



European Union's external financing instruments

(2014-2020 and 2021-2027)

EU EXTERNAL FINANCING INSTRUMENTS EVALUATION

Introduction

The Evaluation of the EU external financing instruments (EFIs) for the 2014-2020 and 2021-2027 multiannual financial frameworks (MFF) was carried out from January 2023 to May 2024 by a team of more than 30 evaluation experts. This evaluation was not a stand-alone exercise:

it was embedded in the broader European Commission's efforts to conduct several internal mid-term review processes which took place in parallel.

Purpose

Provide a balanced, credible and useful assessment of the instruments' framework, including its **fitness for purpose** and its performance.

Scope

Simultaneously a final evaluation of the EFIs under the MFF for the period 2014-2020 and **a mid-term evaluation** of the new set of EFIs under the MFF for the period 2021-2027.

Key elements of the methodology



Over **1,500 documents** reviewed



Targeted consultations with EU Member States, International Financial Institutions, UN agencies & civil society organisations



67 written EUD contributions & **172 responses** through 2 surveys



Close to **350 key stakeholders** interviewed, incl. in partner countries



235 responses from **58 countries** (incl. 43 separately uploaded contributions)

Definition of key elements of the evaluation's subject

EU's cooperation with partner countries outside the EU (the so-called **EU external action**) is mainly funded from the EU budget under a dedicated heading in the **Multiannual Financial Framework (MFF)**.

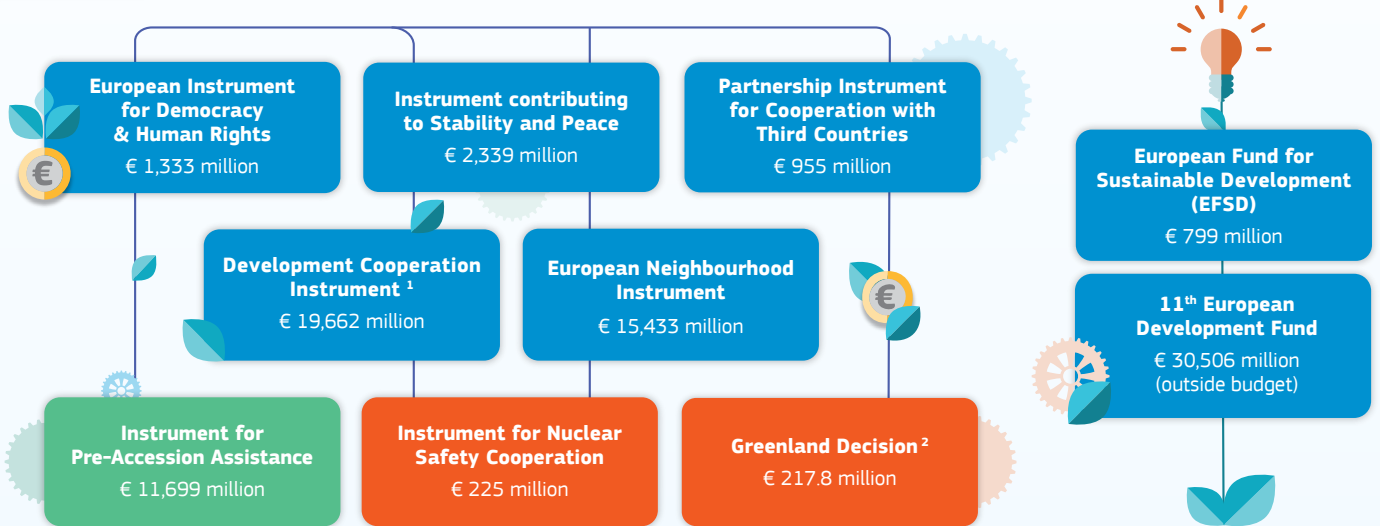
The **External Financing Instruments (EFIs)** are key elements of the toolbox the EU has at its disposal to finance its external action.

EFIs under MFF 2014–2020

In the MFF 2014–2020, a number of financing instruments coexisted under the Global Europe heading. Their purpose varied and responded to the broad objectives of EU external action. Most instruments were guided by a Common Implementing Regulation.

The instruments are coloured to better highlight the changes that occurred with the transition to the current MFF 2021–2027. Instruments in blue were consolidated under one single instrument, the Neighbourhood, Development and International Cooperation Instrument – Global Europe (NDICI-GE), green and orange instruments have remained separate.

Common Implementing Regulation



1- Geographic Programmes / Thematic Programmes: Global Public Goods and Challenges, Civil Society Organisations and Local Authorities / Pan-African Programme

2- Decision on the relations between the European Union on the one hand, and Greenland and the Kingdom of Denmark on the other.

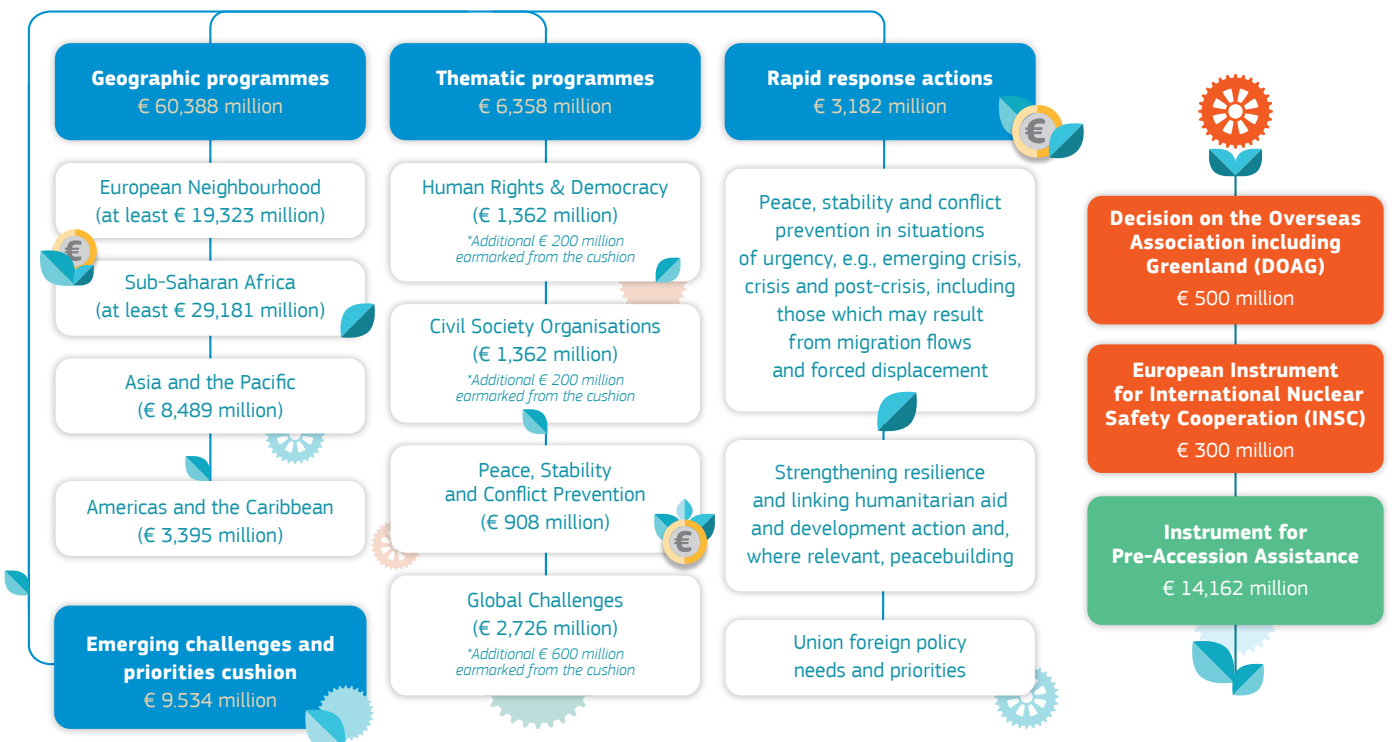
EFIs under MFF 2021–2027

The 2021–2027 EFI architecture streamlined previous instruments by consolidating them in a broad instrument: the **Neighbourhood, Development, and International Cooperation Instrument – Global Europe (NDICI-GE)**. Additionally, the Instrument for **Pre-Accession Assistance III (IPA III)** focuses on the Western Balkans

and Türkiye. Two special-purpose instruments remain: the **Decision on the Overseas Association**, including Greenland (DOAG), and the **European Instrument for International Nuclear Safety Cooperation (INSC)**.

Neighbourhood, Development and International Cooperation Instrument – Global Europe

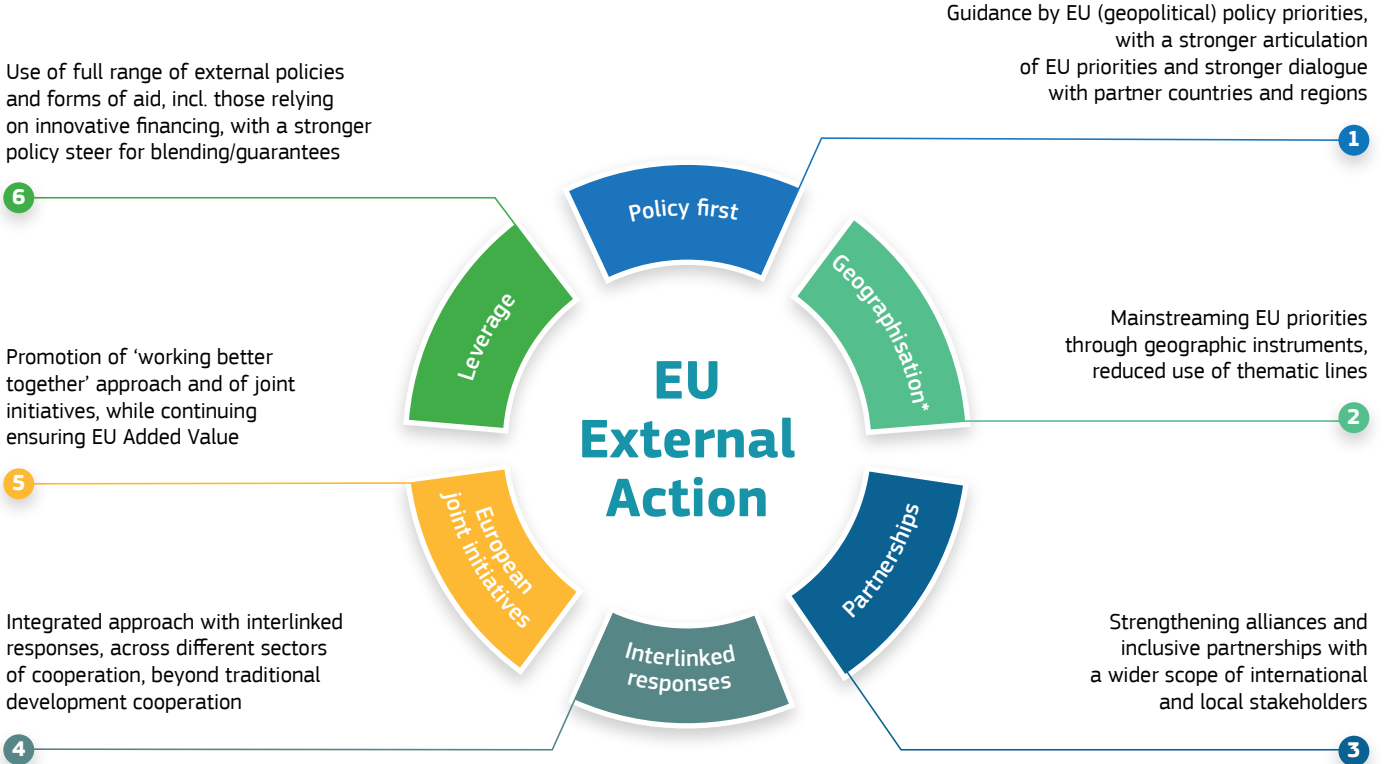
€ 79,462 million



Key shifts in the new EFI architecture


The new EFI architecture reflects a recognition of changed geopolitical realities and the need to better defend shared interests in an increasingly volatile and polarised world order. The resulting MFF

outlines a transition path guided by six key shifts that underpin the new logic in the 2021-2027 period.




*NDICI-GE specific

Evaluation questions




1 Responsiveness

To what extent have the EFIs been translated into a programming process and other measures that reflect and respond to the evolution of EU political and policy priorities as well as the priorities and needs of partner countries?




2 Efficiency and flexibility

To what extent have programming and delivery gained in efficiency and flexibility between the previous and current MFFs?



3 Internal and external linkages

To what extent have the EFIs facilitated EU-internal and external interlinkages, in order to boost EU added value?

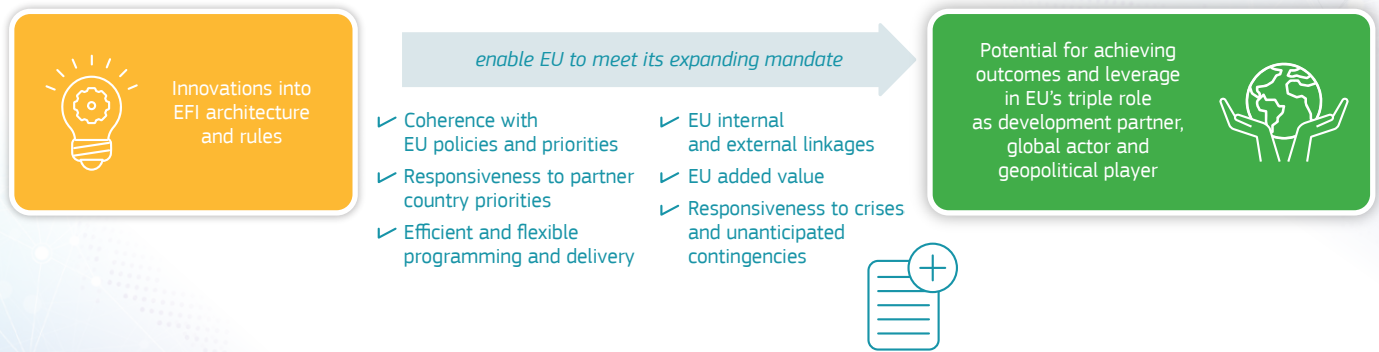


4 Leverage

To what extent have the EFIs strengthened the EU's leverage in its triple role as a development partner, global player and geopolitical actor?

Overall assessment and key lessons learned

The EFIs are showing their enabling potential:



Several challenges affect the EU's potential to achieve outcomes and leverage

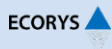
- The trilemma of reconciling the EU's premium on partnership and ownership, universal values, and the EU's interests.
- Institutional challenges, including division of labour, need for new expertise, and adjustment to change.
- Limited progress in using incentives and conditionalities.
- Strain on the flexibility of the new regulatory framework: depletion of the cushion, necessitating decisive action to address ongoing fragility and protracted crises.
- Gaps in transitioning from grants to investment facilitation, particularly in low-income, fragile, or crisis-affected settings. Limited success in mobilising private capital to date.

For this transition process, the evaluation identifies six key lessons

- **Lesson 1:** Managing the transition implied by the new EFIs requires more time, energy and creativity than expected.
- **Lesson 2:** When EFIs meet difficult contexts, ambitions must be realistic.
- **Lesson 3:** Sound new principles underpin the EFIs, yet they need to be carefully applied and managed.
- **Lesson 4:** The expanding external action mandate of the EU in increasingly difficult environments requires more sophisticated levels of knowledge and analysis.
- **Lesson 5:** There is room for improvement in the way to look at monitoring, evaluation and results and foster effective uptake of insights gained.
- **Lesson 6:** The turbulences caused by an increasingly volatile global context are shaking up the carefully designed EFI architecture and make further adaptations necessary.

Disclaimer

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