

Analysis of the Council's 10 October Negotiating Box

Co-signed by 24 organizations

*all figures in current prices, unless otherwise specified

The EU's external action budget bears a disproportionate burden of the reductions set out in the Irish negotiating box: 17% cut, more than twice the 8% reduction proposed for the overall MFF.

The latest proposal suggests a retreat from global engagement at the worst possible moment:

- A €37.5 billion cut to the EU's external action budget (Heading 3), a 17% decrease compared to the Commission proposal.
- The share of the overall budget dedicated to the EU's role in the world drops to just 9.7%, down from 10.8% in the Commission's proposal, calling into question the EU's ambitions to be a geopolitical actor.
- A €31.5 billion cut to the Global Europe Instrument (GEI), a 16% decrease compared to the Commission proposal.
- 14% cut to investments in sub-Saharan Africa, one of the most consequential regions for the EU's future, shared prosperity and security.
- 25% cut to investments in the Global Pillar, the foundation of the EU's multilateral engagement, support for global and multilateral organisations, and the protection of global public goods.
- 24% cut to the GEI cushion, reducing the volume of flexible funding and hampering the EU's ability to respond to unforeseen crises.
- Combined with a 70% reduction in Heading 3's margin (compared to -50% in Headings 1 and 2), the EU's ability to respond to an increasingly unpredictable global context will be severely reduced.
- No spending target for human development has been included, whilst maintaining a 10% target for migration, suggesting political priorities are being prioritised over investments in long-term stability.
- Maintains €25 billion for humanitarian assistance, preserving a basic lifeline, while simultaneously raising concerns about the resources left for long-term development cooperation.

Competition for markets, resources and alliances is intensifying, while conflicts, climate shocks and health threats continue to expose how interconnected our futures are. **There is simply no credible future in which Europe becomes stronger, safer and more prosperous by investing less in the countries and partnerships it depends on.**

EU leaders must:

- 1. Reject disproportionate cuts to Heading 3 and the GEI, at a minimum preserving Heading 3 at 10.8% of the overall MFF.**
- 2. Reverse cuts to sub-Saharan Africa, the global pillar and the GEI cushion.**
- 3. Agree a new pack of own resources, generating at least €60 billion per year.**
- 4. Ensure that at least 20% of the GEI is dedicated to human development.**
- 5. Include a derogation that ensures that de-commitments return to the budget line of origin, as is currently the case for the NDICI.**
- 6. Ensure that debt service costs for the Ukraine Support Loan are placed over and above the MFF ceilings.**

Overall amounts & Own Resources

- Negobox 2 proposes to cut the MFF by €159.4 billion in current prices, an 8% reduction compared with the Commission's proposal.
- New own resources (NOR) in the Commission's proposal are still up for negotiation and in brackets. No new option has been put forward by the Council.

- A weak MFF risks repeating the patterns of the past, with the EU's instruments unprepared to absorb and respond to the impact of shocks. To ensure the Union can navigate growing geopolitical, economic and security pressures, the **Commission's proposal should be considered the bare minimum level of investment.**
- Member States must agree on a **package of genuinely NORs generating at least €60 billion per year.** New [research commissioned by Global Citizen](#) from renowned economists shows that the EU is not short of options which could raise meaningful revenue, distribute the burden fairly, safeguard competitiveness and be implementable in the short term. The authors estimate that proposals on a luxury surcharge, a one-off wealth levy, aviation levies, digital services levies and a financial transactions tax, together, could raise around €100 billion a year with every Member State gaining 0.5–0.7% of GNI in fiscal space.

Horizontal matters

- The Flexibility Instrument would be set at an annual fixed amount of €2 billion, as in the Commission proposal, with additional amounts as of 2029 which would consist of fines and decommitments of year n-2 (bracketed).
- The percentage of potential deviation from the indicative financial envelope of programmes is 20% (bracketed).
- There appears to be consensus that a target of at least 35% of the MFF, excluding defence and security, should support climate and environmental objectives and the text calls for this to be underpinned by an efficient, proportional and transparent methodology.

- The **Flexibility Instrument should be maximised** to include a fixed amount and additional funds from revenue relating to fines and de-commitments. **Amounts made available again under specific decommitment rules in the GEI should be exempted from this general rule.**
- As the Parliament notes in its Interim Report, the increased flexibility between programmes (up from 15% in the current MFF) would create the potential for significant modifications, without the involvement of the Budget Authority. Combined with the fact that the Commission's proposal includes historic flexibility, particularly in the GEI, **the maximum deviation between programmes should be limited to 5%.**
- We support maintaining the level of ambition of the **at least 35% climate and environmental objectives target across all headings.** However, the proposed 30% target in the Performance Regulation would mean a lower climate standard for partner countries

than within the EU, undermining the EU's ability to promote ambitious climate action among partner countries.

Heading 3 - Global Europe

Amounts:

- Heading 3 would be hit disproportionately
- The GEI envelope would be reduced to €168.8 billion.
- The margin for Heading 3 would be cut by €5.6 billion (-70%).
- 70% of the GEI's budget would be dedicated to programmable actions (bracketed).
- €25 billion would be dedicated to Humanitarian Aid, in line with the Commission proposal (bracketed).
- The maximum amount of budgetary guarantees that the instrument can support is reduced from €95 billion in the Commission proposal to €80 billion (bracketed).

Within the GEI, the following reductions have been set out:

Envelope	European Commission proposal, 2028-2034 (current prices)	Irish negotiating box, 2028-2034 (current prices)	Difference	% change
Europe	43,173	36,956	-6,217	-14.4%
Sub-Saharan Africa	60,532	51,815	-8,717	-14.4%
Asia and the Pacific	17,050	14,595	-2,455	-14.4%
Americas and the Caribbean	9,144	7,827	-1,317	-14.4%
Middle East, North Africa and the Gulf	42,934	36,751	-6,183	-14.4%
Global	12,668	9,568	-3,100	-24.5%
Cushion	14,808	11,253	-3,555	-24.0%

Outside of the GEI:

- A 4.1% cut fell on both CFSP and the Fisheries agreements, but no cut was proposed for Overseas Countries and Territories, including Greenland.

- Support for Ukraine remained untouched at €100 billion through a Reserve outside of the budget. Loan support would be guaranteed by the headroom. Additionally, the Union would provide an interest cost subsidy for the Ukraine Support Loan beyond the amounts planned under the Ukraine Reserve.

- **The relative size of Heading 3 must be preserved** to at least 10.8% of the whole MFF. The GEI must be protected within Heading 3.
- While maintaining strong support for humanitarian action is essential, preserving this line in the context of cuts to the rest of the GEI, concentrates the burden elsewhere in the instrument. This risks reducing funding for long-term development investments in areas such as health, education and food security, which are equally critical to preventing future crises and building resilience, as well as the Neighbourhood and enlargement-related priorities. Such an approach would create trade-offs between immediate crisis response and the long-term investments needed to promote stability, resilience and prosperity at the EU's borders and beyond.
- **Cuts to sub-Saharan Africa must be reversed, and this pillar protected by creating a binding funding floor for the region, as it is in the NDICI.** In 2023, the share of EU ODA invested in Africa fell to just 14% - the lowest level since 1990. While it rebounded slightly to 15% in 2024, the EU is failing to match the “partner of choice” narrative with the necessary prioritisation of the continent in its ODA budget.
- **Cuts to the Global pillar must be reversed, and this pillar protected by creating a binding funding floor.** The Global Pillar is an essential tool for strengthening global public goods like health and climate resilience, and a critical asset for projecting EU influence globally. It serves as the EU's first line of defense against global challenges like pandemics or climate catastrophes, mitigating the risk of crises that could spill over into Europe, often at higher cost than prevention. In short, it equips the EU to act globally where collective solutions are essential and where European values and interests meet.
- The proposed €100 billion Ukraine Reserve outside the MFF ceilings is a welcome step, as it recognises Ukraine's exceptional and unpredictable needs and provides substantial support for recovery, reconstruction and accession-related assistance. At the same time, **debt service costs for the Ukraine Support Loan** should not reduce the funding available for the EU's other external action priorities. These costs **should be placed over and above the MFF ceilings.**

Targets and de-commitments:

- Decommittments would be carried over but would currently not go back to the budget line of origin. Nothing is prescribed for revenue, repayments and recoveries from financial instruments for external action.
- All regional amounts as well as the global pillar remain indicative and bracketed, allowing substantial transfers between pillars. In comparison, within Heading 1 and the NRPP, minimum amounts are set by introducing “at least” for least developed regions, for the CAP, for the CFP, and for migration.
- The target of at least 90% of the expenditure to qualify as Official Development Assistance

(ODA), excluding support to Ukraine, remains.

- The only target in external action is 10% for migration. This is no longer bracketed, indicating consensus has emerged on this target.
- Support under the instrument would ensure synergies with the European Competitiveness Fund.

- The GEI should include a derogation that ensures that **de-commitments return to the budget line of origin**, as is currently the case for the NDICI, a compromise made as part of the budgetisation of the European Development Fund in the current MFF. This would ensure that unspent funds remain in the external action budget rather than potentially being diverted to other priorities. Heading 3 is already the smallest of the three main pillars and needs protecting given the complex state of the world. In the same spirit, the **revenue, repayments and recoveries from financial instruments for external action must also return to the budget line of origin** and constitute external assigned revenue (art. 22.3 and 22.4 of the Commission proposal).
- Whilst retaining the 90% ODA target is positive, this falls **short of the 93% target under the current NDICI** and may leave greater scope for resources to be directed towards objectives that are not primarily development-focused.
- The exclusion of any target addressing the Global Gateway's enabling environment is shortsighted. Partners and the private sector need visibility on the EU's intentions. The removal of the **20% human development target** risks reducing the visibility and prioritisation of investments in health, education and social protection, despite their central role not only in poverty reduction and resilience - on the back of a pandemic and projected future risks - but also in creating the enabling conditions for sustainable economic growth and private sector development. More broadly, targets are essential accountability mechanisms that translate political commitments into implementation, while providing predictability for partners and clarity about the EU's development offer.
- While synergies between the GEI and other EU policy areas should be pursued where relevant, the GEI's limited resources should remain focused on poverty reduction and sustainable economic development in partner countries. **Activities whose primary objective is to strengthen the competitiveness of EU companies should be financed through the ECF**, with the GEI contributing only where there is a clear and demonstrable development rationale.

