



Negotiations on the new Global Europe Instrument and the future of EU development cooperation

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The negotiations on the budget for the EU's external actions under the new Multiannual Financial Framework (MFF) for 2028–2034 will determine the direction of the Union's development cooperation and its capacity to exert influence globally. The EU needs an ambitious "Global Europe" instrument that will enable it to maintain its influence whilst striking a balance with the pursuit of the Treaty-based objectives of development policy and strategic interests, as well as the need for flexible responses and long-term planning.

The [MFF negotiations, which began in July 2025](#) with the presentation of the European Commission's (EC) proposal, are entering a crucial phase. One of the four headings of the new EU multiannual budget is "Fostering global partnerships and development," which covers all expenditure on external action, including development cooperation. The outcome of the talks could radically change the way the EU operates as a donor. Taken as a whole, the EU is currently the largest provider of official development assistance (ODA), accounting for over 40% of global spending in this area. The debate on a new instrument is taking place against the backdrop of a paradigm shift in the approach to development aid. In recent years, external pressures (a more transactional policy on the part of major powers, growing economic competition, the war in Ukraine, aid cuts) and internal pressures (criticism of aid, the rise of populist forces, security spending) have meant that aid is to be more closely aligned with the EU's strategic interests, as reflected in the proposals put forward by the EU institutions.

Development cooperation in the new MFF. The Commission's proposal envisages a major reform of the EU's aid system. It provides for the creation, within the budget heading covering external actions, of a single "Global Europe" (GEI) mega-instrument worth ca. 200 billion euros. Divided into six geographical pillars and a cushion, it is intended to replace several existing instruments and cover spending on neighbourhood policy, enlargement, development cooperation and humanitarian aid. However, the vast majority of funds

(90%, down from 94% in the current MFF) must still be spent in a way that qualifies as ODA. The Commission's proposals, largely endorsed by the Council of the European Union in its partial negotiating stance of June this year, demonstrate a new strategic approach to development cooperation.

Firstly, the EU wishes to remain an influential global actor, with an ambitious budget for external action. The proposed amount for the Global Europe Instrument (GEI) is the highest in history—it accounts for 10.4% of the planned EU budget and is 75% higher than in the current MFF. Furthermore, including an additional off-budget special reserve for Ukraine of up to €100 billion, the EU could have as much as €300 billion at its disposal for external actions.

Secondly, the proposals for the geographical and thematic allocation of funds demonstrate a strategic focus on the immediate neighbourhood and on sectors vital to the EU's security and competitiveness. Europe is set to be the main beneficiary of the aid (taking into account the reserve for Ukraine), whilst a relatively smaller share will go to Africa. The [Global Gateway](#) initiative and a greater proportion of loans relative to grants are set to play an important role in the new budget. This signals a stronger emphasis on cooperation with the business sector and the mobilisation of private capital for investment.

Thirdly, the philosophy and narrative surrounding the use of aid are changing. It is no longer presented as charity, but as a mutually beneficial partnership that also serves the EU's

strategic—including economic—interests. It is intended to help, for example, in curbing irregular migration to the EU, securing strategic raw materials, and boosting the competitiveness of EU companies. That is why the EU proposal includes making aid conditional on cooperation on readmission of irregular migrants or on preferences for EU companies in EU-funded tenders.

Negotiation dilemmas. Although the proposals to change the architecture of the instruments have been accepted, several contentious issues remain to be resolved. The key point of contention is the size of the GEI budget. Whilst the European Parliament proposed increasing it to €225 billion, the Cyprus Presidency's proposal in the Council envisaged a reduction of 3.9 %, and the Irish Presidency may propose even deeper cuts (press reports suggest as much as 40%). Previous MFF negotiations have shown that expenditure on external actions is the area most likely to be cut, by as much as 10% compared with the initial proposal. The outcome will depend, amongst other factors, on the ability to find additional own resources for the Union and on the size of the overall multiannual budget.

The second challenge is striking a balance between the flexibility of the new instrument and the predictability of aid. Whilst the Commission and the Council do not wish to see too many provisions specifying the targets of individual measures and regions—as this would restrict their freedom of decision—the Parliament and many non-governmental organisations (NGOs) are calling for minimum spending levels to be set for the Least Developed Countries (LDCs), Africa, support for social development, or the promotion of human rights. They also want guarantees that the majority of aid will be programmable on a multi-annual basis, which will increase predictability and enable projects to continue.

The third challenge is to determine to what extent EU aid should serve its own interests, and to what extent it should focus on the objectives of development cooperation as defined in the Lisbon Treaty (Article 208 TFEU)—namely the reduction of poverty and, ultimately, its eradication. There is also a risk of breaching the standards of aid effectiveness (e.g. untied aid), which the EU itself has promoted, as well as commitments under the WTO (such as avoiding preferential treatment for EU companies) or the OECD. Whilst some partners may welcome a more business-oriented approach, others—particularly the poorest countries—may fear a significant reduction in aid.

Another challenge is the dispute over competences between the European Commission and the European Council regarding the oversight and implementation of aid. Although a slight strengthening of the Council's powers is possible (potentially through annual strategic debate), the new budget may have a greater impact on staff reductions within the Commission and the announced reform of the EEAS. Given the desire to align aid more closely with the Union's foreign policy, it would be natural to strengthen the EEAS so that it takes comprehensive responsibility for this area.

Conclusions and recommendations. The new MFF will determine not only the EU's internal budget up to 2034, but

also its role and capacity to exert influence on the global stage. However, it is highly likely that funding for external actions will be significantly reduced during the final negotiations, as Member States will tend to seek to retain substantial funding either for traditional objectives (Heading 1—cohesion, agriculture) or for new ones (Heading 2—competitiveness, prosperity and security), whilst seeking savings in Headings 3 (external actions) and 4 (administration). Excessive cuts, however, would signal the Union's withdrawal from the fight against global challenges, simultaneously reducing the chances of achieving the Union's strategic objectives in the Global South.

One way to limit excessive cuts might be to link the GEI more closely to the Union's strategic interests and to demonstrate the benefits of this expenditure to Europeans. Regardless of the final budget figure, the new instrument will cement a paradigm shift in the EU's thinking on aid—not as charity, but as acting in its own interests. The EU will thus become a donor similar to those it has criticised in the past—Japan, China, India, and (more recently) the US. Although the Irish Presidency is conducting a separate debate on the future of the EU's development cooperation, it is the financial decisions on the GEI which will ultimately determine its practical scope for the coming years.

In order to distinguish itself positively from other donors and maintain its credibility, the EU needs to strike a balance between values and interests, flexibility and predictability in aid, and the expectations of its own citizens and its international commitments. This could be achieved, for example, by maintaining a high budget for the Global Europe Instrument (GEI), retaining the 90% target for ODA expenditure, securing funding for the least developed countries, particularly in Africa, and upholding high standards of transparency and oversight of implemented projects. It is also important to consult with partners on the design of the new instrument as early as possible, in accordance with the principle of mutually beneficial cooperation and partner country ownership.

The changes to the new budget proposed by the EU institutions are in line with Poland's approach to development cooperation—Poland has long regarded it as part of its foreign policy. It views favourably the European Council's proposals regarding support for Ukraine, prioritising the neighbourhood, migration conditionality, strengthening the Council's role in the strategic oversight of aid, and aligning ODA more closely with the EU's interests. The likely acceptance of most of these proposals creates significant opportunities for Polish entities to become involved in the implementation of aid projects, which would support their internationalisation, including their presence outside Europe. To capitalise on this, Polish entities—enterprises and NGOs—should prepare operationally (including obtaining EC certification) and strengthen cooperation within national frameworks (“Team Poland”) to develop joint development proposals. At the same time, because Poland allocates limited resources to global activities, it is also in the national interest to maintain as high a budget as possible for EU external action, thereby helping stabilise its neighbourhood and maintain the Union's influence in the world.