POLICY BRIEF

Global Europe, Global Responsibility

Delivering Development and Climate Impact in Africa

Executive Summary

The next EU budget must position climate and development finance for Africa as a core strategic priority. A stronger EU engagement would deliver a triple dividend: reinforcing peace and security, unlocking mutual economic opportunities, and strengthening the EU's geopolitical influence and soft power. Given global interdependence, underinvestment in Africa also translates into risks for Europe's own stability and prosperity. To maximise impact and credibility, the European Parliament and Member States should:

- scale up investment in Africa for strategic reasons, recognising its direct relevance for Europe's security, economic resilience, and global standing.
- ensure predictable funding in the next Multiannual Financial Framework (MFF) by making stable commitments over the full budget cycle, preventing mid-cycle adjustments to Official Development Assistance (ODA) and climate targets, and safeguarding agreed geographic allocations – particularly to Sub-Saharan Africa – so that financing cannot be diverted from long-term development priorities.
- align all external spending with climate and development objectives, including a 93% ODA target for the Global Europe Instrument, 35% climate and 15% biodiversity spending targets, and robust application of the 'Do No Significant Harm' principle, explicitly excluding harmful investments such as those in fossil fuels.

Advancing EU Climate and Development Priorities in Africa in the Next Multiannual Financial Framework (MFF)

The next EU budget cycle will be pivotal for Europe if it wants to continue to play a decisive role as a global player and strengthen both its strategic influence and the EU's soft power worldwide. Against the backdrop of shifting geopolitical interests in an increasingly multipolar world, securing robust development finance is not only a matter of humanity, but also of geopolitical, economic, and security significance. As the Agenda 2030, adopted unanimously by all UN Member States, is now entering its final phase, with full implementation by the end of the decade looking unlikely, it is crucial that the new EU budget framework creates the conditions for a strong EU position in a post-2030 development framework. At the same time, the EU budget will be instrumental in enabling the Union to fulfil its international climate finance commitments under the New Collective Quantified Goal (NCQG) agreed upon at the climate conference in Baku (COP29).

The African continent is a strategic partner for the EU in advancing shared prosperity, stability, and sustainability. The continent's young and rapidly growing population, strategic natural resources, and potential for a green and digital transition make it a key partner for Europe's future prosperity and global climate stability. Yet EU engagement has not matched Africa's strategic importance. In 2023, only 14% of the EU institutions' Official Development Assistance (ODA) went to Africa, its lowest level in decades. Support for Least Developed Countries (LDCs), 32 of which (out of 44) are in Africa, amounted to just 11% of total EU ODA in 2024 – the lowest level in 30 years.[1]

The next MFF offers a unique opportunity to reverse these trends. By increasing allocations for climate and development in Africa, establishing reliable and predictable funding, and aligning investments with long-term strategic priorities, the EU can establish itself as a credible and trustworthy partner for a mutually beneficial long-term cooperation.

Germany has a central role to play in this context with its significant weight in the EU Council and a high number of rapporteurs and shadow rapporteurs working on key budget and external financing files in the European Parliament. Further, Germany has consistently been a reliable partner for Africa on development and climate issues. Its continued leadership will be decisive in ensuring that the EU budget reflects Africa's strategic importance and prioritises climate and development issues.

Key Facts: Why the EU Should Scale Up Climate and Development Finance for Africa

- **Peace and security dividend**
  - Africa is among the world's most climate-vulnerable regions, facing extreme weather events, desertification, and sea-level rise that threaten millions of livelihoods.
  - The climate crisis acts as a 'threat multiplier', exacerbating existing vulnerabilities, increasing the risk of conflict and food insecurity as well as undermining human security.[2]
  - Targeted climate and development finance can mitigate these risks through preventive action – reducing emissions, improving access to water and food, preventing social tensions, stabilising fragile regions, and supporting health resilience.
  - By addressing root causes of instability, EU investment reduces fragility, conflict risks, and migration pressures, thereby contributing to stability in Africa and enhancing Europe's long-term security environment.
- **Economic returns and the 'double dividend'**
  - Between 2020 and 2022, the EUR 24.2 billion invested by the EU in ODA had positive development outcomes, generating approximately EUR 24.4 billion in new export opportunities for European companies.[3]
  - Investments in climate-resilient agriculture and infrastructure help stabilise production and reduce price volatility for key commodities (e.g. coffee, cocoa, olive oil), thereby mitigating inflationary pressures and supply chain disruptions that directly affect European economies.
- **Strategic resources and the green transition**
  - Africa holds around 60% of the world's best solar energy potential, produces roughly 70% of global cobalt, and has the world's youngest and fastest-growing workforce.

[1] See ONE Campaign, n.d., *ODA Dashboard* (accessed: 20 April 2026).
[2] See Center for Climate & Security, 3 January 2023, Briefer No. 38 (accessed: 20 April 2026); and Schultheiß, L., Künzel, V., Schwarz, R., 2025, Escalating Threats: How Climate Change Increasingly Affects Human Security (accessed: 20 April 2026).
[3] See ODI Global, 13 May 2025, The economic impact of EU aid on EU economies (accessed: 20 April 2026).

- Climate and development finance opens rapidly growing markets for green and digital technologies, with global market potential exceeding EUR 15 trillion by 2030 across climate, digitalisation, and health sectors.[4]
- By accelerating Africa's green transition, the EU can diversify and secure strategic supply chains, while fostering sustainable industrial partnerships aligned with its climate and energy objectives.
- Investing in education and training and supporting African start-ups and businesses fosters local markets, strengthens value chains, and creates sustainable trade partnerships with long-term benefits for both Africa and Europe.

- **Geopolitical leverage and EU soft power**
  - In an increasingly multipolar world, and amid declining reliability of traditional partners, climate and development finance is a key tool to build trusted, long-term partnerships with countries in the Global South.
  - Reduced engagement by other donors (e.g. the US) risks creating geopolitical vacuums that can be filled by actors with different standards and interests. Global actors such as China, Russia, and Middle Eastern countries are deepening their engagement in Africa, combining finance, infrastructure, and political influence.
  - EU climate and development finance can offer a distinct model: partnerships based on sustainability, governance standards, and human rights.
  - Strong and reliable engagement enhances the EU's credibility, strengthens bilateral relations, and enables the Union to shape international norms while securing long-term strategic and economic partnerships.[5]

Key Demands: Strengthening EU Climate and Development Finance for Africa (2028–2034 MFF)

- **Protect the Global Europe budget at a meaningful level**: We welcome the European Parliament's ambition to increase the overall MFF to 1.27% of EU GNI (with an additional 0.11% for NextGenerationEU debt repayment outside the ceilings), representing an increase of around 10% compared to the Commission proposal.[6] A higher Global Europe allocation is essential to match growing geopolitical, climate, and development challenges. Building on this, the Parliament should significantly increase the funding for the Global Europe Instrument (GEI), well above EUR 200.3 billion as a minimum baseline, and safeguard a robust share for external action in upcoming negotiations.
- **Anchor development as a core objective of EU external action:** The EU should set a minimum 93% ODA target for the GEI, remove the possibility of adjusting the ODA target through a delegated act, in line with the previous framework, and reaffirm poverty, hunger, and inequality reduction as primary objectives.[7] This is critical to prevent short-term geopolitical priorities from undermining long-term development impact.
- **Introduce binding targets to ensure delivery and accountability:** Binding targets for the Global Europe regulation must be established to guarantee that EU funding delivers on agreed priorities.

[4] See BDI, 2024, Transformationspfade für das Industrieland Deutschland (accessed: 20 April 2026).

[5] See Schultheiß et al., 2025, Sechs Argumente für mehr internationale Klimafinanzierung. Warum die neue Bundesregierung mehr Klimafinanzierung bereitstellen muss (accessed: 20 April 2026).

[6] See European Parliament, 15 April 2026, EU long-term budget: MEPs want a 10% increase to support EU priorities (accessed: 20 April 2026).

[7] See MFF Hub, 8 December 2025, Global Europe: A blueprint for long-term prosperity (accessed: 27 April 2026).

This will strengthen the Commission's accountability towards the European Parliament and Council, while providing partner countries with predictable and reliable financing.

- *Increase the share of climate-related expenditure from 30% to at least 35% of the GEI*. This represents a necessary and proportionate step to align EU external spending with its international climate commitments under the NCQG agreed upon at the climate conference in Baku (COP29). In addition, a 15% biodiversity target can contribute to fulfilling the EU's commitments under the Kunming–Montreal Global Biodiversity Framework.[8] These targets should be confirmed in the Global Europe regulation and improved in the Performance Regulation (see below).
- *Establish a minimum allocation level* of at least EUR 60.5 billion for Sub-Saharan Africa and protect these funds from reallocation during implementation.[9]
- *Explicitly recognise and prioritise adaptation finance* within the GEI, in line with global commitments to significantly scale up adaptation support and to triple adaptation finance by 2035 as agreed at COP30 in Belém. This is essential to deliver on the Global Goal on Adaptation and to address the most urgent needs of vulnerable countries. The instrument should also include a focus on addressing loss and damage.

- **Ensure predictable and reliable funding:** Stable and predictable financing is crucial for partner countries – particularly LDCs – to plan effectively, implement long-term development programmes, and maximise the impact of EU investments. Evidence shows that volatility in aid flows can reduce effectiveness by up to 20% and complicates budget planning for both partner countries and EU Member States.[10] The current proposal for the Budget Expenditure Tracking and Performance Framework allows the Commission to adjust climate and environmental spending during the budget cycle (Art. 4.4), but this flexibility risks undermining the reliable delivery of agreed targets.
  - *Reinstate the de-commitment safeguard in the GEI proposal* (previously in Article 30(2) of the Neighbourhood, Development and International Cooperation Instrument (NDICI)): Unspent GEI funds should remain within their original budget lines, preventing diversion to internal EU priorities.
  - *Reject mid-cycle target adjustments*: Do not allow ODA or climate targets to be reduced during the budget cycle. Stable, predictable funding is essential to maintain partner confidence, particularly for LDCs, and to uphold EU credibility as a reliable development partner.
  - *Ring-fence programmable funding:* 80% of GEI geographic and global pillars should be allocated to long-term initiatives, ensuring the majority of resources support sustained development and climate goals. Reserve 20% for rapid response, resilience, peacebuilding, conflict prevention, and humanitarian aid to maintain flexibility.
  - *Strengthen accountability mechanisms:* The Budget Expenditure Tracking and Performance Framework should be improved to guarantee that spending targets are met, and the provision allowing the Commission to adjust the targets through a delegated act should be removed, enhancing transparency, predictability, and policy impact. For example, in the previous MFF, the lack of clarity about how the external action instruments should be used for Global Gateway blurred responsibility and oversight – particularly regarding its relationship to the NDICI. The Global Europe Regulation proposal sets out that '[t]he implementation of the Instrument should support the Global Gateway strategy' but does not offer a corresponding proposal about how to

[8] See MFF Hub, n.d., Global Europe Briefing: Climate and Environment (accessed: 27 April 2026).
[9] See MFF Hub, n.d., Global Europe Briefing: Africa (accessed: 27 April 2026).
[10] See Brookings, 7 July 2014, Reforming ODA to increase development impact (accessed: 20 April 2026).

improve accountability. The upcoming MFF should close these gaps by assigning explicit reporting responsibilities and improving Parliamentary oversight on the support of Global Gateway to ensure full transparency and accountability.

- **Strengthen environmental safeguards in the Horizontal Performance Regulation and reinstate safeguards in the Global Europe Regulation**: EU external financing must fully align with climate and environmental objectives, ensuring that all funded activities are climate-resilient, Paris-aligned, and free from harm – including all forms of financing such as grants, loans, guarantees, blending, and Global Gateway investments. Current proposals carry the risk of creating exemptions that undermine credibility and policy coherence.
  - *Reintroduce the 'Do No Harm' principle* from the previous NDICI into Global Europe. This includes upholding Free, Prior and Informed Consent (FPIC) standards in all activities affecting local and indigenous communities. Do no harm and leaving no one behind principles should inform support for just transitions that protect workers, communities, and vulnerable populations.
  - *Explicitly prohibit particularly harmful investments in the Global Europe Regulation*, including investments in fossil fuel production, infrastructure, and nuclear fission/fusion, in line with the EU's commitment to phase out fossil fuel subsidies. This would also ensure that energy cooperation prioritises renewables and energy efficiency, aligning with the European Investment Bank's energy-lending framework, the COP26 Statement on International Public Support for the Clean Energy Transition, and the COP28 Global Goals.
  - *Eliminate exemptions from the 'Do No Significant Harm' (DNSH) principle for third countries:* The current Performance Regulation proposal allows proportionality-based exemptions (Art.5), weakening social and environmental safeguards. This proportionality clause should be deleted. The Global Europe regulation should apply the DNSH principle, although some differentiation in application may be required from a development perspective, set out in the DNSH guidance[11].
  - *Develop clear DNSH guidance and an exclusion list:* The Performance Regulation tasks the Commission to come up with a single and simplified DNSH guidance. This should ensure that all funded activities align with the Paris Agreement and biodiversity goals, while being adaptation-proof and systematically assessing climate and environmental risks. The guidance needs to 'distinguish policy…areas or activities… that "do significant harm"'. A list of excluded activities which should never be funded by the EU budget would be a simple way to meet this need: such a list should include fossil fuel activities and nuclear.
- **Ensure that suitable financial instruments are in place:** Access to finance remains a major barrier for African countries to invest in climate action and development. Many countries are heavily indebted and have limited fiscal space to meet urgent needs, while the scale of investment required to address multiple challenges far exceeds national borrowing capacity. Structural disadvantages – including restricted access to capital markets and austerity measures imposed by external creditors – further constrain their ability to mobilise resources, despite the pressing need for transformative investments. The EU must therefore provide financial instruments that preserve debt sustainability, incentivise climate action and green diversification, and make effective use of grants.
  - *Prioritise debt sustainability:* The EU should recognise debt sustainability as a fundamental prerequisite for economic stability and long-term development in African countries.
  - *Preserve and target grant funding:* Grants are crucial for sustainable food systems, health, education, climate adaptation, peacebuilding, and other public goods that cannot rely on

[11] See CAN Europe, 31 March 2026, CAN Europe input to consultation: Methodology guidance for the Application of the 'Do No Significant Harm' Principle in the 2028–2034 EU Budget (accessed: 27 April 2026).

commercial funding, especially in vulnerable or conflict-affected contexts, or in countries in heavy debt distress.[12] Therefore, the EU should retain grants as the primary modality in the GEI budget.

- *Ensure guarantees generate additionality:* EU guarantees must finance activities that would not be implemented without EU support, targeting underfinanced or higher-risk countries and sectors. Scaling of guarantees should only occur after thorough assessment of impact.
- *Provide clear guidance for policy-based loans and blended finance:* Climate considerations should be mainstreamed systematically across all policy-based budget support operations – particularly in non-climate sectors –, helping to embed climate risk and resilience into partner countries' policy frameworks. This should be reinforced through robust debt sustainability safeguards, strengthened transparency requirements, and clear implementation modalities for loans and blending operations. Such approaches should be tailored to partner countries' needs and priorities, while remaining free of harmful economic policy conditionality and ensuring full alignment with EU development objectives, with a strong emphasis on eradicating poverty and reducing inequalities.
- *Local value creation must remain a core objective:* The EU's GEI financial tools should be used to support the creation of local green value chains and private sector development, diversifying local economies to strengthen economic resilience and support just transitions. This would enable countries to benefit from the global transition to net zero.

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[12] See Gavas, M., Granito, L., 9 March 2026, Why Is the EU Still Giving Grants to Countries that Could Borrow? Rethinking EU Budget Support Ahead of the 2028-2034 MFF (accessed: 20 April 2026).

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