

BRIEFING NOTE No 198

A companion guide to the Global Europe instrument proposal

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Summary

On 16 July 2025, the European Commission unveiled its eagerly anticipated proposal for the next EU long-term budget – the multiannual financial framework (MFF) for 2028-2034 – introducing a new Global Europe instrument. This guide provides a structured guide to the proposed instrument, unpacking its core features and raising key dilemmas for the negotiations ahead.

The Global Europe instrument consolidates existing instruments into a single, more flexible architecture, with a greater focus on EU geopolitical and economic interests. It includes new support for European competitiveness and a hardening of migration conditionality. The proposal aims for greater EU agility, notably by removing many binding spending targets, increasing non-programmable funding and expanding the financial toolbox. But these changes raise significant concerns about predictability, oversight, the dilution of specific mandates and the politicisation of humanitarian aid.

This guide offers early analysis of what is new, what is at stake and what to watch for in the upcoming negotiations. It highlights four central dilemmas – architectural, governance, strategic and implementation – that will shape the future of EU external action.

1. Introduction

On 16 July 2025, the European Commission <u>unveiled proposals for the post-2027</u> <u>multiannual financial framework (MFF)</u>, a seven-year budget of €1.98 trillion. The budget is centred on priorities like security and defence, economic competitiveness, and Europe's strategic autonomy, with a central theme of greater agility and flexibility. The overall architecture of the MFF is thus simplified, with four main headings: 1) Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security; 2) Competitiveness, prosperity and security; 3) Global Europe; and 4) Administration.

Among the main proposals is a new €200.3 billion <u>Global Europe instrument</u>, signalling a notable rise in ambition for the EU's external action at a time when the US and several EU member states are cutting back on international spending. While this represents a 75% increase compared to current levels,¹ the increase is significantly less generous than it appears once inflation is factored in. This opening bid faces a difficult negotiation process, where it will have to compete with pressing domestic priorities and remains at <u>high risk of being cut</u>. Crucially, these proposals form part of a broader package and the external action heading must be understood as <u>mutually reinforcing</u> with other MFF priorities, notably security and competitiveness.

This brief provides a quick, early analysis of the Commission's proposal for the Global Europe instrument, unpacking its key features and identifying the major issues for the contentious negotiations ahead.

2. Why this new instrument?

The proposal for the Global Europe instrument is driven by a drastically changed geopolitical setting and significant economic and political challenges within Europe, compelling the EU to equip itself with a more agile and flexible budget. This evolution is part of a broader and controversial MFF overhaul aimed at creating fewer, more agile instruments with a greater share of unprogrammed funds to give the Commission more leeway, faster and better crisis response, and ultimately, stronger impact.

This logic of flexibility through consolidation is the primary driver behind the new instrument's design. It builds on the previous consolidation that created the
Neighbourhood, Development and International Cooperation Instrument – Global

<u>Europe (NDICI-Global Europe) for 2021-2027</u>. The new proposal goes further by <u>consolidating existing external financing instruments</u>, including pre-accession and humanitarian aid funds, into a single instrument.²

The proposal also explicitly calls for greater coherence and more effective leveraging of resources between the EU's external action and its internal priorities, such as competitiveness and migration.

3. What's new in the proposal?

3.1. Overall objectives and policy framework

The proposal reaffirms the EU's commitment to its foundational values, multilateralism, the Sustainable Development Goals and the Paris Agreement. At the same time, it reflects a sharpened focus on security and geopolitics, adding new thematic priorities such as combating "foreign information manipulation and interference" and addressing hybrid threats.

The core evolution is the articulation of a new 'dual objective': to foster partnerships that contribute "simultaneously to the sustainable development of partner countries and to the strategic interests of the Union" (Article 5). This represents a deliberate pivot towards a more assertive geoeconomic approach, explicitly positioning the Global Europe instrument as a tool to advance EU competitiveness, economic security, and open strategic autonomy. The Global Gateway strategy is now formally designated as the main vehicle of this economic foreign policy.

Tailor-made partnerships are presented as the central means of delivering this dual agenda, aligning EU interests with partner country needs. Yet this new framing introduces a fundamental *strategic dilemma*: how to reconcile the pursuit of short-term geopolitical and economic interests with the EU's long-standing, treaty-based commitment to sustainable development, human rights and democratic governance.

Critically, this recalibration unfolds in the absence of a coherent strategic policy framework. The proposal contains no reference to the 2016 EU Global Strategy or the 2017 European Consensus on Development – foundational documents that previously anchored EU external action. Instead, implementation is to be steered by a fragmented set of high-level political inputs: strategic agendas of the European Council, political guidelines of the European Commission, Council conclusions, communications and summit outcomes (Article 8). While now formally embedded into the Global Europe instrument, the Global Gateway is not

a comprehensive strategy in itself and cannot replace a broader policy framework.

Without a clear, overarching framework, the instrument risks being driven by short-term political priorities and institutional bargaining, resulting in a fragmented mosaic of priorities. In such a vacuum, the EU's strategic interests may increasingly override long-term development and value-led commitments.

3.2. Structure and instrument scope

The main structural novelty is the consolidation of NDICI-Global Europe, the Instrument for Pre-Accession (IPA III), and the Humanitarian Aid instrument (HUMA) into a single instrument. The integration of IPA III reflects the new reality of an accelerated accession process for countries like Moldova and Ukraine. Humanitarian aid, while now drawing its budget from the merged Global Europe instrument, will continue to be governed by its own separate regulation to preserve its unique principles and operating procedures. This consolidation creates an *architectural dilemma*: how to gain flexibility without diluting the distinct purpose and principles of each component?

The instrument is built on six core pillars, with a clear emphasis on geography (Article 3 and 6):

• Five geographic pillars:

- 1. Europe³ (€43.17 billion)
- 2. Middle East, North Africa, and the Gulf⁴ (€42.93 billion)
- 3. Sub-Saharan Africa (€60.53 billion)
- 4. Asia and the Pacific (€17.05 billion)
- 5. Americas and the Caribbean (€9.14 billion)
- One global pillar (€12.68 billion) to address global challenges and thematic priorities. It absorbs the former standalone programmes for human rights, civil society and global public goods.

The 'indicative amounts' for these pillars are non-binding, which allows for adjustments via the annual budget procedure or other mechanisms. While this increases flexibility, it also raises concerns that funds could be shifted and that greater fungibility of funds risks blurring pillar allocations. This could deprioritise certain areas over time, making it difficult to ensure predictability and strategic clarity.

A separate Ukraine Reserve will support Ukraine's accession and reconstruction efforts, including up to €100 billion in loans. This support will be made available through the Europe pillar of the Global Europe instrument but financed from "over

and above the MFF ceilings", meaning it is separate and additional from the €200 billion for the instrument.

Each pillar consists of both programmable and non-programmable actions, but the proposal does not define a fixed amount or proportion for their allocation, which is intended to enhance strategic agility. The non-programmable actions for geographic pillars explicitly include: (1) humanitarian aid; (2) macro-financial assistance; (3) resilience; (4) competitiveness; and (5) crisis, peace, and foreign policy needs.

The 'emerging challenges and priorities' cushion is also significantly strengthened to €14.8 billion (up from €9.5 billion), reflecting lessons from the current NDICI-Global Europe, where the cushion was rapidly depleted in the first half of the programming period to respond to major unforeseen events such as the war in Ukraine, food and energy crises, and natural disasters.

3.3. From targets to flexibility

One of the most notable features of the proposal is its deliberate push for greater flexibility. The most significant change is the removal of all spending targets (for instance, 30% for climate, 10% for migration and 20% of official development assistance (ODA) for human development) and the replacement of minimum amounts for key regions like sub-Saharan Africa and the EU Neighbourhood by indicative financial allocations for each pillar.⁵

These changes create a significant risk of deprioritisation, potentially leading to a dilution of investment and making it harder to track performance and ensure accountability. These choices will likely trigger pushback from some member states and members of the European Parliament keen to safeguard regional or thematic interests, and who may fear a dilution of development objectives, predictability more generally, and a loss of oversight. This tension presents the core *governance dilemma*: balancing the EU's need for agility with the imperative for democratic oversight and predictable funding.

The only remaining quantitative target is for ODA, set at "at least 90% of the expenditure". Yet, even this can be amended by the Commission through a delegated act, without reopening the full regulation (Article 6.6). This flexibility on the fundamental ODA target risks undermining the EU's poverty focus and credibility. Furthermore, it introduces unpredictability for partner countries, particularly least developed countries (LDCs), which depend on stable aid. Such a fluctuating benchmark could also complicate member states' budget planning and impede the collective impact of Team Europe.

Beyond targets, the Commission also proposes to make budgetary transfers between and within pillars easier, and to increase the maximum amounts it can spend flexibly in a non-programmable way. Furthermore, the proposal foresees a number of derogations from standard EU financial rules, like the automatic carry-over of unused funds to the following year, the re-use of revenues and recoveries from financial instruments, and the possibility to assign surpluses from budgetary guarantees to the instrument's budget.

This heightened level of financial discretion, combined with the removal of binding spending targets, elevates the importance of the annual budget process, transforming it into the primary arena for making strategic decisions on resource allocation.

3.4. Private sector and competitiveness

The proposal reinforces the EU's focus on leveraging private sector investment to achieve its foreign policy goals. This aligns with the ambitions of the Global Gateway strategy, the EU's contribution to narrowing the global investment gap worldwide, and reflects a broader shift towards using the EU budget to mitigate risk for European investments and promote European economic interests.

The proposed Global Europe instrument emphasises the external dimension of European competitiveness, and <u>some links are made</u> with the newly proposed, internally focussed €409-billion <u>European Competitiveness Fund</u>. To give this ambition institutional weight, the regulation mandates that the Global Europe instrument will ensure "consistency, coherence, synergies and complementarity" with other Union policies (Article 5), especially with trade, investment and the EU Competitiveness Fund, thus clearly embedding industrial policy goals into external action.

The regulation also provides for a better integration of budgetary guarantees and financial instruments in the toolbox of the EU, with the possibility of covering the activities of export credit agencies (mentioned for the first time in the Global Europe instrument proposal) and the European private sector. Moreover, the proposed instrument explicitly states that "budgetary guarantees authorised under this Regulation may serve as a horizontal delivery tool also for other Union programmes contributing to external action objectives", thereby enhancing the coherence of the EU internal and external agenda, notably in terms of competitiveness objectives. This raises the challenge of balancing the instrument's new economic diplomacy focus with the EU's long-standing treaty-based development and humanitarian objectives.

A major innovation is the ability to award grants directly (without a call for proposals) to private EU-based companies for projects that are in the "strategic interest of the Union", such as investments in critical raw materials, climate change resilience or digital and other infrastructure, in particular as part of integrated packages (Recital 70). This is complemented by a doubling of non-programmable funds, which allows the Commission to act faster on competitiveness-related grants without formal procedures.

3.5. Migration conditionality

Similar to NDICI-Global Europe, the draft Global Europe instrument regulation proposal balances strategic and interest-driven objectives, while keeping a developmental and rights-based language on migration. There is continuity from the NDICI-Global Europe in terms of the areas covered as part of comprehensive engagement on migration, but the proposal frames migration more explicitly as an integral element of the instrument and presents the instrument as a tool to implement EU migration agreements with third countries.

The NDICI-Global Europe's 'flexible incitative approach' to migration now extends across the entire instrument, serving as leverage for diverse objectives, including migration. However, there is now a much stronger and more explicit enforcement tool and a suspension clause, granting the Commission the power to suspend support if a country fails to readmit its nationals (Article 12-3). This marks a significant hardening of conditionality, evolving from a general 'incitative approach' to a distinct mechanism of negative leverage directly linked to readmission cooperation.

The broader scope and lack of a migration target risk reducing visibility and predictability. Clear programming guidelines and robust reporting – such as a revised or more differentiated migration marker – will be essential to ensure accountability and demonstrate prioritisation. While such measures may help justify the absence of a dedicated target, they may not fully prevent renewed pressure from member states seeking more concrete commitments.

3.6. Fragility and protracted crises

Compared to NDICI-Global Europe, the draft regulation elevates crisis and fragility to a more central and political priority. But there is a risk of politicising international cooperation when engaging in fragile and conflict-affected settings, thereby undermining core development and humanitarian principles. The framing could also alienate partner governments and local actors, and reduce the EU's credibility as a development partner in fragile contexts where trust and long-term

engagement are essential. In the absence of a clear EU-wide strategy with guiding principles on how the <u>EU aims to respond to fragility</u> and fragile settings, there is a risk that fragile settings deemed not strategically interesting to the EU will be <u>left behind</u>.

Specific funding for peace, stability and conflict prevention (including attention to global threats such as transnational crime) are now integrated into the 'non-programmable' components of each pillar, which risks deprioritising attention to fragile and conflict affected areas.

Enhanced flexibility may allow the EU to respond fast to emerging crises or priorities. However, a top-down approach, which primarily serves the Commission's management needs, risks neglecting the necessity for more tailor-made responses to prolonged crises. Addressing such crises demands a deep understanding of both country-specific and regional contexts, and this initial regulation proposal offers no guarantees in that regard.

3.7. Full mainstreaming approach

The proposal marks a significant shift in addressing cross-cutting priorities. Instead of specific binding targets (for areas like climate, human development and gender), the draft Global Europe instrument regulation proposes a 'full mainstreaming' approach that is to be implemented in accordance with a horizontal performance regulation (Article 10). As noted earlier, this shift from quantitative targets to qualitative goals creates significant risks for accountability and the potential deprioritisation of key issues.

For gender equality, the removal of the gender targets under NDICI-Global Europe represents a clear step back from the EU's previous commitments, raising the risk that gender objectives will be diluted within broader programmes and not effectively implemented in practice. Without concrete measures and tracking mechanisms, gender equality risks being deprioritised within the EU's external agenda.

For climate action, the removal of the 30% external spending target under NDICI-Global Europe marks a major change. While the broader multiannual financial framework includes a 35% climate and environment target, the draft Global Europe instrument relies solely on qualitative mainstreaming. Without dedicated allocations or strengthened reporting, there is a real danger that climate objectives, particularly <u>adaptation finance</u>, could be sidelined. This may erode the EU's credibility as a global climate leader at a time when measurable commitments are increasingly demanded by international partners.

Other key priorities, such as democracy, human rights, peace, stability and civil society support, are no longer covered by dedicated thematic programmes, as is currently the case under NDICI-Global Europe. Although these areas remain stated priorities and are supported through both geographic and global pillars, they are now relegated to annexes rather than anchored in the core text. This change is intended to maximise impact, but without binding targets or dedicated funding, their visibility and impact risk becoming diluted.

3.8. Programming and implementation toolbox

A strategic and flexible programming approach

The Global Europe instrument introduces new programming principles that grant the European Commission considerable latitude in its decision–making, marking a distinct shift from the more rigid funding mechanisms of the past. Whereas previous instruments prioritised needs criteria (with specific mentions of poverty, human development and environmental vulnerability, and a clear prioritisation of LDCs), the new instrument pivots towards broader concepts of 'mutual interest' and 'shared priorities'. This allows the EU to be more agile, with greater flexibility to start or stop spending based on evolving strategic interests, including support for multilateral alliances and cooperation on irregular migration.

The primary implementation method will be through geographic programmable actions at the country, multi-country, regional and trans-regional levels. These are to be complemented by non-programmable geographic actions and global thematic initiatives. This would allow for a more integrated policy approach within each region, enabling the EU to deploy its entire toolbox coherently to achieve strategic outcomes, rather than managing separate programmatic silos. This would make the allocation of funds an inherently more strategic and political exercise. Resources would be directed to geographic regions based on their perceived importance to the Union's overarching foreign policy objectives.

The proposal aims for a more adaptable programming approach, tailoring actions to the specific needs of each region and allowing for easier reallocation of resources between countries and regions as new opportunities or challenges arise. The regulation allows for multiannual indicative programmes (MIPs) to be reviewed and amended. Specifically, Article 17–2 states that MIPs can be reviewed on an "ad hoc basis as necessary for effective implementation", particularly following a situation of crisis or post–crisis. On "duly justified imperative grounds of urgency", the Commission can amend these programmes through immediately applicable acts. While this grants the Commission and the EU greater flexibility, it comes at the cost of predictability for partner countries, many of whom depend on stable, multi-year financial commitments.

The precise role that the European Parliament and member states will play in overseeing this more flexible programming remains a central point of negotiation. This also raises a crucial *implementation dilemma*: whether the EU can shift from its top-down programming model to one of genuine co-creation with partners on the ground.

The implementation toolbox

The regulation strengthens and extends the implementation toolbox to enhance the EU's ability to act in a more flexible, coherent and impactful manner. A central feature is the improved integration of tools which enable the development of comprehensive, tailor-made 'partnership packages'. While it maintains core instruments, the proposal introduces new components and mechanisms:

- Grants: These remain a key tool for a wide range of cooperation activities.
 The flexibility to award grants without a call for proposals is enhanced for specific urgent cases, such as supporting human rights defenders or acting in crisis situations.
- Financial guarantees and blending: A significant simplification is the integration of the European Fund for Sustainable Development Plus (EFSD+) directly into the Global Europe instrument. The budgetary guarantee is no longer a separate fund but a standard, horizontal tool in the EU's financial architecture. This enables blending of public grants with public and private loans to de-risk and mobilise large-scale investments, particularly in support of the Global Gateway. The regulation also opens the possibility to extend guarantee coverage to export credit agencies, marking an important expansion of the EU's external investment toolkit.
- Policy-based loans and macro-financial assistance: The instrument formalises the use of policy-based loans as a general tool to support partner countries' reform agendas. A specific implementation mechanism is foreseen for Enlargement and Eastern Neighbourhood partners, based on performance-based reform plans. Macro-financial assistance, previously limited to a narrower set of countries, is now embedded more systematically into the toolbox.

3.9. Accountability and governance

Increased flexibility is a common thread across the entire multiannual financial framework for 2028-2034, but it must be balanced with improved accountability, governance and strategic direction. To this end, the Commission proposes a "new political steering mechanism" to provide strong interinstitutional governance for the allocation of flexible resources. This high-level process would involve an annual dialogue between the institutions, informed by an integrated strategy

report, to agree on key priorities.

The Global Europe instrument, however, lacks significant governance innovation and replicates the structure that was already in place. A simple provision is included to inform the European Parliament and the Council and have exchanges of views with them (Article 8-2).

Yet, the text centralises decision-making with the Commission, as shown above with the many flexibility features (for instance, the possibility to use delegated acts and grant direct awards without competitive calls). Moreover, the Commission would still largely control the deployment of flexible funds and the emerging challenges and priorities cushion⁷, allowing it significant power to respond to crises and opportunities based on its own priorities.

The removal of binding targets strips the Parliament and Council of their most powerful tool for shaping spending priorities *ex ante*. Their role is fundamentally shifted towards *ex-post* oversight, inverting the traditional accountability model: instead of the Commission justifying its spending plans upfront, the burden now falls on the co-legislators to challenge deviations from broadly defined goals after the fact.

These choices will likely face pushback from member states and members of the European Parliament. A potential solution to this conflict lies in developing a new framework of 'accountable flexibility'. This concept aims to balance the need for swift action with increased transparency and oversight of the Commission. Rather than returning to the rigidities of the past, accountable flexibility could introduce new oversight mechanisms, such as more dynamic forms of strategic dialogue, timely information or stricter reporting rules. These mechanisms would allow the EU to respond quickly while preserving the democratic legitimacy and political buy-in vital for successful external action. To be successful, they would also require a significant and swift agreement within the Council and Parliament on strategic direction. Achieving this will require significant efforts from the Parliament and particularly the Council.

4. Key dilemmas in the upcoming negotiations

The proposed changes to the Global Europe instrument, while primarily seen through the legal text, give rise to fundamental questions about the future of EU external action, which go beyond the regulation per se. The central challenges crystallise into four core dilemmas that will likely dominate the upcoming negotiations:

- **The architectural dilemma:** Does merging the EU's external financing instruments for more flexibility offer benefits that outweigh the risks of diluting their distinct purposes, principles and accountability frameworks?
- The governance dilemma: How can the EU balance the Commission's
 desire for maximum flexibility in a volatile world with the imperative of
 predictable funding and transparent oversight from the Council and
 Parliament, which are essential for credible partnerships?
- **The strategic dilemma:** How can the EU reconcile its growing focus on geopolitical and economic interests, embodied by the Global Gateway, with its fundamental, treaty-based commitment to poverty eradication and long-term, values-based development cooperation?
- The implementation dilemma: How can the EU move from a top-down, 'Brussels-centric' model to one of genuine co-creation by fundamentally changing how it programmes its resources and which implementation tools it uses?

Figure 1: Four core dilemmas

Architectural

Does merging EU external financing instruments for flexibility outweigh risks of diluting distinct purposes, principles and accountability?

Governance

How can the EU balance the Commission's desire for flexibility with the need for predictable funding and transparent oversight from the Council and Parliament?

Strategic

How can the EU balance its geopolitical and economic interests (Global Gateway) with its core commitment to poverty eradication and values-based development?

Implementation

How can the EU shift from a top-down, 'Brussels-centric' approach to true co-creation by altering resource programming and implementation tools?

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5. Conclusion

The Commission's proposal for the Global Europe instrument sheds light on a fundamental tension: a necessary quest for geopolitical flexibility and pursuit of EU interests that risks sacrificing the predictability, accountability and values-based partnerships that have long been the bedrock of the EU's external action. As this brief has detailed, the legislative negotiations over the next two years will be the arena where the final balance between executive agility and democratic oversight is struck.

However, the instrument's success cannot be guaranteed in isolation. The EU's credibility as a global partner is increasingly shaped by the coherence – or lack thereof – between its internal policies and external commitments. Failing to connect the dots between the Global Europe instrument and internal agendas on competitiveness, security, migration or the green and digital transitions will not only lead to ineffective spending but actively damage trust with partner countries and multilateral institutions.

The instrument's stated goal is to foster 'mutually-beneficial partnerships' that serve both the interests of the EU and of its partners, but the instrument's strong push for flexibility and EU-driven priorities risks skewing that balance. Without meaningful involvement of partner countries, these partnerships risk becoming one-sided, which would undermine the EU's credibility as well as the instrument's impact and value for money.

The success of the Global Europe instrument also requires addressing the current strategic vacuum. Without a coherent overarching policy framework to guide implementation, the instrument risks being shaped by short-term political expediency rather than long-term vision. Likewise, the shift away from binding priorities towards more Commission-led discretion calls for new approaches to 'accountable flexibility' that safeguard transparency and political oversight.

The MFF negotiations must therefore become the place where these internal and external silos are broken down, where strategic direction is restored, and where the perspectives of international partners are not left as an afterthought. The choices made in the coming months will shape the EU's role as a global actor for the next decade.

This guide is a first step in unpacking the proposal. ECDPM will continue to monitor and analyse these critical issues as they unfold. For all our work on the new multiannual financial framework and the budget negotiations, along with insights into current and past frameworks, explore our dedicated dossier at ecdpm.org/mff.

Annex 1. Main changes and implications: A summary table

Feature	NDICI-Global Europe (2021-2027)	Proposed Global Europe instrument (2028-2034)	Key implication / dilemma
Instrument	Merged 10 external instruments, but IPA and HUMA are separate.	Merges NDICI-Global Europe, IPA III, and the HUMA budget into a single instrument. HUMA keeps a separate regulation but its budget is drawn from the Global Europe instrument.	Architectural dilemma: This consolidation aims for greater flexibility and synergies but raises the question of whether these benefits outweigh the risk of diluting the distinct purposes and principles of enlargement and humanitarian aid.
Policy framework	References made to a very broad list of agreements, conclusions and communications.	Removes reference to foundational documents like the 2016 Global Strategy and the 2017 European Consensus on Development. Instead, implementation is to be guided by a disparate collection of high-level political documents.	Strategic dilemma: The proposal risks incoherence and a strategic policy vacuum, challenging the EU to reconcile geopolitical and economic interests with its commitment to sustainable development and values.
Thematic targets	Binding spending targets (for example, 30% for climate, 20% for human development, 10% for migration, and 85% for gender-responsive actions).	All thematic spending targets are removed and replaced by a 'full mainstreaming' approach.	Increased flexibility for the Commission, but a significant risk of deprioritising key cross-cutting issues like climate, gender and human rights. Accountability becomes more difficult.
ODA spending target	At least 93% of relevant	A lower target of "at least 90%" of	Increases scope for non-development,

	expenditure must be ODA-compliant.	expenditure, which can be amended by the Commission via a delegated act during the budget cycle.	interest-driven spending and introduces unpredictability for partner countries, potentially undermining the EU's poverty focus.
Flexibility mechanism	A €9.5 billion 'cushion' for emerging challenges and priorities.	A significantly increased cushion of €14.8 billion, plus undefined proportions of programmable versus non-programmable funds within pillars, as well as easier transfers between them.	Greater power for the Commission to reallocate funds, creating a trade-off between agility and the predictability and democratic oversight needed for accountability.
Private sector and competitive-ness	Focus on leveraging private finance via the EFSD+.	Allows direct grants to EU companies for projects of 'strategic interest'. Explicitly links to the EU Competitiveness Fund and includes export credit agencies.	The instrument is reframed as a tool for the EU's economic foreign policy. Risks blurring the line between development objectives and industrial policy goals.
Migration conditionality	A 'flexible incitative approach' to encourage cooperation.	The incitative approach is now a governing principle for the whole instrument. A new, explicit suspension clause allows the Commission to halt aid if a country fails to cooperate on readmitting its nationals.	Significant hardening of conditionality, moving from a general incentive-based approach to a clear mechanism of negative leverage tied specifically to readmission cooperation.

Fragility and protracted crisis	Thematic budget for peace, stability and conflict prevention, and rapid response funding.	Elevates crisis and fragility to a more central and political priority. Funding to counter fragility and protracted crisis integrated in non-programmable components of each pillar.	Risk of politicising international cooperation in the absence of a clear EU-wide strategy on how to respond to fragility and crisis. Higher alignment with geographic priorities but risk of deprioritising attention to fragile and conflict-affected areas.
Ukraine funding	Addressed through MFF revision and use of the flexibility cushion.	A separate Ukraine Reserve is created to support accession and reconstruction, financed "over and above the MFF ceilings" but delivered via the instrument's Europe Pillar.	Protects the main Global Europe instrument budget from being depleted by the high costs of supporting Ukraine.
Accountability and governance	Detailed multi-annual programming and ex-ante control by the European Parliament and Council through spending targets and comitology.	Vague financial programming and removal of spending targets centralises decision-making with the Commission. Moves oversight bodies to an ex-post role.	Governance dilemma: This structure creates tension between the Commission's desire for flexibility and the need for predictable funding and transparent democratic oversight from the Council and Parliament.
Programming and implementation	Programming prioritised needs-based criteria, with a clear focus on poverty and human development.	Programming pivots to broader concepts of 'mutual interest' and 'shared priorities'. It allows the Commission to amend programmes on an 'ad hoc basis' for urgency. The toolbox is expanded and financial	Implementation dilemma: Shifting from a needs-based to an interest-based model challenges the EU to move from a top-down approach to genuine co-creation with partners.



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Endnotes

- 1. This 75% increase is calculated based on a consolidated baseline that includes the current NDICI-Global Europe, Instrument for Pre-Accession, Humanitarian Aid instrument, and the Western Balkans Facility, without deflators. ECDPM will provide further in-depth analysis on the figures given, as well as the thematic issues throughout the rest of 2025.
- 2. Proposals for smaller external spending items like the Common Foreign and Security Policy (CFSP) (€3.4 billion), and support for Overseas Countries and Territories including Greenland (€1 billion) remain separate, as does the the off-budget European Peace Facility (€30.5 billion).
- 3. Merges the enlargement portfolio with the Eastern Neighbourhood, also incorporating the Reform and Growth Facility for the Western Balkans and the Facility for Moldova. Mirrors the Commission's Directorate–General for Enlargement and Eastern Neighbourhood (ENEST).
- 4. Combines the Southern Neighbourhood with the Gulf region. Mirrors the new European Commission Directorate-General for Middle East, North Africa and the Gulf (MENA).
- 5. The "minimum" regional amounts (€29.18 billion for sub-Saharan Africa and €19.32 billion for the Neighbourhood) were not in the Commission's original NDICI-Global Europe proposal in 2018, but were introduced by the Council during the negotiations. They reflect a long-standing political battle over the geographic focus of EU external action, particularly aimed at safeguarding the development and neighbourhood dimensions that were brought together under NDICI-Global Europe.
- 6. Article 19 raises the thresholds for bypassing comitology procedures to €10 million for individual measures, €20 million for special measures and €40 million for exceptional assistance measures; double the amounts under the NDICI-Global Europe regulation.
- 7. Article 7-2: "The Commission shall inform in detail the European Parliament and the Council before it mobilises the funds of the emerging challenges and priorities cushion and, where appropriate, shall take into consideration their observations on the nature, objectives and financial amounts envisaged."