Analysis of the Council's 21 November Negotiating Box
Signed by 27 organisations

Figures are in current prices and compared with the Commission proposal (COM(2025) 570 final)

Despite making up less than 10% of the MFF, external action bears 22.1% of the total cuts laid out by President Costa. The 21 November nego box puts forward:

- **A €45.2 billion cut to the EU's external action budget** (Heading 3), a 21.0% decrease compared to the Commission proposal, bringing its budget to €170 billion.
- External action's **share of the total MFF drops to just 9.5%**, compared to 10.8% in the Commission's proposal. This indicates a retreat from global ambition at the worst possible time.
- **A €39.2 billion cut to the Global Europe Instrument (GEI)**, a 19.6% decrease compared to the Commission proposal.
- **18.9% cut to investments in sub-Saharan Africa**, one of the most consequential regions for future, shared prosperity and security.
- **24.5% cut to investments in the global pillar,** the foundation of the EU's multilateral engagement and essential for the protection of global public goods.
- **24.0% cut to the GEI cushion**, reducing the volume of flexible funding and hampering the EU's ability to respond to future unforeseen crises.
- **No target for human development or gender equality**, whilst maintaining a 10% target for migration, suggesting political concerns are being prioritised over long-term stability.
- **Maintains €25 billion for humanitarian assistance,** providing a vital lifeline for people while raising concerns about the decreasing resources available for long-term development cooperation in the context of a shrinking GEI.
- **A 70/30 split between programmable and non-programmable action**. Combined with the absence of specific spending targets, this would allow unprecedented flexibility in allocating resources, at the expense of predictability for long-term development priorities.

Leadership takes ambition. Ambition requires investment. In a multi-billion budget every decimal point cut from Global Europe means lives lost, opportunity cost for Europe and increased instability. Competition for markets, resources and alliances is intensifying, while conflicts, climate shocks and health threats continue to expose just 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. **A strong Europe invests in the world.**

EU leaders must therefore:

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 package of own resources, generating at least €60 billion per year.**
4. **Ensure at least 20% of the GEI is dedicated to human development and add targets ensuring that at least 85% of GEI-funded actions have gender equality as a principal or significant objective, and at least 5% of those actions have gender equality and women's and girls' rights and empowerment as a principal objective**.
5. **Increase the share of programmable actions to 80% of the GEI budget, ensuring predictable, long-term funding for development priorities while preserving sufficient flexibility to respond to emerging challenges and flexible actions.**
6. **Continue current practice in the NDICI and ensure de-commitments return to the budget line of origin by including a derogation.**
7. **Ensure that all borrowing costs, including interest payments and interest rate subsidies associated with the Ukraine Support Loan, are financed over and above the MFF ceilings.**

Overall amounts & Own Resources

- This negobox proposes to cut the MFF by €204 billion, a 10.3% reduction compared with the European Commission's proposal.
- It confirms a package of five new own resources generating €60 billion per year. A 3% levy on the digital turnover of large companies (advertising, marketplaces and user data) takes the place of the Commission's proposed Corporate Resource for Europe (CORE). The other four follow the Commission's proposal (TEDOR, e-waste, ETS1 and CBAM), with a possible phase-in for TEDOR and ETS.

➔ 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**.

➔ The inclusion of a levy on digital services is a welcome sign that genuinely new own resources can secure agreement. Member States must agree on a **package of genuinely new own-resources generating at least €60 billion per year**, including contributions from the profits of the fossil fuel industry, from premium aviation, and from extreme wealth.

Horizontal matters

- The Flexibility Instrument would be set at €2.25 billion a year, as in the Commission proposal. From 2029, it would also be topped up with decommitments from year n-2, as the Commission proposed, but without the Commission's proposed top-up from fines.
- The percentage of potential deviation from the indicative financial envelope of programmes is 20%.
- There appears to be consensus that a target of at least 35% of 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 the Commission's proposal includes historic flexibility, particularly in the Global Europe Instrument (GEI), **the maximum deviation between programmes should be limited to 5%.**

➔ While insufficient, the Commission proposal for an at least 35% climate and environment target across budget expenditure should be maintained at a minimum. However the proposed 30% climate and environment target in the Performance Regulation would mean a lower standard for partner countries than within the EU, undermining the EU's ability to promote ambitious climate and environmental action among partner countries.

Heading 3 - Global Europe

Amounts:

- Heading 3 would be hit disproportionately, with a 21.0% cut (€45.2 billion).
- The GEI envelope would be reduced from €200.3 billion in the Commission proposal, to €161.1 billion – a reduction of 19.6% (€39.2 billion).
- At least 70% of the GEI's budget would be dedicated to programmable actions, the same proportion as proposed by the Irish Presidency.
- €25 billion would be dedicated to Humanitarian Aid, in line with the Commission proposal.
- The ceiling on budgetary guarantees and loans under the instrument, including macro-financial assistance and policy-based loans, falls from €95 billion in the Commission proposal to €80 billion, the figure proposed by the Irish Presidency. The ceiling falls by less than the instrument itself, so the capacity to lend and guarantee grows relative to the grant budget. Because guarantees are provisioned from the geographic pillars, at rates of up to 50% and with no overall cap on provisioning in the Commission proposal, using that capacity in full would take a larger share of a smaller grant budget.
- Within the GEI, the following reductions have been set out:

Envelope	**European Commission proposal, 2028-2034 (current prices)**	**21 November nego box (current prices)**	**Difference**	**% change**
Europe	43,173	35,033	−8,140	−18.9%
Sub-Saharan Africa	60,532	49,118	−11,414	−18.9%
Asia and the Pacific	17,050	13,835	−3,215	−18.9%
Americas and the Caribbean	9,144	7,420	−1,724	−18.9%
Middle East, North Africa and the Gulf	42,934	34,838	−8,096	−18.9%
Global	12,668	9,568	−3,100	−24.5%
Cushion	14,808	11,253	−3,555	−24.0%

- Outside of the GEI, CFSP is cut by 4.1% and the Fisheries agreements (SFPA and RFMO) by 9.4%, but no cut is proposed for Overseas Countries and Territories, including Greenland.
- Support for Ukraine remained untouched at €100 billion through a Reserve over and above the MFF ceiling. Loan support would be guaranteed by the headroom. Additionally, the Union may provide a borrowing cost subsidy over and above the MFF ceilings.

➔ **<u>The relative size of Heading 3 must be preserved</u>** at 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, should not be seen in isolation, but in the context of the triple nexus. Funding for long-term development investments in areas such as health, education and food security, are equally critical to preventing future crises and building resilience, as well as the Neighbourhood and enlargement-related priorities. Trade-offs should be avoided 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 GEI's 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 defence against global challenges like pandemics or climate catastrophes, mitigating the risk of crises that could spill over into Europe, often at higher cost to 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 actions priorities. We welcome President Costa's proposal to **place these costs over and above the MFF ceilings**.

Targets and de-commitments:

- Decommitments 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, 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 thematic target for external action is 10% for migration.
- 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. Likewise, the omission of the **gender equality targets** (85% of GEI actions with gender equality as a principal or significant objective, including 5% as a principal objective) is equally worrying, as gender equality is a precondition for sustainable development and for the Global Gateway to deliver: no investment can reach its full potential if women and girls are left out. 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.

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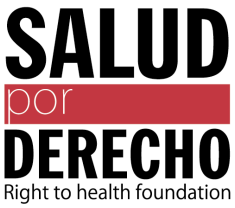
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