

## The NDICI – Global Europe Instrument: Is it ambitious enough to deliver for global health?

### Losing sight of poverty eradication

The Neighbourhood, Development, International Cooperation Instrument (NDICI) – Global Europe does not constitute an EU pledge to support partner countries' efforts to "leave no one behind".

The proposal to merge 12 instruments from a wide array of policies, such as development, neighbourhood, human rights and peacebuilding, into a single instrument de facto dilutes their distinct original objectives. This new instrument pledges to "uphold and promote the Union's values and interests worldwide", meaning Member States' economic and policy interests in partner countries. This means that the most vulnerable regions risk being left out at the expense of countries with strategic geopolitical interest<sup>1</sup>.

This reconfiguration marks a major shift away from the EU's principled and long-term approach to development cooperation. Agenda 2030 is clearly not the underpinning political framework for the EU's future external action and aid effectiveness principles are to be applied "when relevant". It is still unclear how and who will make these judgements on relevance.

**The EU has lost sight of aid's original purpose: addressing the root causes of poverty through substantial investments in areas like health and education.** Rather, development aid is now considered a tool to leverage partner countries' cooperation on matters linked to EU's interests, such as security and migration. This – and not putting the EU's political weight behind the Sustainable Development Goals – explains why the Commission has allocated a much larger proportion of funds via geographical programmes.

### Is the design of the Instrument fit for purpose?

**Relying on geographic programming to deliver human development needs may present challenges for financing global health initiatives.** The EU has been a strong supporter of global health initiatives like Gavi, the Vaccine Alliance, and the Global Fund to Fight Aids, TB and Malaria, pledging respectively €300 million and €715 million to each initiative in their last replenishment conferences. Considering these pledges are likely to come out of the thematic envelope, and that these life-saving funds will each undergo another replenishment before 2027, there is a clear risk that the thematic envelope is inadequate for meeting all its objectives of promoting multilateralism, supporting civil society and community leaders and funding global health initiatives.

Official Development Assistance (ODA) is increasingly being allocated towards interventions in the private sector through the modalities of guaranties and loans despite the unproven added-value in leveraging money for poverty-reduction, and the IMF signalled that many LICs at "high risk of" or already in debt distress<sup>2</sup>.

In the past, one of the EU's added values in development has been its commitment to budget support, which is relevant for improving social outcomes and addressing systemic issues. COVID-19 was a wake-up call low- and middle-income countries (LMICs) to accelerate progress towards building universal, publicly financed health systems. To that extent, the **EU has missed the opportunity to prioritise grants and public sector promotion to assure development aid reaches people first** in the programming of the NDICI – Global Europe.

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<sup>1</sup> Global Health Advocates, "[Leaving development cooperation behind: is the EU turning its back on Agenda 2030?](#)", June 2018

<sup>2</sup> Global Health Advocates "[Blending private interests with taxpayer's money: Towards a development-investment nexus?](#)" and "[Shifting development aid narratives: Whose interests are being served?](#)", November 2019

Despite recent EU initiatives to increase investments in hard infrastructure through the Global Gateway, a recent study<sup>3</sup> found that **human development remains a key area for the EU's added value that deserves to be prioritised**. While the EU should use its resources strategically, a shift away from traditional human development might leave significant gaps in its support to a partner country's sustainable economic growth. The EU's geopolitical objectives thus need to be better aligned with partner country priorities: human development must fit in that framework.

The new NDICI – Global Europe Instrument has some positive features, including flexibility that allows for the use and reallocation of unutilised funds between programmes on a multi annual basis. The creation of an emerging challenges and priority cushion to tackle unforeseen challenges and crises is also welcomed. It proved its added value during the COVID-19 pandemic, allowing the EU to support the global response to COVID-19.

### No development without human development

The NDICI – Global Europe Instrument was adopted in the midst of a pandemic that has claimed millions of lives, and wreaked havoc on the economies worldwide. Everywhere, the health and economic crisis revealed and exacerbated the inequalities of access to the most basic services such as health, education, water, sanitation and hygiene or even social protection systems.

COVID-19 has brought to light the chronic lack of funding affecting these basic social services, a disinvestment that has lasted for several decades. In context, GHA was surprised to see that human development was not identified as a key priority in many of the EU's partner countries' programming.

**As stated in the 2017 New European Consensus of Development and the NDICI - Global Europe regulation, the EU is committed to dedicating 20% of its ODA to human development, a target which clearly lacks ambition**, and which the EU only managed to achieve in the previous budget cycle due to a change in methodology (when more topics such as gender equality were included in the calculations). From 2014 until 2017, the EU used only 9% of its ODA for human development: less than half of its target<sup>4</sup>. It was only after the change in methodology that the EU started to reach this target. This does not mean that the EU has really increased its funding for this sector, but simply that it includes more issues under human development. The EU should clarify the definition of 'human development' to avoid risks of inflated reporting.

**Investments in human development – in health, education, nutrition, social protection, WASH – is paramount to ensure universal, equitable, affordable, and quality access to these services and to achieve fundamental human rights**. Investments in human development are crucial for the fight against inequalities and should be increased in the revision of partner countries' programming.

### Access to health care: a precondition for a more equitable world

Health, especially Primary Health Care (PHC) and progress made towards Universal Health Coverage (UHC), is a particularly important aspect of human development. Since ill-health is both a source of and an exacerbation of poverty, PHC and UHC will be critical to ending global poverty and inequalities. Health concerns at birth or in early childhood may prevent individuals from reaching their full potential, and user fees for essential health services push 100 million people into poverty every year. Health care is a human right, as recognised by the WHO and in the UN's International Covenant on Economic, Social and Cultural Rights. Furthermore, alleviating the financial burdens of ill-health will allow the most marginalised people to access other essential services such as education, water and sanitation and good nutrition, thereby reducing inequalities.

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<sup>3</sup> EDCMP, "[The EU, geopolitics and human development: Insights from Zambia, Kenya and Guinea](#)", March 2023

<sup>4</sup> Global Health Advocates, "[Global Health in the age of COVID-19: Prioritising global health in EU development programming](#)", October 2020

During the programming phase of the NDICI – Global Europe, GHA called<sup>5</sup> on the European Commission to ensure global health to be made a priority. **Before the COVID-19 pandemic, EU health ODA was at risk of stagnation.** Despite a steady increase from 2007 to 2017, EU health ODA decreased in 2018 and 2019. **Despite the renewed political attention to health during the pandemic,** we were surprised and disappointed to see that **health was not included as priority for many partner countries** in their Multiannual Indicative Programmes (MIP), and that it represents only 4% of the funding allocated to the Sub-Saharan Africa regional MIP<sup>6</sup>.

Ahead of the EU-AU summit that took place in February 2022, GHA, together with our partners WACI Health, argued<sup>7</sup> that health must be a foundation for a genuine partnership with African countries. Africa has suffered from a prolonged and significant lack of investment in health systems critical to responding to the COVID-19 pandemic and other health emergencies. The lack of basic health services has exacerbated social inequalities and increased Africa's vulnerability. We welcomed the fact that health was high on the Summit's political agenda, but it remains unclear how some of the commitments made will be funded, what type of support the EU will provide (grants, loans, blended finance) how these initiatives will connect to each other to create a coherent continental approach, or how sustainable they will be in the long run<sup>8</sup>.

At the height of the COVID-19 pandemic, health regained its rightful position on the political agenda, before slowly fading out again as the EU found itself dealing with competing crises. **The adoption of the new Global Health Strategy in November 2022 offers the EU an opportunity to fully embrace the role of global health leader that it sought to play during the pandemic, to reaffirm health as a major geopolitical priority, and to sustain it with adequate financing**<sup>9</sup>. The lack of financial targets undermines the impact of this new Strategy.

When we compare with other donors' contribution to global health, we realise how little the EU has actually been investing in health. The US has, for example, been allocating on average 28.4% of its total ODA to global health in the past 5 years. In the same period, the EU has invested on average 5.6% of its total ODA to global health.

### Big ambitions, few resources

It needs to be recognised that the NDICI – **Global Europe Instrument was underfunded since the start of the Multiannual Financial Framework 2021-2027 (MFF), in particular the thematic envelope.** 80% of the funding available in the NDICI – Global Europe's cushion for emerging challenges for 2021-2027 has been earmarked; 100% of the funding available in the margin of Heading 6 for 2021-2023 has been used for the EU Facility for Refugees in Turkey (and the future margin will likely be used to continue funding the Facility); the Flexibility Instrument, used for Heading 6 in the past years, will no longer be available for external action<sup>10</sup>.

**While the EU has the ambition to create a more environmentally sustainable and a more equitable world, there is a growing gap between its bold ambitions on the global stage and the resources available to achieve them.** It is now clear that the pace of global needs has outpaced the level of funds in the Multiannual Financial Framework (MFF), as many of the EU's financing tools and flexibility instruments are almost fully committed.

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<sup>5</sup> Global Health Advocates, "[Global Health in the age of COVID-19: Prioritising global health in EU development programming](#)", October 2020

<sup>6</sup> Global Health Advocates, "[Investing in Human Development in Sub-Saharan Africa: has the EU lost its way?](#)", August 2022

<sup>7</sup> Global Health Advocates and WACI Health, "[Health: a foundation for a genuine AU-EU partnership](#)", July 2021

<sup>8</sup> Joint civil society reaction, "[EU-AU Summit leaves many questions unanswered and crucial topics unaddressed](#)", February 2022

<sup>9</sup> Global Health Advocates, "[Statement on the Communication on the EU Global Health Strategy](#)", November 2022

<sup>10</sup> CSO joint paper, "[Review of the Multiannual Financial Framework The case for increased funding for external action](#)", May 2023

The lack of funds creates a dangerous gap between the EU's ambition, and what is actually available to be spent. At a time when the geopolitical context calls for strong alliances, the EU's ability to deliver on its promises, respond to emerging crises and continue investing in its longstanding global partnerships, will seriously be jeopardised if its ambitions are not matched with adequate funding. Insufficient funding will also create damaging competition between short-term needs and long-term investments, and between core development sectors, ultimately hampering the effectiveness of EU aid and its contribution to the achievement of the 2030 Agenda.

The mid-term review of the NDICI and the MFF are a key opportunity to increase funding allocated to NDICI – Global Europe and its support to human development, in order to protect the EU's positive impact, influence, and credibility on the global stage.

### No accountability without transparency

One of the rationales behind merging the different instruments into a single one was to allow for greater coherence, simplification of procedures and clarification of spending. However, a recent report<sup>11</sup> by the European Court of Auditors found that in practice, different methodologies (in some countries quantitative, in other qualitative) are still being used to set financial allocations. **This hampers the goal of making the instrument more transparent, consistent, comparable, and comprehensive.**

Moreover, auditors found that consultations for the allocation of regional envelopes largely took place in Brussels, in parallel to countries' national programming and without enough input from staff in the regions themselves. A lack of consultation was sometimes an issue for national programmes as well. Furthermore, **civil society organisations and local authorities were sometimes excluded from the programming consultation.** They also found that country envelopes are not calculated rigorously enough, and the programmes lack common indicators to allow progress to be measured.

The creation of the Team Europe Initiatives (TEIs) during the pandemic, which has replaced the former flagship initiatives, has left civil society with concerns and many unanswered questions<sup>12</sup>. **There is overall a lack of transparency and clarity of roles surrounding the Team Europe approach and Team Europe Initiatives**, and a lack of inclusion of CSOs and local authorities. The design and elaboration of TEIs have mostly been an EU-driven process. TEIs have generally been discussed and designed primarily and essentially among EU and Member State development agencies, with little explicit consultation with and outreach to local stakeholders and CSOs. Yet, they should go beyond this and actively involve other actors in line with commitments in the NDICI – Global Europe regulation. Secondly, there is a lack of transparency regarding the funding sources of Global Gateway projects and TEIs which does not ensure accountability of the different actors involved.

We urge the European Commission to take these issues into account when reviewing the NDICI – Global Europe as well as the MFF. The EU must increase its support to human development and health, in line with partner countries' national priorities and be more accountable and transparent in the design and implementation of its programming.

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<sup>11</sup> European Court of Audits, "[Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe Comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring](#)", June 2023

<sup>12</sup> CONCORD, "[Team Europe Initiatives \(TEI\) - first insights and questions to Member States' agencies](#)", September 2021