas covering a wide range of domains. The MIPs are therefore flexible and allow for wide areas of cooperation in order to adapt to unforeseen events. On the other hand, broad priority areas can limit the focus and the potential impact of EU funding. This is particularly significant if the funding levels were reduced, as was the case for Asian countries. For example, in Cambodia, the priority areas are similar to those in 2014-2020, but the funding was substantially reduced (see [Table 3](#)).

Table 3 – Cambodia’s allocations by sector/priority area (million euros)

MFF 2014-2020			MFF 2021-2027		
Sectors	Seven-year funding	Annual average	Priority areas	MIP funding 2021-2024	Annual average
Agriculture/natural resource management	144.0	20.6	Green growth and decent jobs (3 DAC sectors)	62.0	15.5
Education/skills	140.0	20.0	Education and skills development (3 DAC sectors)	48.0	12.0
Governance and administration	120.0	17.1	Good governance (3 DAC sectors)	37.0	9.3

Source: ECA based on the 2014-2020 multiannual indicative programme and 2021-2027 MIP.

48 The MIP in Mali lists three priority areas: (1) better functioning of the state; (2) job creation, encouraging the economy; and (3) response to essential/basic human needs. These priorities officially cover eight sectors, but as these areas are broad, the MIP actually encompasses many other sectors (see examples in [Box 3](#)).

Box 3

Examples of broad definition of sectors in Mali

One sector is entitled 'Stabilisation and return of the state in fragile areas'. This one sector covers security needs, security poles for development, infrastructure (roads, water and sanitation, renewable energies, digitalisation), social services, border control, and management of migration and governance.

The 'Justice and rule of law' sector also includes support for land tenure, culture, heritage, sport, and natural resources.

49 The most focused MIP in the sample was Guinea with nine general sectors (energy, agriculture and fisheries, environmental protection, health, water and sanitation, vocational training, governance and civil society, conflicts, peace and security, and migration), as it covers more narrowly focused sectors than the other MIPs. We also found an example of good practice in Namibia’s MIP, outside our sample, with a focused set of priorities and sectors (see [Box 4](#)).

Box 4**Namibia's focused priority areas and sectors for cooperation**Priority area 1: 'Foundational'¹⁴ skills - education

Education policy and administrative management

Teacher training

Early childhood education

Priority area 2: Inclusive green growth

Water supply and sanitation

Energy generation, renewable resources

General environmental protection

Priority area 3: Good governance and gender equality

Legislatures and political parties

Anti-corruption organisations and institutions

Ending violence against women and girls

50 The NDICI-Global Europe Regulation does not set a limit in terms of priority areas for the Neighbourhood countries. In our sample, each MIP included five priority areas. As required by the NDICI-Global Europe Regulation¹⁵, the priority areas were selected from the partnership cooperation agreements. These are established within the Eastern Partnership¹⁶, and were identified in the joint communication 'Eastern Partnership policy beyond 2020' of 18 March 2020¹⁷. These priorities cover a large spectrum of cooperation.

¹⁴ As described in the [MIP for Namibia](#).

¹⁵ Article 19 of the [Regulation \(EU\) 2021/947](#).

¹⁶ European Neighbourhood Policy and Enlargement Negotiations. [Eastern Partnership website](#).

¹⁷ EEAS. Joint communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions. [Eastern Partnership policy beyond 2020](#), SWD(2020) 56 final, 18 March 2020.

Delegations only analysed the sectors they supported

51 The NDICI-Global Europe Regulation¹⁸ requires geographical programmes to be based on the potential impact of EU funding in partner countries and regions. The NDICI-Global Europe programming guidelines do not specify the approach to take for measuring potential impact. The EU delegations' analyses only covered the sectors that finally received support. Alternative sectors were not included in the programming process. EU delegations had extensive knowledge of the partner countries situations and needs, but the MIPs did not demonstrate that the selected sectors were those in which EU funds could achieve the highest impact.

52 The only exception was Mali, where the EU delegation carried out 15 extensive sector evaluations. They assessed stakeholder capacities and commitment, potential EU impact/added value, and, where relevant, the achievements attained thanks to the Commission's previous support. For example, the EU delegation's evaluation of state reforms in this country concluded that the EU's added value was strong in public finance management, as it was based on good quality dialogue, clear relevance and policy credibility.

Delegations selected priority areas without knowing the amount of funding available

53 The priority areas were chosen without any knowledge of the final allocations for the individual countries. This made it difficult to define the scope and quantify the expected results of the seven-year programme (or the four years until its revision). The MIPs also lacked any justification for the financial breakdown between the different priority areas (e.g. a justification of the planned public expenditure in the supported areas or information on other donors' future contributions). The EU delegations explained that the financial allocations were initially based on internal brainstorming with regard to the planned annual action programmes and donors' involvement in the given sectors. However, only a minority of donors actually had a multiannual budget and were able to commit to future actions. Where included, the donors' planned support was indicative.

54 According to the NDICI-Global Europe programming guidelines, the MIPs should also include an additional indicative amount for the rest of the seven-year period, for the purposes of flexibility and continued political ownership. Subsequent instructions from the Commission and the EEAS to the EU delegations required that the MIPs should include the envelope for four years only. The country allocations for the last

¹⁸ Articles 13.2 and 19.2 of [Regulation \(EU\) 2021/947](#).

three years (2025-2027) will be decided following the mid-term review of programming. The relevance of this review may however be impeded by the late start of the actions (see paragraph 59).

The late adoption of the NDICI-Global Europe Regulation delayed the adoption of the MIPs

55 In June 2018, the European Commission proposed a regulation to the European Parliament and the Council¹⁹. The preparatory work for post-2020 programming began officially in February 2019. Programming began in November 2020 with the distribution of the guidelines to EU delegations, initially scheduled for December 2019. The process was delayed by the need to reflect the socio-economic impact of the COVID-19 pandemic and by the late adoption of the NDICI-Global Europe Regulation in June 2021 and of the related delegated act in July 2021. It then took approximately six months to adopt the first MIPs. The whole process from the preparatory work to adoption lasted three years (see *Annex I*). Some MIPs could not yet be proposed for adoption at the time of the completion of the audit.

56 For Neighbourhood countries, the NDICI-Global Europe regulation requires the adoption of joint documents (Partnership Priorities, Association Agendas or equivalent) setting out the basis for programming. Most of these joint documents expired in 2020 and their renewal was delayed due to slow progress on negotiations.

57 In comparison, the Development Cooperation Instrument and the European Development Fund programming exercises for 2014-2020 were launched in May 2012. The first two national indicative programmes were adopted in January 2014 and the last programme was adopted in April 2017, but the bulk of adoptions took place in the second semester of 2014. The whole process lasted around two years. For the European Neighbourhood Instrument, the regulation was adopted in March 2014 and the majority of the programmes, the Single Support Framework documents, were adopted in the second semester of 2014.

58 The late adoption of the MIPs influenced the preparation of the 2021 annual action plans setting out the actions to be funded. By the end of 2021, 98 MIPs were adopted as well as 55 action plans.

¹⁹ Proposal for a Regulation of the European Parliament and the Council [establishing the Neighbourhood, Development and International Cooperation Instrument](#), COM(2018) 460 final.

59 This late implementation could also have an impact on the mid-term review of programming, which will follow the mid-term evaluation of the instrument to be submitted by end 2024²⁰. During this review, the Commission and the EEAS plan to reassess the choices made for MIPs' priority areas during the programming and will propose country allocations for 2025-2027. The allocation will be based on a compulsory review taking into account each country's performance regarding a number of EU policy priorities (e.g. multilateralism, addressing inequalities, migration). Due to the late start of the actions, there will be less material available for the review.

Joint initiatives required significant additional work and delayed programming

Allocation of funding under the European Fund for Sustainable Development Plus

60 The new EFSD+ is an EU framework to support investments, to be implemented in partnership with a range of European and international financial institutions. The EFSD+ operations are financed under the geographical MIPs (country and regional MIPs). These include the provision of budgetary guarantees and the blending of EU grants with loans or equity from public and private financiers. The Commission and the EEAS asked the EU delegations to assess potential EFSD+ investments in partner countries. For the non-Neighbourhood, the Commission and the EEAS designed methodologies for earmarking part of the country allocations for the provisions of guarantees under EFSD+.

61 For the Asia and Pacific country MIPs, the Commission and the EEAS requested a flat-rate reserve equal to 15 % of the allocation for guarantees and 5 % for blending. The overall level of funding reserved for EFSD+ was higher than the EU delegations' initial estimates in the draft MIP for Laos, Cambodia and Vietnam (see example in [Box 5](#)). There is therefore a risk that the amounts set aside for EFSD+ guarantees exceed the actual requirements.

²⁰ Article 42 (2) of [Regulation \(EU\) 2021/947](#).

Box 5

EFSD+ provisions in Asia

- In **Cambodia**, there is limited potential for EFSD+ guarantees due to the country's internal rules, which are designed to prevent over-indebtedness (the experiences of other donors also indicate only limited interest in pursuing guarantees).
- In **Laos**, the assessed potential for guarantees was similarly limited.
- In **Vietnam**, however, the initial estimation of guarantees was higher than the 15 % required by the Commission in Brussels.

Blending under the EFSD+ could be exploited further, as other donors could use it to implement their loans.

62 The analysis of the provisions for the EFSD+ required additional effort from the EU delegations, which lacked experience in using this new instrument. This delayed the preparation of the MIPs. In addition, the MIPs did not specify the share of EFSD+ funding by priority area. Furthermore, the level of final use of these funds was uncertain until planned calls for proposals. As the EFSD+ is an implementing modality for geographical programmes, we found that the need to include this analysis at the programming stage in MIPs was overall unclear.

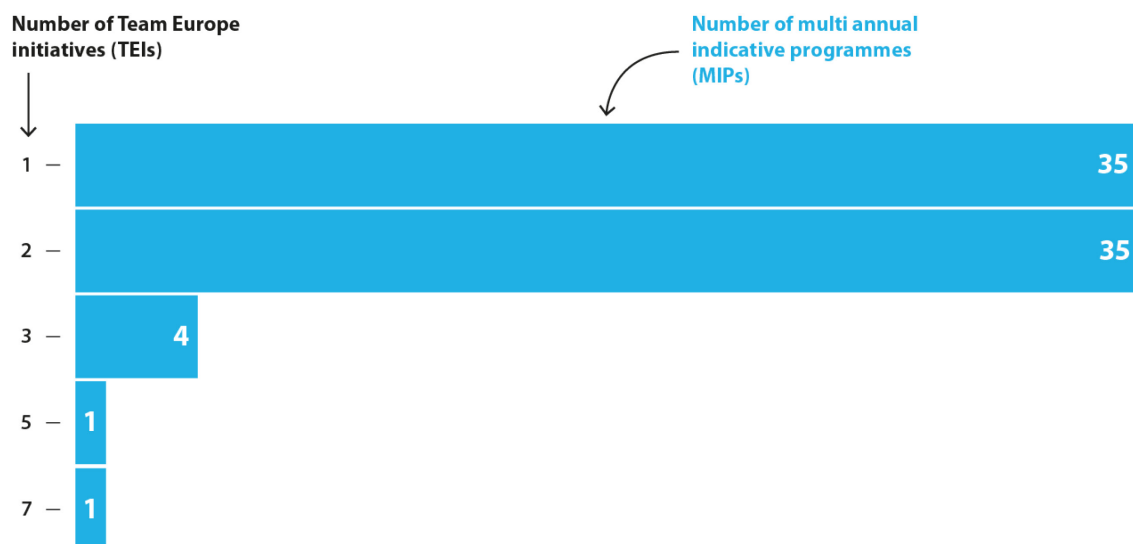
Team Europe initiatives were still at the development stage during NDICI-Global Europe programming

63 Team Europe (see paragraph **06**) groups together the EU and its Member States, their diplomatic network, finance institutions (including national development banks), and implementing agencies, as well as the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD). Team Europe was created in April 2020 to support EU partner countries in their fight against the COVID-19 pandemic. The Team Europe initiatives bring together various existing and future actions, which are coordinated jointly. The aim is to achieve a greater impact and increase the EU's visibility.

64 The NDICI-Global Europe programming guidelines allow a maximum of two Team Europe initiatives per MIP to be identified. All but 13 of the 89 country MIPs included a Team Europe initiative (those 13 being Seychelles, Botswana, Belize, Jamaica, Bhutan, Iran, Kazakhstan, Kyrgyzstan, Malaysia, the Maldives, Tajikistan, Thailand and

Turkmenistan). In most countries, the initiatives will be pursued in two areas (see [Figure 10](#)).

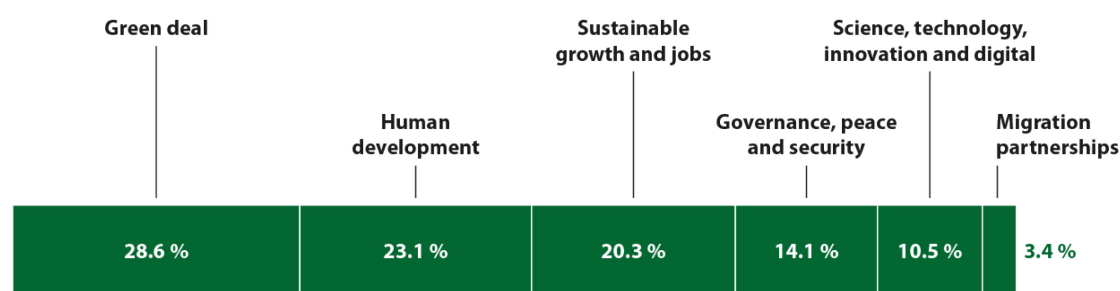
Figure 10 – Number of Team Europe initiatives per country MIP



Source: ECA based on the MIPs adopted by 31 May 2022.

65 Most Team Europe initiatives addressed several EU priorities at the same time. The Green Deal was the most common topic, followed by 'Human development' and 'Sustainable growth and jobs'. The least common theme was 'Migration partnerships' (see [Figure 11](#)).

Figure 11 – Share of thematic priorities in the country Team Europe initiatives



Source: ECA based on the MIP and the Commission's Team Europe initiative tracker data extracted from 4.2.2022–23.2.2022.

66 Apart from the Commission, an average of seven other donors participate in each Team Europe initiative. Seven initiatives did not specify their donors in the MIPs.

67 The MIPs indicated the EU's contributions to the Team Europe initiatives, but not those of the individual EU Member States. The uncertainty over the Member States' financial support also contributed to making the future of Team Europe initiatives

unclear as a collective initiative. In the MIP of Armenia, the EU's contribution to the Team Europe initiatives was indicative, and could be redirected if the specified actions were not launched. Due to this uncertainty concerning future support, the inclusion of the Team Europe initiatives in country programmes was premature. Interviews in the three countries visited indicated that the Team Europe initiatives, at the time of the audit, were not yet completely understood by their governments.

Flagship initiatives for Neighbourhood countries were initially not well understood

68 In the Neighbourhood countries, the MIPs were also intended to contribute to flagship initiatives. Flagship initiatives aim to provide support for socio-economic recovery and strengthening countries' resilience²¹. They are a combination of loans from financial institutions, private and public investments, and EU grants/blending support or guarantees within the framework of the Economic and Investment Plan. The flagship initiatives were jointly identified by partner-country governments, the Commission and the EU delegations.

69 Flagship initiatives constituted a new approach that was not mentioned in either the NDICI-Global Europe Regulation or the guidelines. As a result, the EU delegations had little time to design them. The flagships were to be funded under the EFSD+ and, where appropriate, through bilateral/regional allocations. EU delegations required more guidance from the Commission on the implementation modalities and allocations (blending, provision of budgetary guarantees, etc.), as well as on the source of funding (regional or country MIP). There has been no budget allocation for these flagship initiatives so far. The MIPs we reviewed only referred to the rough estimate amounts, which were calculated by the EU delegations in cooperation with banks and the Commission.

70 The MIPs detailed flagship initiatives to be implemented in the different priority areas. We found that in Armenia this created some initial misunderstandings: the government of Armenia did not initially receive clear information on the funding of the flagship initiatives, for example, the proportion of the funding they could expect in the form of grants, guarantees and loans.

²¹ The Commission and the EEAS, Joint Staff Working Document, [Recovery, resilience and reform: post-2020 Eastern Partnership priorities](#), 2 July 2021.

The MIPs lacked sufficient common indicators to measure progress at instrument level

71 The NDICI-Global Europe Regulation states that the 'Commission should ensure that clear monitoring and evaluation mechanisms are in place in order to provide effective accountability and transparency in implementing the Union budget, and in order to ensure effective assessment of progress towards the achievement of the objectives of the Instrument'²². We examined whether the indicators put in place by the Commission allowed an accurate measurement of the achievement of the specific objectives and the expected results of the sampled nine MIPs.

The selected MIP indicators will not necessarily measure actual achievements

Not all MIP indicators have proper baselines or targets

72 In line with the NDICI-Global Europe Regulation²³, the MIPs should include relevant performance indicators for monitoring the specific objectives and the expected results of the priority areas and sectors of intervention. In our sample, almost 15 % of the indicators exclusively monitored the EU's direct contribution (e.g. the number of new beneficiaries with access to business advisory services with EU support). The remaining 85 % monitored the country's overall progress, in the areas where the EU is one of contributors. These indicators rely on national sources of information and have been agreed with the relevant national authorities.

73 The majority of the around 700 sampled indicators were specific. However, more than 20 % of the sampled indicators had either no baseline or an unclear baseline, and 24 % had either no targets or unclear targets. This made it difficult to measure performance (see [Box 6](#)).

²² Recital 18 of [Regulation \(EU\) 2021/947](#).

²³ Article 12(3) of [Regulation \(EU\) 2021/947](#).

Box 6

Examples of lack of reliable sources of evidence, baselines or targets

- In **Senegal**, the indicator 'proportion of diaspora remittances directed towards productive and socio-economic investments' was set at 14 %, but the EU delegation recognised that the absence of evidence meant that this indicator could not be measured objectively.
- In **Guinea**, the MIP indicated a baseline of a 56 % hiring rate after vocational training. However, this statistic does not appear in the source referred to in the MIP.
- In **Mali**, six targets refer to an 'increase', without specifying the extent of the increase and baselines.
- In **Ukraine**, 16 targets also refer to an 'increase' while seven have either no baselines or unclear baselines. Eight indicators in Ukraine's MIP require a 'decrease', without specifying the extent. Furthermore, baselines are missing in three of the eight cases. Without clear targets, it is impossible to assess the level of ambition.

74 The EU delegations could not provide underlying evidence of the sources for all the baselines and targets. For instance, in Mali, the consultants who defined the indicators had been replaced, and neither the new staff nor the EU delegation could provide the working documents (sources used). Armenia's MIP did not mention the sources of the indicators, and both Azerbaijan's MIP and Ukraine's MIP referred to 'government reports' without specifying which reports. As a result, reporting and monitoring of these indicators will be jeopardised by the lack of, or difficulty in obtaining, evidence, as well as the use of incorrect data.

75 We also found examples of unclear indicators raising uncertainties over what exactly will be measured (see [Box 7](#)).

Box 7

Examples of unclear indicators

- Global Europe Results Framework (GERF) indicator 2.13 refers to the 'number of green jobs'. However, at the time of finishing the audit work, there was no methodology explaining which jobs should be considered 'green'.
- In **Mali**, the MIP indicator 'post-production loss rate of agricultural products' does not specify the crops for which information is available and will therefore be measured.

There is a risk that MIP indicators will not be used during monitoring

76 While the NDICI-Global Europe programming guidelines required that indicators with quantified targets and baselines in the MIP be included, the Commission explained that there was no planned monitoring or reporting of these indicators. Neither the Commission nor the EU delegations monitored the national indicative programmes Single Support Framework targets for the previous 2014-2020 multiannual financial framework.

77 According to the Commission, monitoring will take place at intervention level, meaning that only the actions will be monitored. While the EU delegations were free to define the action indicators, they could also refer to the MIP indicators. We examined the indicators for the 2021 action documents adopted in Senegal and Mali, comprising a youth action document in Senegal, a 'return of the state' document in Mali, and rural development and resilience documents in both countries. We found that these action documents included indicators that differed from those that were specified in the MIP. Therefore, there is a risk that the MIP indicators will not be used during monitoring.

The Commission's common results framework was not yet sufficiently transposed across the MIPs

78 According to the NDICI-Global Europe programming guidelines, the MIPs should include a limited number of indicators. However, the Commission never defined what 'limited' means. We found that the complexity and resource requirements of the monitoring exercise, as well as the fragmentation of performance information increases with the number of indicators. Because of the lack of the definition of the appropriate number of indicators to be included in the MIPs, we found a huge diversity in the approach taken by the EU delegations with the number of indicators ranging

from 0 to 152. In particular, seven small MIPs (Indonesia, Turkmenistan, Thailand, Costa Rica, Kazakhstan, the Seychelles and Malaysia) did not include indicators at all. These MIPs only covered technical assistance. On average, the remaining 78 MIPs each included 41 indicators. The three Neighbourhood countries (Armenia, Azerbaijan, Ukraine) had the highest number, with more than 100 indicators each. For example, Azerbaijan's MIP had 152 indicators.

79 The NDICI-Global Europe programming guidelines recommended using the EU International Cooperation and Development Results Framework when defining the MIP indicators. On 12 January 2021, DG INTPA prepared a list of EU International Cooperation and Development Results Framework indicators to be used in the MIPs and sent it to the EU delegations. On 26 October 2021, DG INTPA updated the list and shared it as the 'Global Europe Results Framework' (GERF) indicators²⁴. It included 71 common indicators to enable NDICI-Global Europe's overall performance to be monitored and the financial targets stated in the NDICI-Global Europe Regulation to be met. At that time, the draft MIPs were already in their final stage.

80 The Commission analysed the indicators under all the MIPs and recommended increasing the number of GERF indicators, while reducing the overall number of indicators. The EU delegations were under no obligation to follow these suggestions (see [Box 8](#)). DG INTPA explained that aggregation would not be based on the MIP indicators, but would be carried out at intervention level.

²⁴ Commission staff working document. [Launching the Global Europe Performance Monitoring System containing a Revised Global Europe Results Framework](#). 25 January 2022.

Box 8**Inconsistent wording or units in common indicators will complicate automatic aggregation**

GERF 1.11 relates to the unemployment rate. However, the MIP for Tajikistan refers to the 'youth unemployment rate', while the MIP for Iran refers to the 'unemployment rate of the target population (resident/host communities and displaced persons) compared to the national average'.

GERF 2.2, 'areas of agricultural and pastoral ecosystems where sustainable management practices have been introduced with EU support', should be measured in hectares. In Azerbaijan, the baseline was zero and the target was one. The MIP does not state which units are measured.

GERF 2.8 and GERF 2.9 are similarly problematic, as MIPs used hectares, km² and percentages.

81 It will only be possible to aggregate results at NDICI-Global Europe level if there are common indicators in both the MIP and the implemented actions. The identification of GERF indicators in the MIP would guide the subsequent selection of common indicators at action level. However, the MIP for Senegal included three GERF indicators (2.13, 2.14, 2.20), whereas the action document for youth included two, slightly different, GERF indicators (1.12 and 2.20).

82 Each MIP included at least one GERF indicator, and eight on average. The most common GERF (GERF 2.1, 'number of smallholders reached with EU-supported interventions aimed to increase their sustainable production, access to markets and/or security of land') was used in 37 MIPs, while seven indicators were only used once and 10 impact indicators were not used at all (see [Annex II](#)). At instrument level, this will considerably limit the possibilities in terms of aggregating results.

83 [Annex II](#) shows that the majority of GERF indicators are output indicators, while impact indicators that measure the country's development are less common.

Conclusions and recommendations

84 Overall, we found that the Commission and the EEAS had designed comprehensive geographical multi-annual indicative programmes addressing a broad range of partner country needs and EU priorities. However, we found deficiencies in the methodologies used for allocating funding to partner countries and in the setup of the monitoring framework.

85 Although the Commission and the EEAS had merged funding into a single instrument, they followed two different approaches for allocating funding to Neighbourhood and non-Neighbourhood countries. For the Neighbourhood countries, the Commission and the EEAS did not calculate the allocations in a standardised, comparable and transparent way in order to facilitate the audit trail, based on the allocation criteria of the Neighbourhood, Development and International Cooperation Instrument regulation. Therefore, we could not confirm the soundness of the allocations. In contrast, for non-Neighbourhood countries, allocations were calculated in a more standardised, comparable and transparent way, building on a formula that reflected the geographic programming principles of the NDICI-Global Europe regulation. However, we found shortcomings in the application of the formula (see paragraphs 18-32 and *Figure 7*).

Recommendation 1 – Improve the methodology for allocating funding to Neighbourhood countries making it standardised, comparable and transparent

The Commission and the EEAS should, within their remit, convert the allocation criteria into measurable factors in order to allocate funding to Neighbourhood countries in a standardised, comparable and transparent way.

Target implementation date: In time for the next programming exercise

Recommendation 2 – Further document and rigorously apply the methodology for establishing allocations for non-Neighbourhood countries

The Commission and the EEAS should standardise all the steps of the quantitative approach, describe them in a single document and rigorously apply this approach. The document should include in particular:

- o a description of the factors and indicators used, the reason for their selection, and precise data sources;
- o the procedure for removing countries from the calculation;
- o the description of the process step by step, including the storage of unprocessed raw data, the formulae at each stage and maintenance of the audit trail;
- o a formalised and consistent procedure to replace missing data points and handle exceptions.

Target implementation date: In time for the next programming exercise

86 The Commission and the EEAS analysed the partner countries' situations and their needs. The analyses included the main political, economic, social and environmental aspects. The EU delegations prepared conflict assessments where relevant. The selected priority areas of cooperation and related sectors addressed the countries' needs and the EU priorities and were discussed with a wide range of stakeholders.

87 The selected priority areas were broad, which provides flexibility for adapting to unforeseen events, but can limit the focus of EU funding. Although the NDICI-Global Europe Regulation requires geographical programmes to be based on potential impact, the MIPs did not demonstrate that the selected sectors of intervention were those in which EU funding could achieve high impact. A comparison of potential sectors of intervention that would have allowed the Commission and the EEAS to do this and to justify the allocation of funds between the priority areas was not done. Furthermore, the EU delegations did not analyse the planned public expenditure in the sectors and the MIPs partly included indicative planned contributions from other donors (see paragraphs 33-54).

Recommendation 3 – Clarify the methodology for assessing the impact of EU support

The Commission and the EEAS should clarify, in the guidelines, the assessment methodology so that the sectors of EU intervention are those with high impact.

Target implementation date: In time for the next programming exercise

88 The entire process from the preparatory phase to the MIPs' adoption lasted three years. This was due to several factors, in particular the need to reflect the socio-economic impact of the COVID-19 pandemic, the late adoption of the NDICI-Global Europe regulation only in June 2021 and the related delegated act in July 2021. Within six months most MIPs were then adopted. This process resulted in a late start for NDICI-Global Europe actions .

89 The EU delegations analysed the proposed use of the new European Fund for Sustainable Development Plus. This analysis required considerable work by the EU delegations during the preparation of the MIPs, which delayed the MIP preparation. The level of final use of these funds is uncertain. The European Fund for Sustainable Development Plus, Team Europe initiatives and flagship initiatives are implementing modalities, and the need for their inclusion in the multiannual indicative programmes is unclear (see paragraphs [55-70](#)).

Recommendation 4 – Focus the scope of the programming exercise

The Commission and the EEAS should focus the programming exercise on the obligatory elements of the MIPs, postponing non-obligatory elements to the implementation phase.

Target implementation date: In time for the next programming exercise

90 The MIPs include a large number of indicators that are not compulsory for reporting. The large majority of the indicators sampled were specific, but unclear or missing baselines and targets will create challenges in monitoring the progress of more than 20 % of the indicators. The inconsistent use of common Global Europe Results Framework indicators will limit the potential for aggregating results at instrument level (see paragraphs [71-83](#)).

Recommendation 5 – Simplify and ensure the consistent use of MIP indicators

In order to facilitate the aggregation of data from indicators, the Commission and the EEAS should ensure:

- coherent and consistent embedding and use of the Global Europe Results Framework indicators in the MIPs;
- consistency between indicators in the MIPs and in the Annual Action Plans and programmes.
- that there are clear definitions, baselines and targets for each indicator.

Target implementation date: In time for the next programming exercise

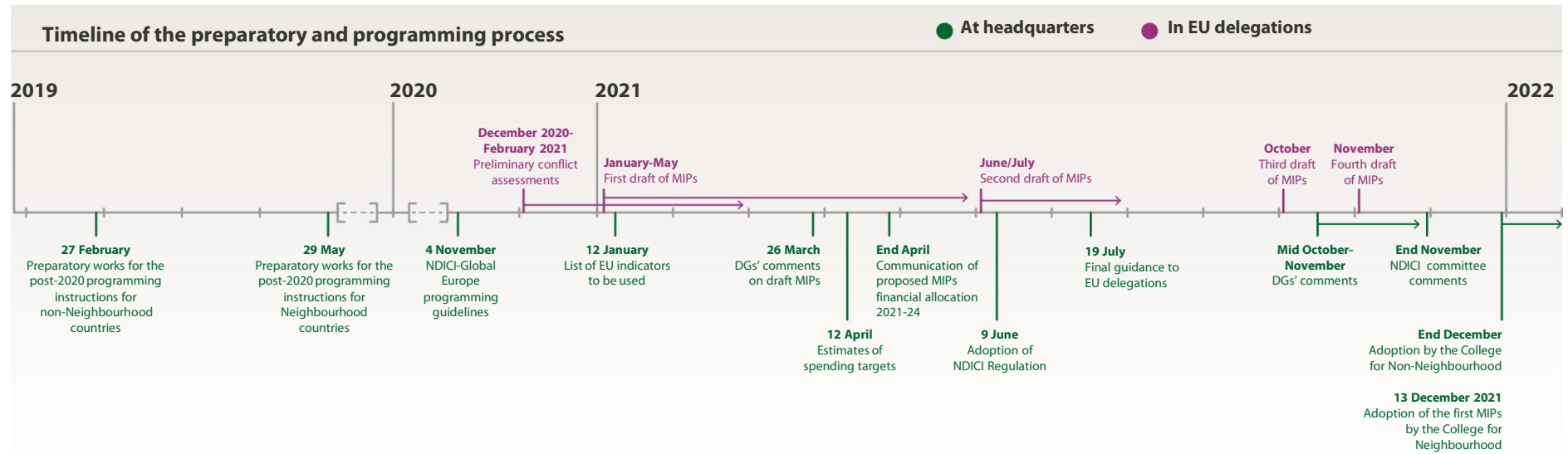
This report was adopted by Chamber III, headed by Mrs Bettina Jakobsen, Member of the Court of Auditors, in Luxembourg at its meeting of 25 April 2023.

For the Court of Auditors

Tony Murphy
President

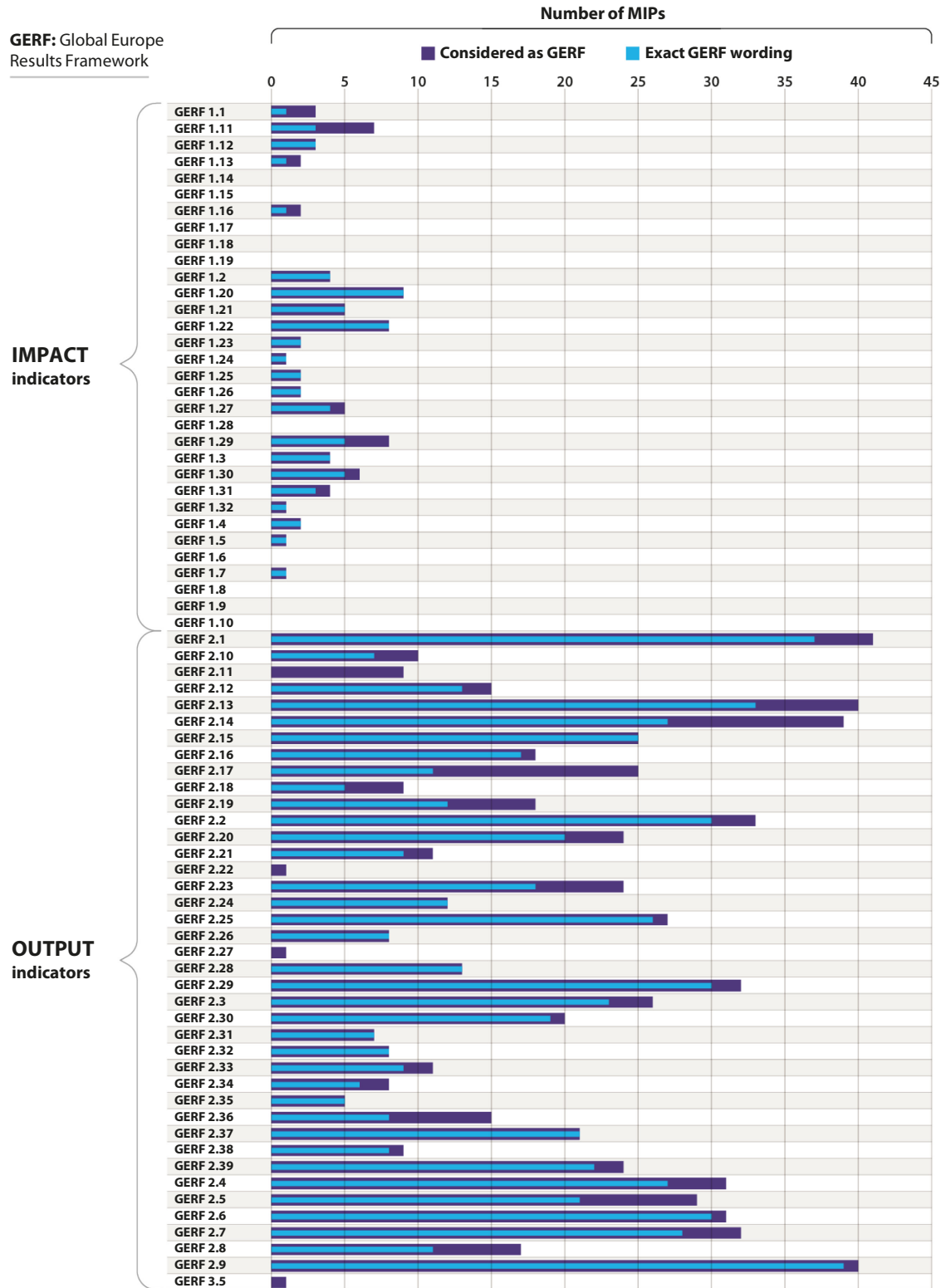
Annexes

Annex I – Timeline of the preparatory and programming process



Source: ECA.

Annex II – Frequency of GERFs



Source: ECA based on MIPs.

Abbreviations

DAC: Development assistance committee

DG INTPA: Directorate-General for International Partnerships

DG NEAR: Directorate-General for Neighbourhood and Enlargement Negotiations

EEAS: European External Action Service

EFSD+: European Fund for Sustainable Development Plus

FPI: Foreign Policy Instrument service

GERF: Global Europe Results Framework

MFF: Multiannual Financial Framework

MIPs: Multiannual indicative programmes

NDICI-Global Europe: Neighbourhood, Development and International Cooperation Instrument – Global Europe

TEI: Team Europe initiatives

Glossary

Blending: The practice of teaming EU grants with loans or equity from public and private financiers.

ERASMUS +: EU's programme to support education, training, youth and sport

Logframe: Document listing objectives, outcomes with references to baselines, targets and indicators.

Replies of the Commission and the European External Action Service

<https://www.eca.europa.eu/en/publications/sr-2023-14>

Timeline

<https://www.eca.europa.eu/en/publications/sr-2023-14>

Audit team

The ECA's special reports set out the results of its audits of EU policies and programmes, or of management-related topics from specific budgetary areas. The ECA selects and designs these audit tasks to be of maximum impact by considering the risks to performance or compliance, the level of income or spending involved, forthcoming developments and political and public interest.

This performance audit was carried out by Audit Chamber III External action, security and justice, headed by ECA Member Bettina Jakobsen. The audit was led by ECA Member Hannu Takkula, supported by Turo Hentila, Head of Private Office and Nita Tennila, Private Office Attaché; Alejandro Ballester Gallardo, Principal Manager; Pietro Puricella, Principal Manager, Piotr Zych, Head of Task; Aurelia Petliza, and Agnieszka Swiech, Auditors; Laura Mcmillan and Zoe Dennis provided linguistic support.



From left to right: Turo Hentila, Pietro Puricella, Piotr Zych, Nita Tennila, Hannu Takkula.

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Programming is the process through which the EU defines its priorities for international cooperation. Our audit assessed whether the Commission and the European External Action Service had programmed the newly created Neighbourhood, Development, and International Cooperation Instrument – Global Europe appropriately. We found that the geographical programmes were comprehensively designed, addressing a broad range of partner country needs and EU priorities, but there were deficiencies in the methodologies used for allocating funding to partner countries and in the setup of the monitoring framework. We recommend that the Commission and the EEAS improve the methodology for allocating funding and the assessment of the impact of EU support, focus the scope of the programming process and simplify and consistently use the indicators in the multiannual indicative programmes.

ECA special report pursuant to Article 287(4), second subparagraph, TFEU.



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