

European Parliament's position NDICI and CONCORD-Eurodad's 10 points on EFSD+

June 2019

European Parliament's first reading available [here](#)

CONCORD-Eurodad's ten points available [here](#)

1. Amounts

The provisioning of the EFSD+ and budgetary guarantees is included in the geographic envelopes of the NDICI, which amount to 68,000 billion euros. The NDICI proposal states that operations up to 60 billion euros could be guaranteed, with a provisioning rate ranging between 9% and 50%. However, the proposal does not clarify how much funding out of the 68,000 billion euros would be channelled through the EFSD+ as opposed to other funding modalities. The current EFSD Regulation (Regulation (EU) 2017/1601) is much clearer on that front (cf. Art. 12.1 which states that the guarantee should not exceed 1.5 billion euros). The same level of clarity should be integrated to the NDICI. As the NDICI proposal reflects the intention to increasingly rely on guarantees and blending as a modality of cooperation in future geographic programmes, it would also be fundamental to clarify the maximum amounts respectively earmarked for guarantees and for blending. In the absence of ceilings or quantitative indications, in some countries, as much as 100% of the national envelope could in theory be disbursed through the EFSD+, despite the fact that this modality has not yet been fully evaluated and that its development additionality has not been demonstrated. In fact, as of August 2018, EFSD projects have not yet begun. Beyond the concerns related to the quantity of funds, we would also like to raise our concern on the approach behind the EFSD. Indeed, we think that crowding-in additional resources from the private sector must respond to clear and binding accountability and transparency rules, in order to continuously assess the development impact (positive and negative) and added value to development cooperation policies; otherwise, the risk of seeing subsidies going to international companies under the guise of



contributing to the implementation of Sustainable Development Goals (SDGs) is very high. This may lead to market distortion and further cement corporate power in countries where the democratic space is already dangerously shrinking.

Amendment 233
Proposal for a regulation
Article 26 – paragraph 1 – subparagraph 1

The financial envelope referred to in Article (6)(2)(a) shall finance the European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee.

The European Fund for Sustainable Development Plus (EFSD+) and the External Action Guarantee *shall be financed through the financial envelopes for geographic programmes referred to in point (a) of Article 6(2), whilst ensuring that this financing is not to the detriment of other actions supported by geographic programmes* .

Amendment 235
Proposal for a regulation
Article 26 – paragraph 3

3. Under the External Action Guarantee, the Union may guarantee operations, signed between 1 January 2021 and 31 December 2027, up to EUR 60 000 000 000.

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Amendment 236
Proposal for a regulation
Article 26 – paragraph 4 – subparagraph 1

4. The provisioning rate shall range between 9% and 50%

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depending on the type of operations.

budgetary procedure or through a budget transfer. The Commission shall be empowered to adopt delegated acts in accordance with Article 34 to amend this maximum amount if the need arises.

Amendment 526
Proposal for a regulation
Annex V – paragraph 1 – point a

(a) provide finance and support to private and cooperative sector development compliant with the conditions set out in Article 209(2) of the [Financing Regulation], with a particular focus on local companies and micro, small and medium-sized enterprises, on promoting decent job creation and encouraging the contribution of European companies to the EFSD+ purpose;

(a) provide finance and support to private, **social enterprise** and cooperative sector development compliant with the conditions set out in Article 209(2) of the [Financing Regulation], **to contribute to sustainable development in its economic, social and environmental dimensions, and to the implementation of the 2030 Agenda, the Paris Agreement and, where appropriate, the European Neighbourhood Policy and the objectives set out in Article 3 of the of Regulation EU.../... [IPA III], the eradication of poverty, promoting skills and entrepreneurship, gender equality and the empowerment of women and young people, while pursuing and strengthening the rule of law, good governance and human rights**, with a particular focus on local companies, **social enterprises** and micro, small and medium-sized enterprises, on promoting decent job creation **in compliance with relevant ILO standards, living wages, economic opportunities**, and encouraging the contribution of European companies to the EFSD+ purpose;



2. Environmental and human rights standards and criteria

Important safeguards in the 2017 EFSD Regulation have been removed from the EFSD+, and we call for reinstating them in the NDICI Regulation. As acknowledged in 2016 by the European Council, “The EU recognises that corporate respect for human rights and its embedding in corporate operations and value and supply chains is indispensable to sustainable development and achieving the SDGs. All partnerships in implementing the SDGs should be built on respect for human rights and responsible business conduct.” (Council Conclusions on business and human rights, 20 June 2016, para. 3). Those standards must apply to national and international financial institutions signing guarantee agreements under EFSD+, but also in the selection of individual projects and end-beneficiaries. Compliance with those criteria and standards is essential in the absence of a legal European action plan on business and human rights, and the lack of a legislation introducing a corporate “duty of care” or “vigilance”, including mandatory human rights due diligence, towards individuals and communities affected by European companies’ operations.

Amendment 234
Proposal for a regulation
Article 26 – paragraph 1 – subparagraph 2

The purpose of the EFSD+ as an integrated financial package supplying financial capacity **drawing on the methods of implementation set up** in Article 23(1)(a), (e), (f) and (g) , shall be to support investments and increase access to financing, in order to foster sustainable and inclusive economic and social development **and** promote **the** socio-economic resilience in partner countries with a particular focus on the, eradication of poverty, sustainable and inclusive growth, the creation of decent jobs, economic opportunities, skills and entrepreneurship, socioeconomic sectors, micro, small and medium-sized enterprises as well as addressing specific socioeconomic root causes of irregular

The purpose of the EFSD+ as an integrated financial package supplying financial capacity **in the form of grants, guarantees and other financial instruments as set out** in Article 23(1) , shall be to support investments and increase access to financing, **while maximising additionality, delivering innovative products and crowding in private sector**, in order to foster sustainable and inclusive economic, **environmental** and social development, **industrialisation and a stable investment environment, in order to** promote socio-economic **and environmental** resilience in partner countries with a particular focus on the, eradication of poverty, sustainable and inclusive growth, **climate change adaptation and mitigation, environmental protection and management**, the creation of decent jobs **in compliance with relevant ILO standards , in particular for vulnerable groups, including women and young people**, economic opportunities, skills and entrepreneurship, socioeconomic sectors, **with a focus on social enterprises and cooperatives in view of their potential to reduce poverty, inequalities, and promote human rights and livelihoods, supporting** micro, small and medium-sized enterprises as well as addressing specific socioeconomic root causes of irregular migration **and forced displacement, and contributing to the sustainable reintegration of returned migrants in their countries of origin** , in accordance with the relevant indicative programming documents. **45% of the financing shall be allocated to investments that contribute**



migration, in accordance with the relevant indicative programming documents. Special attention shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries.

to climate objectives, environmental management and protection, biodiversity and combatting desertification, of which 30% of the overall financial envelope shall be dedicated to climate change mitigation and adaptation. Special attention, **and additional support for institutional capacity building, economic governance, and technical assistance**, shall be given to countries identified as experiencing fragility or conflict, Least Developed Countries and heavily indebted poor countries. **The External Action Guarantee shall be used in addition to the government's investment in essential public services, which remain a governmental responsibility.**

Amendment 275 Proposal for a regulation Article 29 – paragraph 7

7. The eligible counterparts shall, upon request, provide the Commission with any additional information necessary to fulfil the Commission's obligations in relation to this Regulation.

7. The eligible counterparts shall, upon request, provide the Commission with any additional information necessary to fulfil the Commission's obligations in relation to this Regulation, **in particular with regard to the implementation of recommendations from the ex-ante human rights, social, labour and environment impact assessment and other selection criteria listed in Article 27 .**

Amendment 290 Proposal for a regulation Article 31 – paragraph 7

7. An annual estimate of the overall spending related to **climate action and biodiversity** shall be made on the basis of the indicative programming documents adopted. The funding allocated under this Regulation shall be subject to an annual tracking system based on the methodology of the Organisation for Economic Cooperation and Development ('Rio markers'), without excluding the use of more precise

7. An annual estimate of the overall spending related to **the targets set by this Regulation** shall be made on the basis of the indicative programming documents adopted. The funding allocated under this Regulation shall be subject to an annual tracking system based on the methodology of the Organisation for Economic Cooperation and Development **including 'Rio markers'**, without excluding the use of more precise methodologies where these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to climate action, biodiversity **and environment, human development and social inclusion, gender equality, and Official Development Assistance**, at the level of the action plans and measures referred to in Article 19 and recorded within evaluations and the annual report. **The Commission shall transmit the estimate to the European Parliament as part of the annual report.**



methodologies where these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to climate action **and** biodiversity at the level of the action plans and measures referred to in Article 19 and recorded within evaluations and the annual report.

Amendment 527
Proposal for a regulation
Annex V – paragraph 1 – point e

(e) contribute to climate action and environmental protection and management;

(e) contribute to climate action and environmental protection and management, ***thus producing climate and environment co-benefits, allocating 45% of the financing to investments that contribute climate objectives, environmental management and protection, biodiversity and combatting desertification, of which 30% of the overall financial envelope shall be dedicated to climate change mitigation and adaptation ;***



3. Gender equality and women's rights

The EFSD+ proposal is currently gender blind. It will be crucial to ensure that women's rights and gender equality are consistently addressed under the EFSD+, in line with the EU Gender Action Plan II, EU Treaty obligations and European governments' international commitments in the field of women's rights. Women are less likely to enjoy the benefits of blended finance and guarantee operations unless specific gender policies and targeted measures are put in place that support women workers and entrepreneurs.

Amendment 290
Proposal for a regulation
Article 31 – paragraph 7

7. An annual estimate of the overall spending related to **climate action and biodiversity** shall be made on the basis of the indicative programming documents adopted. The funding allocated under this Regulation shall be subject to an annual tracking system based on the methodology of the Organisation for Economic Cooperation and Development ('Rio markers'), without excluding the use of more precise methodologies where these are available, integrated into the existing methodology for performance management of Union programmes, to quantify the expenditure related to climate action **and** biodiversity at the level of the action plans and measures referred to in Article 19 and recorded within evaluations and the annual report.

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Amendment 289
Proposal for a regulation
Article 31 – paragraph 6 a (new)

6 a. *The Commission shall submit as part of the annual report detailed reporting on the financing and investment operations covered by the External Action Guarantee, and the functioning of the EFSD+, its management and its effective contribution to its objectives. That part of the annual report shall be accompanied by an opinion of the Court of Auditors. It shall include the following elements:*

(a) *an assessment of the results contributing to the purpose and objectives of the EFSD+ as set out in this Regulation;*

(b) *an assessment of current financing and investment operations and covered by the External Action Guarantee at sector, country and regional levels and their compliance with this Regulation, including the risk measures and their impact on the financial and economic stability of the partners;*

(c) *an assessment of the additionality and added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the External Action Guarantee on an aggregated basis, including the impact on decent job creation and the ability to provide a living wage, the eradication of poverty and the reduction of inequality; that assessment shall include a gender analysis of the operations covered based on evidence and data broken down by gender, where possible, and an analysis of the type of private sector supported, including cooperatives and social enterprises;*

(d) *an assessment of the compliance with the requirements concerning the use of the External Action Guarantee and of the achievement of key performance indicators established for each proposal submitted;*

(e) *an assessment of the leverage effect achieved by the operations covered by the External Action Guarantee and the EFSD+ ;*

(f) *the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each eligible counterpart on an aggregated basis;*



(g) *an assessment of the additionality and added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;*

(h) *detailed information on calls on the External Action Guarantee, losses, returns, amounts recovered and any other payments received, as well as overall risk exposure;*

(i) *the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation, audited by an independent external auditor;*

(j) *an assessment of the synergies and complementarity between operations covered by the External Action Guarantee and the second and third pillars of the EIP based on relevant existing reports, with particular regard to progress made on good governance, including in the fight against corruption and illicit financial flows, respect for human rights, the rule of law and gender-responsive policies, as well as the boosting of entrepreneurship, the local business environment and local financial markets;*

(k) *an assessment of the compliance of the External Action Guarantee operations with the internationally agreed development effectiveness principles;*

(l) *an assessment of the remuneration of the guarantees;*

(m) *an assessment of the implementation of provisions related to excluded activities and non-cooperative jurisdictions.*

Amendment 84
Proposal for a regulation
Article 3 – paragraph 3 b (new)

3 b. *At least 85% of the Official Development Assistance funded programmes, geographic and thematic, under this Regulation shall have gender equality and women's and girls' rights and empowerment as a principal or a significant objective, as defined by the OECD DAC. A significant part of these programmes shall have gender equality and women's and girls' rights and empowerment as a principal objective.*



4. Emphasis on supporting local economic actors

Private sector investments which, through the EFSD+, will be subsidised by EU aid must not negatively impact local economic actors, in particular micro, small and medium sized enterprises (MSMEs), social enterprises and cooperatives. Furthermore, the EFSD+ should primarily seek to support local economic actors as opposed to European and multinational enterprises. A greater attention to possible impacts on inequalities is also needed, since a number of developing countries are experiencing high economic growth rates (i.e. GDP growth is not the problem), but increasing poverty and widening gap between the richest and the poorest segments of the population, which is becoming a crucial development issue, as also recognised by the EU Consensus on Development (2017), which commits the EU and member states to mainstream inequality into the EU's development cooperation.

Amendment 239
Proposal for a regulation
Article 26 a (new)

Article 26 a

Objectives for the EFSD+

1. *The EFSD+ operations eligible for support through the External Action Guarantee shall contribute to the following priority areas:*

- (a) *providing finance and support to private, cooperative and social enterprise sector development to contribute to sustainable development in its economic, social and environmental dimensions with a particular focus on the eradication of poverty and, where appropriate, the European Neighbourhood Policy and the objectives set out in Article 3 of the of Regulation EU.../... [IPA III];*
- (b) *addressing bottlenecks to private investments, in particular by ensuring the legal security of investments;*
- (c) *leveraging private sector financing, with a particular focus on micro, small and medium-sized enterprises;*



(d) **strengthening socio-economic sectors and areas and related public and private infrastructure and sustainable connectivity and sustainable production, with the objective of promoting an inclusive and sustainable socio-economic development that respects human rights and the environment;**

(e) **contributing to climate action and environmental protection and management;**

(f) **contributing, by promoting sustainable development, to addressing specific root causes of migration, including irregular migration and forced displacement, and contribute to safe, orderly and regular migration and mobility.**

Amendment 240
Proposal for a regulation
Article 27 – paragraph 1

1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, as well as with the partner countries' strategies and policies. They shall in particular support the objectives, general principles and policy framework of this Regulation and the relevant indicative programming documents, with due regard to the priority areas laid down in Annex V.

1. The financing and investment operations eligible for support through the External Action Guarantee shall be consistent and aligned with Union policies, **in particular its development policy and the European Neighbourhood Policy**, as well as with the partner countries' strategies and policies **and address local market failures or sub-optimal investment operations and without unfairly competing with local economic actors** . They shall in particular support the objectives, general principles and policy framework of this Regulation and the relevant indicative programming documents, with due regard to the priority areas laid down in **Article 26 a and further described in** Annex V.

Amendment 246
Proposal for a regulation
Article 27 – paragraph 2 – point c a (new)

(c a) **target sectors and issues where there are clear market or institutional failures inhibiting private sector financing;**



Amendment 247
Proposal for a regulation
Article 27 – paragraph 2 – point c b (new)

(c b) *are structured in a manner which contributes to catalysing market development and to mobilising private sector resources towards investment gaps;*

Amendment 248
Proposal for a regulation
Article 27 – paragraph 2 – point c c (new)

(c c) *focus on projects involving greater risks than private lenders are prepared to undertake on a commercial basis alone;*

Amendment 249
Proposal for a regulation
Article 27 – paragraph 2 – point c d (new)

(c d) *do not distort markets in partner countries and regions.*

Amendment 250
Proposal for a regulation
Article 27 – paragraph 2 – point c e (new)

(c e) *maximise, where possible, the mobilisation of local private sector capital;*

Amendment 251
Proposal for a regulation
Article 27 – paragraph 2 – point c f (new)

(c f) *respect the development effectiveness principles as set out in the Busan Partnership for Effective Development Cooperation and reaffirmed in Nairobi in 2016, including ownership, alignment, focus on results, transparency and mutual accountability, as well as the objective of untying aid;*



Amendment 252
Proposal for a regulation
Article 27 – paragraph 2 – point c g (new)

(c g) are designed to fulfil the criteria for ODA established by the OECD-DAC, taking into account the specificities of private sector development, except for operations in industrialised countries non eligible for ODA;

Amendment 253
Proposal for a regulation
Article 27 – paragraph 2 – point c h (new)

(c h) are applied with full respect for international human rights law as well as internationally agreed guidelines, principles and conventions, including the Principles for Responsible Investment, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, the UN Food and Agriculture Organization's (FAO) Principles for Responsible Investment in Agriculture and Food Systems and International Labour Organization conventions and standards, the UN Convention on the Elimination of All Forms of Discrimination Against Women, the Maastricht Principles on the Extraterritorial Obligations of States in the Area of Economic, Social and Cultural Rights and the FAO Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security;



5. Exclusion list

Language on the exclusion of certain activities should be included. This should include for example support for military operations, investments having a significant external environment cost, or projects that may involve land grabbing or forced or involuntary displacement of populations.

Amendment 279
Proposal for a regulation
Article 29 b (new)

Article 29 b

Excluded activities and non-cooperative jurisdictions

1. ***The External Action Guarantee shall not support financing and investment operations which:***

(a) ***are linked to the military or state security sector.***

(b) ***support the development of nuclear energy, except for loans provided in accordance with Regulation EINS, and fossil fuels and promote further carbon lock-in of economies and societies.***

(c) ***have significant environmental external costs, such as those that involve degradation of protected areas, Critical Habitats and Heritage sites for which no sustainable development and management plan is carried out.***

(d) ***result in violation of human rights in partner countries, such as depriving communities from their right to access and control natural resources such as land, contribute to forced displacement of populations, or involve forced labour or child labour.***

2. ***In their financing and investment operations, the eligible counterparts shall comply with applicable Union law and agreed international and Union standards and, therefore, shall not support projects under this Regulation that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion. In addition, the eligible counterparts shall not enter into new or renewed operations with entities incorporated or established in***

jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions, or that are identified as high risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information. The eligible counterparts may derogate from this principle only if the project is physically implemented in one of those jurisdictions, and does not present any indication that the relevant operation falls under any of the categories listed in the first subparagraph of this paragraph. When concluding agreements with financial intermediaries, the eligible counterparts shall transpose the requirements referred to in this Article into the relevant agreements and shall request the financial intermediaries to report on their observance.

3. In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council (2) and Directive (EU) 2015/849. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849 and publish country-by-country reporting data in accordance with Article 89(1) of Directive 2013/36/EU of the European Parliament and of the Council.



6. Tax Avoidance

We propose to restore the language from the EFSD 2017 Regulation on non-cooperative jurisdictions to ensure the new instrument does not contribute to tax avoidance.

Amendment 277
Proposal for a regulation
Article 29 – paragraph 8 a (new)

8 a. The Commission or the eligible counterparts shall immediately notify OLAF when, at any stage of the preparation, implementation or closure of financing and investment operations covered by this Regulation, there are grounds for suspecting fraud, corruption, money laundering or any other illegal activity that may affect the financial interests of the Union. The Commission or the eligible counterparts shall provide OLAF with all necessary information to enable it to carry out a full and thorough investigation.

Amendment 279
Proposal for a regulation
Article 29 b (new)

Article 29 b

Excluded activities and non-cooperative jurisdictions

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(a) *are linked to the military or state security sector.*

(b) *support the development of nuclear energy, except for loans provided in accordance with Regulation EINS, and fossil fuels and promote further carbon lock-in of economies and societies.*



(c) *have significant environmental external costs, such as those that involve degradation of protected areas, Critical Habitats and Heritage sites for which no sustainable development and management plan is carried out.*

(d) *result in violation of human rights in partner countries, such as depriving communities from their right to access and control natural resources such as land, contribute to forced displacement of populations, or involve forced labour or child labour.*

2. In their financing and investment operations, the eligible counterparts shall comply with applicable Union law and agreed international and Union standards and, therefore, shall not support projects under this Regulation that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion. In addition, the eligible counterparts shall not enter into new or renewed operations with entities incorporated or established in jurisdictions listed under the relevant Union policy on non-cooperative jurisdictions, or that are identified as high risk third countries pursuant to Article 9(2) of Directive (EU) 2015/849 of the European Parliament and of the Council, or that do not effectively comply with Union or internationally agreed tax standards on transparency and exchange of information. The eligible counterparts may derogate from this principle only if the project is physically implemented in one of those jurisdictions, and does not present any indication that the relevant operation falls under any of the categories listed in the first subparagraph of this paragraph. When concluding agreements with financial intermediaries, the eligible counterparts shall transpose the requirements referred to in this Article into the relevant agreements and shall request the financial intermediaries to report on their observance.

3. In its financing and investment operations, the eligible counterpart shall apply the principles and standards set out in Union law on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing and in particular Regulation (EU) 2015/847 of the European Parliament and of the Council (2) and Directive (EU) 2015/849. The eligible counterparts shall make both direct funding and funding via intermediaries under this Regulation contingent upon the disclosure of beneficial ownership information in accordance with Directive (EU) 2015/849 and publish country-by-country reporting data in accordance with Article 89(1) of Directive 2013/36/EU of the European Parliament and of the Council.



7. Grievance mechanism

We propose to restore and improve language about a redress mechanism, with the creation of a central grievance mechanism managed by the European Commission.

Amendment 278
Proposal for a regulation
Article 29 a (new)

Article 29 a

Grievance and redress mechanism

In view of possible grievances of third parties in partner countries, including communities and individuals affected by projects supported by the EFSD+ and the External Action Guarantee, the Commission and European Union Delegations shall publish on their websites direct references to the complaints mechanisms of the relevant counterparts that have concluded agreements with the Commission. The Commission shall also establish an EU centralised grievance mechanism for all projects pursuant to Chapter IV of this Regulation to provide the possibility of directly receiving complaints related to the treatment of grievances by eligible counterparts. The Commission shall take that information into account in view of future cooperation with those counterparts.



8. Scorecard of indicators

Scorecard of indicators A scorecard of indicators is indispensable to assess projects, and its existence should be reflected in the text of the NDICI Regulation.

Amendment 261
Proposal for a regulation
Article 27 – paragraph 8

8. The Commission shall assess the operations supported by the External Action Guarantee against the eligibility criteria set out in paragraphs 2 and 3, *where possible drawing on the existing result measurement systems of eligible counterparts*. The Commission shall publish the result of its assessment for each investment window on an annual basis.

8. The Commission shall assess the operations supported by the External Action Guarantee against the eligibility criteria set out in paragraphs 2 and 3. ***The Commission shall establish a scoreboard of indicators to guide project selection. Implementing partners shall fill in the scoreboard for all operations under EFSD+. The Commission shall assess all operations supported by the Guarantee against eligibility criteria listed in Article 27 and shall use the scoreboard to perform an independent quality check on the due diligence and assessment made by implementing partners at project level. If necessary, the Commission shall ask for clarification and modifications to the implementing partners.*** The Commission shall publish the ***scoreboard for all projects after approval for the use of the guarantee by the Commission and implementing partners, and the result of all guarantee tools and individual projects under*** its assessment for each investment window on an annual basis.



9. Dacability of investments

The Preamble and the NDICI guiding principles (Art 8) apply to the EFSD+. However, the 2017 EFSD Regulation expressly requires the guarantees and blending (all the actions under the EFSD) to fulfil the criteria for Official Development Assistance (ODA) as established by the Development Assistance Committee of the OECD (OECD-DAC). The current EFSD Regulation (2017) is thereby more demanding than the proposed NDICI Regulation. We don't believe the requirements should be lower going forward, especially in view of the fact that the OECD is questionably increasingly broadening what can be considered as "dacable".

Amendment 82
Proposal for a regulation
Article 3 – paragraph 3

3. At least **92%** of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.

3. At least **95%** of the expenditure under this Regulation shall fulfil the criteria for Official Development Assistance, established by the Development Assistance Committee of the Organisation for Economic Cooperation and Development. ***This Regulation shall contribute to reaching the collective target of achieving 0,2% of the Union's Gross National Income to Least Developed Countries and 0,7% of the Union Gross National Income as Official Development Assistance within the timeframe of the 2030 Agenda.***

Amendment 252
Proposal for a regulation
Article 27 – paragraph 2 – point c g (new)

(c g) ***are designed to fulfil the criteria for ODA established by the OECD-DAC, taking into account the specificities of private sector development, except for operations in industrialised countries non eligible for ODA;***

10. Evaluation, reporting and accountability

Provisions on transparency, reporting and accountability should be included in the NDICI, as they are in the 2017 EFSD Regulation. It is important to include more details about the scope of the reporting, which should include a focus on development impacts (for instance: financial and development additionality, assessment of compliance with aid effectiveness principles and with the sustainable development objectives of the Regulation). Likewise, we consider essential to ensure participation of civil society organizations, including through sustained and iterative social dialogue in the case of social partners, throughout all the phases of the project cycle (design, implementation and evaluation), to ensure the EFSD+ opens rather than closes down space for civic participation and CSOs, and follows a human rights-based approach.

Amendment 214
Proposal for a regulation
Article 22 – paragraph 7 – point c

(c) contributions to the necessary costs of setting up and administering a public-private partnership;

(c) contributions to the necessary costs of setting up and administering a public-private partnership ***including support of broad participation by setting up independent third party CSO body to assess and monitor public-private partnership set-ups*** ;

Amendment 243
Proposal for a regulation
Article 27 – paragraph 2 – point -a a (new)

(-a a) provide financial and development additionality;

Amendment 244
Proposal for a regulation
Article 27 – paragraph 2 – point -a b (new)

(-a b) undergo a publicly available participatory ex ante human rights, social, labour and environmental impact assessment identifying and addressing risks in those fields and taking due account of the principle of free and prior informed consent (FPIC) of affected communities in land related investments;

Amendment 280
Proposal for a regulation
Article 31 – paragraph -1 (new)

-1. The achievement of the objectives of this Regulation shall be measured through an adequate, transparent and accountable monitoring, reporting and evaluation system, ensuring the proper involvement of the European Parliament and the Council, as well as enhancing the participation of all Union partners, including civil society, in the application of the programmes.

Amendment 289
Proposal for a regulation
Article 31 – paragraph 6 a (new)

6 a. The Commission shall submit as part of the annual report detailed reporting on the financing and investment operations covered by the External Action Guarantee, and the functioning of the EFSD+, its management and its effective contribution to its objectives. That part of the annual report shall be accompanied by an opinion of the Court of Auditors. It shall include the following elements:

- (a) an assessment of the results contributing to the purpose and objectives of the EFSD+ as set out in this Regulation;*
- (b) an assessment of current financing and investment operations and covered by the External Action Guarantee at sector, country and regional levels and their compliance with this Regulation, including the risk measures and their impact on the financial and economic stability of the partners;*
- (c) an assessment of the additionality and added value, the mobilisation of private sector resources, the estimated and actual outputs and the outcomes and impact of the financing and investment operations covered by the External Action Guarantee on an aggregated basis, including the impact on*



decent job creation and the ability to provide a living wage, the eradication of poverty and the reduction of inequality; that assessment shall include a gender analysis of the operations covered based on evidence and data broken down by gender, where possible, and an analysis of the type of private sector supported, including cooperatives and social enterprises;

(d) an assessment of the compliance with the requirements concerning the use of the External Action Guarantee and of the achievement of key performance indicators established for each proposal submitted;

(e) an assessment of the leverage effect achieved by the operations covered by the External Action Guarantee and the EFSD+ ;

(f) the financial amount transferred to beneficiaries and an assessment of financing and investment operations by each eligible counterpart on an aggregated basis;

(g) an assessment of the additionality and added value of financing and investment operations of the eligible counterparts, and of the aggregate risk associated with those operations;

(h) detailed information on calls on the External Action Guarantee, losses, returns, amounts recovered and any other payments received, as well as overall risk exposure;

(i) the financial reports on financing and investment operations of the eligible counterparts covered by this Regulation, audited by an independent external auditor;

(j) an assessment of the synergies and complementarity between operations covered by the External Action Guarantee and the second and third pillars of the EIP based on relevant existing reports, with particular regard to progress made on good governance, including in the fight against corruption and illicit financial flows, respect for human rights, the rule of law and gender-responsive policies, as well as the boosting of entrepreneurship, the local business environment and local financial markets;

(k) an assessment of the compliance of the External Action Guarantee operations with the internationally agreed development effectiveness principles;

(l) an assessment of the remuneration of the guarantees;

(m) an assessment of the implementation of provisions related to excluded activities and non-cooperative jurisdictions.



Amendment 320
Proposal for a regulation
Article 36 – paragraph 2 d (new)

2 d. *In accordance with their transparency policies and Union rules on data protection and on access to documents and information, eligible EFSD + counterparts shall proactively and systematically make publicly available on their websites information relating to all financing and investment operations covered by the External Action Guarantee, relating in particular to the manner in which those operations contribute to the achievement of the objectives and requirements of this Regulation. Such information shall be broken down at project level. Such information shall always take into account the protection of confidential and commercially sensitive information. Eligible counterparts shall also publicise Union support in all information which they publish on financing and investment operations covered by the External Action Guarantee in accordance with this Regulation.*



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