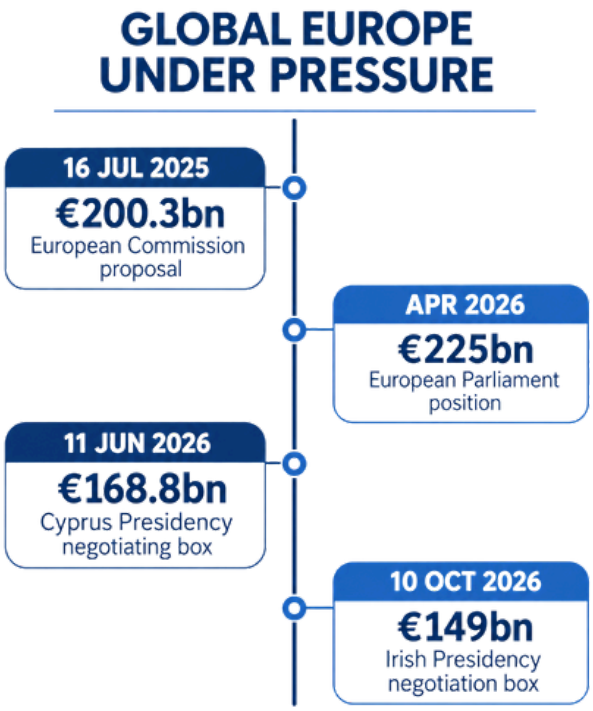
INSIDE THE NEXT EU BUDGET 2028-2034: GLOBAL EUROPE EXPLAINED

By Cooperation and Development Institute

The Multiannual Financial Framework (MFF) is the European Union's long-term budget, a statement on the EU's priorities and objectives of what it wants to achieve in the next seven years inside the EU and abroad. Taking place against a backdrop of geopolitical instability, economic pressures and growing competition over Europe's strategic interests, the ongoing negotiations among the Member States raise fundamental questions about how the EU will mobilise its financial resources to strengthen its resilience, competitiveness and global influence, while advancing its enlargement agenda.

EU external action is becoming increasingly a test of the EU's ability to act as a credible geopolitical and development actor in this increasingly volatile landscape.



For the Western Balkans, these negotiations are particularly important to follow. The future budget will determine the financial and policy framework within which the region's path towards EU membership will unfold, influencing the resources available for reforms, investment, regional connectivity and gradual integration into the Single Market and other sectoral policies. The next MFF is therefore expected to address not only the adequacy and allocation of funding, but also the capacity of EU internal instruments to support enlargement as a strategic investment in Europe's security, stability and prosperity.

Fifteen months after the Commission tabled its proposal on the next long-term budget on 16 July 2025, the Global Europe Instrument (GEI) that will carry the whole of the EU's external action from 2028 has a Council negotiating position, a Parliament draft report with a figure attached, a negotiating box, and a prospective accession bill, calculated for Montenegro. The European Economic and Social Committee adopted its opinion on this proposed Regulation on 3 December 2025, and on 10 February 2026, the European Court of Auditors published its opinion.

For candidate countries progressing in their EU Membership path, GEI is not only about how much money flows toward enlargement priorities, but also on its effective coordination with the internal policies and funding - European Competitiveness Fund (ECF) and the National and Regional Partnership Plans (NRPPs) -, ensuring preparedness for the transition from pre-accession funding to full EU membership.

From a Western Balkans perspective, the central question is whether the emerging financial architecture will effectively connect the EU's internal priorities with its enlargement ambitions - ensuring that candidate countries are equipped not only to implement reforms, but also to participate meaningfully in Europe's economic transformation before accession.

How Global Europe is organized

GEI brings existing instruments under a single, more flexible architecture, with a stronger emphasis on the EU's geopolitical and economic interests. It introduces new support for European competitiveness and strengthens migration conditionality, while seeking greater EU agility by reducing binding spending targets, increasing non-programmable funding and broadening the financial toolbox. These changes have raised concerns over predictability, democratic oversight, the dilution of specific policy mandates and the potential politicisation of humanitarian aid.

The instrument is now built on geography rather than theme. Five geographic pillars and one global pillar replace the previous split between geographic programmes, thematic programmes and rapid response actions, with each pillar divided into programmable and non-programmable components.

GLOBAL EUROPE — Pillar-by-pillar

Commission proposal: €200.3bn current prices (€176.8bn, 2025 prices)
Cyprus negotiating box: €168.8bn (2025 prices)
Irish negotiating box: €149.0bn (a 15.8% cut vs the Commission proposal, and an 11.7% cut vs the Cyprus box)

Pillar	Indicative	vs Commission (2025 prices)	What it absorbs
1. Europe: Enlargement and Neighbourhood East	€32.62bn	−14.4%	IPA III; Reform and Growth Facility for the Western Balkans; Facility for Moldova; Eastern Neighbourhood.
2. Middle East, North Africa and the Gulf	€32.44bn	−14.4%	Southern Neighbourhood combined with the Gulf.
3. Sub-Saharan Africa	€45.74bn	−14.4%	NDICI geographic programming for the region.
4. Asia and the Pacific	€12.89bn	−14.4%	NDICI geographic programming for the region.
5. Americas and the Caribbean	€6.91bn	−14.4%	NDICI geographic programming for the region.
6. Global pillar	€8.45bn	−24.5%	Absorbs the former standalone thematic programmes: human rights and democracy, civil society organisations, and global public goods.
+ Emerging challenges and priorities cushion	€9.93bn	−24.0%	
Total Envelope	**148.98bn**	**−15.8%**	

Figure 1. Global Europe architecture as per Irish negotiating box - Amounts in current prices

What actually changes in the 2028-2034 financial architecture

The main change is consolidation. Global Europe merges instruments that until now had distinct legal bases, distinct programming cycles and distinct constituencies: the Neighbourhood, Development and International Cooperation Instrument; the Instrument for Pre-Accession Assistance; humanitarian aid; the Ukraine Facility; and the Reform and Growth Facilities for the Western Balkans and for Moldova. In their place now sits a single instrument structured around five geographic pillars and one global pillar, each with programmable and non-programmable components, and an emerging challenges and priorities cushion.

- Pre-accession: IPA's enlargement-specific conditionality now sits inside a geographic pillar - "Europe: Enlargement and Neighbourhood East" - shared with Ukraine, Moldova, Georgia, Türkiye, the Eastern Neighbourhood partners and, in a curious drafting choice, EEA and other Western European states.
- The thematic layer is gone. NDICI had a dedicated window for democracy, human rights and civil society. Global Europe references civil society support, but the instrument that supported civil society has disappeared, and delivery is left to programming.
- Flexibility vs. predictability. Removing earmarks is expected to give the EU greater flexibility to respond to crises, as allocations across pillars are indicative and can be adjusted. However, partner countries will plan reforms and investments around expected EU disbursements. Unpredictable changes to these allocations can however disrupt national planning and undermine financial predictability.

At the same time, the investment approach places greater emphasis on guarantees, with budgetary guarantees building on EFSD+ potentially rising to around €95 billion from €53 billion today. It also opens the way for direct grants to private operators and closer links with export credit agencies. Support for Ukraine's accession and reconstruction, potentially reaching €88.8 billion, would sit outside the MFF ceilings. While this arrangement is intended to shield other regions from losing out, the negotiating framework allows additional funding for Ukraine to be prioritised within the Enlargement and Neighbourhood East pillar.

Continuity and rupture: IPA III and the Reform and Growth Facility (RGF) compared

Much of the Western Balkans' experience with the existing instruments remains relevant. The Reform and Growth Facility's approach of linking funding to reforms continues, with performance-based disbursement becoming the norm across the entire instrument. The combination of grants and policy-based loans also remains.

What changes is the framework: the dedicated legal basis, the specific focus on enlargement, the thematic windows aligned with the negotiating clusters, and the channels for civil society participation are no longer there as distinct features.

Area	Today: IPA III + Reform and Growth Facility	From 2028: Global Europe, Europe pillar
Legal basis	Two dedicated regulations with enlargement-specific objectives: IPA III Regulation (2021) and RGF Regulation (EU) 2024/1449.	One regulation covering development, neighbourhood, enlargement and humanitarian aid. No enlargement-specific legal base.
Envelope	• IPA III: €14.162bn (2021–2027), plus • **RGF:** €6bn (2024–2027); €2bn grants, €4bn concessional loans.	**Commission proposal:** **€43.17bn** indicative for a pillar shared with Ukraine, Moldova, Georgia, Türkiye, the Eastern Neighbourhood and EEA states. **Irish Presidency proposal:** 32.62bn.
Allocation logic	• **IPA III:** no fixed country envelopes; thematic windows mirroring the negotiating clusters, with performance and "fair share" principles. • **RGF:** fixed allocation key in the Regulation annex.	Programmable and non-programmable components within each pillar: Indicative, non-binding amounts adjustable through the annual budget procedure.
Conditionality	• **IPA III:** fundamentals-first, rule of law at the core. • **RGF:** payment against verified steps in national Reform Agendas, with at least 50% channelled through the WBIF.	Reform logic retained, with detail deferred to an implementing act on uniform conditions: rule of law and human rights, control systems, and the link between policy-based loans and performance plans.
Civil society	Dedicated NDICI thematic windows for human rights and democracy and for civil society organisations, plus IPA III Window 1 and the Civil Society Facility.	Thematic windows absorbed into the global pillar. Civil society support is referenced but carries no dedicated instrument; delivery left to programming.
Flexibility	Earmarks and minimum regional amounts introduced by the Council act as a floor beneath each priority.	Earmarks removed. Faster crisis response, but the instrument can be rebalanced, and the negotiating box allows Ukraine to be prioritised from this pillar.
Steering	Commission-led programming through the IPA Programming Framework; member states via committee.	Council partial mandate of 6 June 2026 gives member states a stronger role in setting strategic priorities and overseeing implementation.

Figure 2. What carries over and what changes. Figures cover IPA III (2021–2027) and the Reform and Growth Facility for the Western Balkans (2024–2027).

Under IPA III, an enlargement allocation was possible to be traced from the regulation through the programming framework and the funding window to the specific action. Under Global Europe the amount allocated to each pillar is indicative, the internal distribution will be decided during programming, and the conditionality will be defined in an implementing act that has yet to be drafted.

From the RGF to the Global Europe Instrument

The Reform and Growth Facility for the Western Balkans is the smallest of the Enlargement instruments being absorbed under the Global Europe Instrument. It was also the EU's first practical test of linking payments to verified progress on reforms. After two years of implementation, the RGF model appears to have gained enough traction to become a regular feature of the next EU budget, rather than an exception. Under the GEI, policy-based loans are set to become a more common tool, provided either through macro-financial assistance or linked to a country's performance-based plan.

The twice-yearly payment cycle, the architecture of pre-conditions (democratic mechanisms, macro-financial stability, sound public financial management), and the principle that funds can be suspended or deducted when conditions are not met are all retained in substance. The mix of grants and loans is also retained, but with a greater role for budgetary guarantees to attract additional investment through blended financing. WBIF is therefore likely to remain central under GEI, although its place in the new framework is less clearly defined in legal terms than it was under the dedicated facility.

What changes is the loss of a separate framework and the predictability that came with it. The RGF had its own legal basis and clearly defined objective, with a fixed allocation key in the Annex to the Regulation distributing the €6 billion among the six Western Balkan partners according to population and GDP. It also established a clear link between the Regulation, each partner's Reform Agenda and the release of funds. Under the GEI, the Western Balkans are part of Pillar 1, "Europe: Enlargement and Neighbourhood East", alongside Ukraine, Moldova, Georgia, Türkiye and other Eastern Neighbourhood partners. There is no guaranteed allocation for the Western Balkans, no fixed distribution key and no dedicated legal basis for pre-accession support. The pillar's overall budget is indicative and can be adjusted through the annual budget procedure, while the allocation between partners and between programmable and non-programmable funding will be determined during programming rather than set out in the Regulation. The same applies to conditionality, which will be defined in an implementing act that is yet to be drafted.

Three consequences follow. *First*, the RGF's allocation key is replaced by a model in which the Western Balkans' allocation will depend on programming decisions taken in a pillar with many more beneficiaries. Same envelope, different partners. *Second*, the governance architecture hardens. The RGF placed operational authority with the Commission, with member states exercising oversight through committee structures; the Council's partial mandate of June 2026 gives the Council a stronger role in approving implementing acts and performance-based plans. This introduces the potential risk that implementation becomes subject to Council deadlock. *Third*, the Reform Agenda instrument shifts to the performance-based plan, which carry the same logic but defer the detail of conditionality to an implementing act that has not yet been drafted, leaving the practical content of reform requirements to be settled after the political agreement on the MFF.

The reform steps have also attracted criticism during the RGF's short implementation period. In its February 2026 special report on the WBIF, the European Court of Auditors highlighted weaknesses in project selection, risk management and long-term sustainability. The implementing rules should address these gaps by setting clear criteria for assessing the cost of reforms, revising the WBIF's governance and implementation rules and ensuring that project selection procedures remain robust and responding timely to the development needs.

What is genuinely new is the financial toolbox? The RGF is a grants-plus-concessional-loans facility, with the loans raised by the Commission on behalf of the EU and channelled either through the WBIF for investment or directly to national treasuries for budget support. The GEI adds to this a substantially larger budgetary guarantee capacity, the possibility of direct grants to EU-based companies without a call for proposals in areas of strategic interest such as critical raw materials and digital infrastructure, and a link to member-state Export Credit Agencies (ECA). On one hand, the larger guarantee envelope and the possibility of blending with ECA-backed instruments could unlock private investment at a scale the RGF was never designed to deliver - a meaningful shift for a region where the investment gap relative to EU averages has been the central economic argument for the Growth Plan. On the other hand, the same toolbox is now available across the entire Global Europe geography, and the strategic-interest criteria that govern direct grants to EU companies point towards a more transactional, geopolitical logic that may not always align with the development and convergence objectives that underpinned the RGF. The instrument that is to be fully designed is likely to be more powerful, more flexible and more politically steerable than its predecessor; whether it is also more predictable, more transparent and more accountable to the citizens of the countries it is meant to support is the question the implementing rules will have to detail.

Global Europe: a budget under pressure

On 16 June 2026 the Council adopted its partial general approach under the Cyprus Presidency - "partial" because it excludes financial allocations and horizontal issues still under negotiation in the MFF package.

The Cyprus Presidency's negotiating box proposed an overall MFF reduction of 2% in current prices, to €1.83 trillion - but distributed it unequally. The Global Europe heading fell by roughly 3.9% in 2025 prices, to €177.7 billion from €190 billion. The instrument itself dropped to an indicative €168.8 billion from €176.8 billion, and the Enlargement and Neighbourhood East pillar fell from €38.1 billion to €37.0 billion. External action absorbed a disproportionate share of a cut presented as moderate.

The Irish negotiating box of October 2026 reduced the proposed GEI envelope by approximately €27.85 billion compared with the Commission's original proposal. That is a substantially deeper cut than the Cyprus Presidency's proposed reduction of €7.29 billion. For the Western Balkans, these figures concern the instrument's overall envelope. They do not tell us how much will ultimately be allocated to the Europe pillar, enlargement partners, or to Albania specifically.

The European Parliament: more money, more conditions on how it is spent

Parliament is running a more demanding track. The joint draft report was issued on 17 April 2026 and presented to the joint committee on 5 May. Its position is broadly supportive of the Commission's direction while registering cross-group unease on three fronts: the balance between flexibility and accountability, the erosion of poverty reduction as an organising objective, and the risk that geopolitical priorities crowd out longstanding development commitments. The report's central argument is that increased flexibility must remain anchored in transparency, predictability and meaningful democratic scrutiny - which is, in substance, a demand for the reporting architecture that the deletion of thematic earmarks would otherwise dissolve.

The Parliament went the other way from the Council: its April plenary position called for a top-up of €24.06 billion, bringing Global Europe to €225 billion in current prices. Parliament has also scrutinised the suspension provisions, where the only safeguard is that suspension shall under no circumstances affect humanitarian assistance.

AFET and DEVE have adopted their joint position on the Global Europe Instrument on 20 October 2026. The plenary vote on Parliament's negotiating mandate is scheduled on 12 November. The next stage is interinstitutional negotiations with the Council and Commission.

The Montenegro package: enlargement becomes calculable

On 30 June 2026 the Commission adopted a financial package setting out the budgetary arrangements that would apply to Montenegro on accession - €3.2 billion under the 2028-2034 MFF, on the working assumption of membership from the beginning of 2028. The package falls under Chapter 33 on financial and budgetary provisions, and provides that Montenegro would contribute to the EU budget on the same basis as any other member state. It followed the May 2026 establishment of an ad hoc Council working group to draft the Accession Treaty; all 33 chapters are open and sixteen were at the time provisionally closed.

The financial package adds another important dimension: it shows that the EU is starting to assess the budgetary implications of admitting a new member and prepare for the institutional changes this would require. Enlargement is no longer just a political ambition; it is also becoming a practical exercise, with financial and administrative arrangements that can be built into the next EU budget cycle.

The financial package holds political significance, because it is the moment EU institutions communicate that accession is affordable. As a member state Montenegro would access roughly three times what it receives as a candidate.

The figures are a Commission proposal: the Council must give a mandate to negotiate, and the allocation may change.

What lies ahead

Negotiations over the Global Europe Instrument are increasingly bound up with the wider MFF debate on budget size, governance and competing priorities. The positions emerging from the Council and Parliament suggest that a fundamental redesign of the Commission's integrated architecture is unlikely to be the central battleground. Instead, the dispute is increasingly about the balance between flexibility and predictability, and about who exercises political control over the instrument's resources and implementation.

The financial disagreement is now more visible. The Commission proposed approximately €200.3 billion for the GEI in current prices for 2028-2034. The Irish Presidency's October negotiating box reduces this to around €168.8 billion, while AFET and DEVE are seeking approximately €225 billion. Beyond the figures, Parliament's committee's position seeks stronger safeguards for humanitarian assistance, dedicated budget lines for candidate countries, enhanced parliamentary scrutiny and more explicit provisions for suspending support when democracy, human rights or the rule of law deteriorate. The Council, meanwhile, has already adopted a partial negotiating mandate but left financial and horizontal matters unresolved. These differences make the next stage of negotiations decisive not only for the instrument's size, but also for the balance of institutional control.

The principal governance fault lines concern control of the emerging challenges and priorities cushion; the role of delegated acts and the limits of Commission discretion; the governance of the Global Europe Investment Board; safeguards in awarding of grants to private entities without competitive procedures; migration conditionality; the governance of performance-based plans under the Europe pillar; the scope of economic-security eligibility restrictions, etc. These questions will determine how far the EU can combine rapid responses to geopolitical developments with predictable, accountable support for partner countries.

For the Western Balkans, the stakes are particularly high. The budget size matters. Implementing rules also do. The GEI will provide the framework for pre-accession assistance and the financing of reforms as candidate countries move closer to membership. Under the upcoming financing architecture, internal allocations will be determined through programming, while key conditions for enlargement assistance are expected to be specified through subsequent implementing rules. The precise content of those rules remains to be settled. This creates a consequential gap between the political promise of enlargement and the predictability of the financing available to deliver it.

The GEI sits at the intersection of competitiveness, enlargement, security and migration financing, and exposes the challenge of reconciling a more geopolitical approach to external action with the partnership, predictability and accountability traditionally associated with EU financing.

For candidate countries, the outcome will depend not only on the overall envelope, but also on the transparency of allocation decisions, the proportionality of conditionality, the role of Parliament and the extent to which the Commission's discretion is subject to meaningful scrutiny.

Key milestones ahead:

- The Irish Presidency presented its revised negotiating box on 10 October. EU leaders discussed it on 15-16 October and invited the European Council President to take the negotiations forward. The proposed reduction in Global Europe funding remains contested; the Irish figures are a compromise proposal, not an agreed budget.
- Parliament's committee position. AFET and DEVE adopted their joint report, seeking around €225 billion for Global Europe and stronger provisions on humanitarian assistance, candidate-country support, political conditionality and parliamentary scrutiny. The committees also endorsed a negotiating mandate. Their position still requires plenary confirmation.
- November 2026 - Plenary mandate and interinstitutional negotiations. Parliament is expected to consider the GEI report in November. Formal trilogues depend on the relevant mandates being in place, including the Council's position on financial and horizontal provisions.
- 26-27 November and 17-18 December 2026 - Wider MFF negotiations. A special European Council is expected on 26-27 November, with the next regular meeting scheduled for 17-18 December. The stated objective remains agreement before the end of 2026, but this is not yet secured.
- 2027 - Sectoral legislation and implementing rules. If political agreement on the MFF is reached in time, the EU institutions will need to finalise the relevant legislative acts during 2027 to allow funding to begin without interruption on 1 January 2028. For enlargement partners, particular attention should be paid to the subsequent rules governing conditionality, verification, pre-accession control systems, performance-based plans and the relationship between policy-based loans and reform performance. These details will be crucial to the practical operation of the new framework, but their final content and adoption timetable should not be presented as settled.

Some considerations on short-term actions: Albania

Albania should begin preparing for the next EU budget cycle before the Global Europe Instrument (GEI) and its programming rules are finalised. Montenegro's more advanced experience is instructive in this regard. GEI will cover only part of the first seven-year period before EU's internal funding takes over, and Albania should plan on the same assumption in parallel to advancing with chapters provisional closure. A dedicated working group should work on an evidence-based preparatory exercise, supported by sustained investment in administrative capacity, and informed by independent analysis and consultation with business, municipalities and civil society.

The following recommentations may be useful to consider operationalizing:

- Assess how current EU assistance (IPA and RGF) is programmed, allocated and spent, looking at absorption, delays, project maturity, co-financing and results. The review should compare grants and loans, examine WBIF performance and identify gaps that could limit the use of future funds.
- Assess how Albanian participation in Union programmes has progressed, how beneficiaries have performed, what were the challenges, achievements, costs and benefits.
- Define priorities for Global Europe programming. Map the reforms, investments and institutional capacities requiring EU support from 2028, linked to the negotiating clusters and chapters implementation monitoring, and the long-term goals of the next National Strategy for Development and Integration (NSDI). Identify which national and local needs fall under the GEI and its Performance Plan for Albania (pre-Membership) and which depend on access to EU internal policies, where the European Competitiveness Fund and the National and Regional Partnership Plans will matter (post-Membership). Because instruments change but strategic priorities should not, Albania should use the Chapter 22 benchmarks to begin drafting the outline of its future NRPP, identifying developmentchallenges and the priorities to fund over the next seven to eight years.

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