Council of the European Union

PRESS

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BACKGROUND BRIEF[1]
Brussels, 28 April 2021

Informal video conference of development ministers
29 April 2021

The Informal video conference of Foreign Affairs Ministers on development will be chaired by the EU High Representative for Foreign Affairs and Security Policy, **Josep Borrell**, starting at **9.00**.

The sole agenda item will be an orientation debate on the **Future European Financial Architecture for Development (EFAD),** paving the way for Council conclusions to be adopted in May. The Presidents of the EIB and the EBRD have been invited to participate in the exchange. International Partnerships Commissioner **Jutta Urpilainen** is expected to brief the ministers on the issue.

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Informal video conference of development ministers - meeting page

Press conferences and public events via video streaming

Video coverage of the event in broadcast quality (MPEG4) and photo gallery

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[1] This note has been drawn up under the responsibility of the Council press office.

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Future European Financial Architecture for Development

EU development ministers will hold an orientation debate on the future European Financial Architecture for Development (EFAD), with the participation of the European Investment Bank (EIB) and the European Bank for Reconstruction and Development (EBRD).

Ministers will discuss in particular the conclusions and findings of the “Feasibility Study on options for strengthening the future European Financial Architecture for Development (EFAD)”, and provide political guidance on the preferred option, after EU ministers of finance discussed the EFAD at their informal VTC meeting on 16 April.

In line with the Council conclusions of December 2019, the independent “Feasibility Study on options for strengthening the future European Financial Architecture for Development (EFAD)” was finalised and shared with member states on 10 March 2021. It provides a comprehensive analysis of three options for the future of EFAD with the aim of ensuring a strong and coherent European approach that can best deliver on the EU’s external policy objectives and geopolitical interests. Overall, it concludes that “building on already existing resources and complementarities seems to be the most suitable scenario to ensure a strong and coherent approach to address the current main development challenges (the so-called Status Quo+ scenario)”.

The discussion will feed into the preparation of Council conclusions on the strengthening of EFAD, which the Portuguese presidency plans to propose for approval in May 2021.

BACKGROUND

The European financial architecture for development plays an important global role in fighting poverty and inequalities, working towards achieving the Sustainable Development Goals and tackling climate change. The structure builds on a multiplicity of EU and national actors, as well as financial instruments. Reflections on how to make it more coherent, strategic, inclusive, impactful and visible started in 2019. In its conclusions of December 2019, the Council set out its views on initial improvements to be made and outlined the way forward for political reflection.

In October 2019, a High-level Group of Wise Persons, established by the Council, published a report, providing a system-wide perspective on the challenges and opportunities for improving and rationalising EFAD, looking in particular at the respective roles of the EIB and EBRD, as well as a number of steps to be taken immediately.

In December 2019, the Council adopted conclusions on EFAD, in which it gave strong support to the proposals for short-term improvements made by the Wise Persons Group. It also requested further work on the feasibility of options for institutional change put forward by the group, as well as of possible enhancements to the current institutional set-up, the third option analysed by the feasibility study and retained as the most suitable.

- Council Conclusions on the European financial architecture for development, 5 December 2019)
- Report by the High-Level Group of Wise Persons (October 2019)
- Informal video conference of economic and finance ministers, 16 April 2021
- EU Development Policy