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Global Europe and the Next MFF: What to Watch

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At a glance

- **Country-level positions on Global Europe diverge sharply once you look past the Council-level blocs.** Italy is functionally disengaged with a Mediterranean carve-out; Germany welcomes the instrument in principle but refuses to quantify anything; the Netherlands is the only one of the three with a substantively pro-development, quantified position – defended collectively at the national level, but in tension with a strong call for a smaller EU budget.
- **The frugal/cohesion divide held through September.** Both sides restated established positions at the 3-4 and 22 Sept. ministerial meetings – but the bloc itself is shifting: Belgium has now aligned with the frugals, and for the first time a Council Presidency has formally put higher GNI-based contributions on the table as a possible balancing variable, alongside cuts and new revenue.
- **A leaked Commission simulation tested a 40% cut to the Global Europe Instrument.** Read by some national officials as a genuine scenario and by others as a deliberate 'scare tactic' to jolt deadlocked capitals. This is the most severe GEI downside figure to surface so far.
- **Own resources remain genuinely contested, resource by resource.** CBAM is 'the most consensual,' CORE draws opposition from most Member States, and France is insisting the package raise at least €64–65 billion/year – a floor the Irish box may undercut, with reports of a more modest €30 billion compromise in the works.
- **The European Parliament's GEI timetable has slipped.** A deadlock over the Performance Framework Regulation – the rules governing spending targets across all MFF programmes, not just GEI – has delayed the AFET–DEVE committee vote and pushed Parliament's negotiating mandate from early October to November.
- **Next fixed points.** Revised Irish negotiating box (10 Oct.), General Affairs Council (13 Oct.), European Council on the MFF (15–16 Oct.), AFET/DEVE committee vote (19 Oct.), EP plenary mandate (11–12 Nov.), special European Council dedicated to the MFF (26–27 Nov., TBC), and Costa's target date for a Council-level agreement (17–18 Dec.)

Behind the blocs: Member States, MFF size, and a stalling Parliament

This month's briefing opens a new Member State intelligence series, looking in detail at how individual countries' positions have evolved across the three MFF headings and on Global Europe specifically. This issue starts with Italy, Germany, and the Netherlands, with further countries to follow in subsequent briefings. Section 2 then turns to the Council and Parliament-level negotiations themselves, covering what's moved and what's stalled over the last month: hardening positions and shifting coalitions at September's ministerial meetings, the state of play on own resources, and a Parliament gridlock that has already pushed back the GEI's legislative timetable.

1. Member State intelligence: Italy, Germany, the Netherlands

The Council-level main fault lines, frugals against 'friends of cohesion' and a fractured own-resources debate describe blocs, not individual countries, and blocs move only as fast as their members let them.

This section looks inside three of them: Italy, a 'friend of cohesion' anchor and the EU's third-largest net contributor, now voicing that tension explicitly at Council; the Netherlands, a frugal that has nonetheless named Heading 3 a priority to protect; and Germany, whose own coalition is split between fiscal restraint and its traditional development-policy weight. Together, they offer a test of whether the frugal/cohesion divide actually holds and where it breaks down once a single country's full position – across all three headings, not just the cuts fight – is put on the table.

For each country, we track how its position on Heading 1 (cohesion/CAP), Heading 2 (competitiveness), and Heading 3 (Global Europe) has moved – or not – from mid-2025 to today, tagged by status: stable (restated unchanged), hardened (escalated), shifted (changed in kind), won (conceded), open (unresolved), or dormant (said once, never revisited). We separate government statements from parliamentary research services, coalition or joint declarations, and party programmes, since these carry different political weight and are not always aligned with each other, even within the same country. We then step back from the MFF negotiation itself and ask whether each country's underlying development cooperation identity – its instruments, its traditions, its own sense of what external action is for – is evolving in the same direction as its budget position, or pulling against it.

The result is a comparison: where do Italy, Germany, and the Netherlands converge, where do they diverge, and what does that predict for how the frugal/cohesion split – and Heading 3's fate within it – might actually move between now and December. Table 1 tracks how each country's position has moved, heading by

heading, since mid-2025: Italy and Germany have hardened mainly on Heading 1 while staying largely disengaged from Heading 3, whereas the Netherlands has moved furthest of the three on Global Europe specifically. The country positions on GEI are unpacked in detail in the following section.

Table 1. Country positions' developments across headings (mid-2025 - September 2026)

	Italy	Germany	Netherlands
Heading 1	Hardened grievance on money; architecture accepted	Sharp reversal of the federal government position on the national plans[1]; federal-Länder split still open	Wants cuts; supports the NRPP architecture[2]; centralisation dispute still open domestically
Heading 2	Stable, conditional; works with Germany here	Stable, no figures; aligned with frugal 'excellence' bloc	Sharpest ask of the three; explicitly admits self-interest; joins same 10-country bloc as Germany
Heading 3	Welcomes €200 billion size, opposes merger, Mediterranean focus, near-total disengagement, no coalition	Open; welcomes in principle, refuses to quantify; internal push (Greens) already defeated	Active, quantified, bloc-defended at Council – but undercut by own bilateral aid cuts
Rebates	Wants abolition (hardened)	Calls own rebate 'indispensable'	Wants to keep rebate; explicit coalition-agreement commitment
Domestic Institutional position	Single, consistent government line	Fractured across federal government, Länder, and opposition	Mandate is thin; rest is cabinet's own and more tradeable than it appears; government change in 2026

[1] On 30 June 2025, a few days before the Commission's proposal, the German federal government asked for cohesion to remain 'a standalone fund structure'. It also wanted the CAP to stay 'a policy area of its own'. By June 2026, it welcomed 'bundling cohesion and agricultural policy' into the National and Regional Partnership Plans (NRPPs) and calls them 'a central element' of modernisation. What it still defends is procedure: each region's own chapter in the plan. The Länder have not moved. The Bundesrat 'decisively rejects' the NRPPs. In March 2026, the government refused its claim that its position must carry decisive weight.

[2] In March 2025, before the Commission's proposal on the NRPPs, the Dutch cabinet proposed simplifying the EU budget by merging the funds that countries manage with the Commission into 'broader country envelopes'. The July 2025 proposal brings fourteen existing funds under one framework, and the cabinet now argues for keeping the NRPP as one package, with strong conditions attached.

The comparison now shows a genuine three-way divergence rather than a two-country similarity. **Italy and Germany are both functionally disengaged from Heading 3** – neither targeting it for extra cuts nor actively defending it, with one exception each: the Mediterranean for Italy, and Ukraine for Germany. **The Netherlands breaks that pattern**: it is the one country in this sample with a quantified, substantively pro-Global Europe position. The Netherlands favours a modern MFF: a smaller budget, reweighted away from Pillar 1, the national and regional partnership plans, towards competitiveness and external action.

Global Europe: Country positions

Italy's position on Heading 3 exists on paper but not in the minister's voice. According to the parliamentary research services' summary of the government's report on the MFF proposal (Dossier 152, 3 March 2026), the government welcomes the €200 billion allocation to Global Europe but considers it problematic to merge enlargement, humanitarian aid and development cooperation into a single fund, since they 'follow different logics'. It rejects extending performance-based funding beyond candidate countries, particularly to the Southern Neighbourhood and Africa, and finds the allocation for the Middle East, North Africa, and the Gulf 'of interest', given Italy's interest in a dedicated Mediterranean instrument. Enlargement is supported politically, with the Western Balkans called 'central to our strategic autonomy', but in the MFF context, the minister frames it as a cost: it 'will require additional resources and new allocation criteria' so that new members do not penalise existing ones. At the Council, according to informal sources cited in the same dossier, Italy asked that enlargement, like cohesion and agriculture, keep dedicated and predictable resources.

Germany's position is best described as principled non-commitment. In a position paper issued before the Commission's proposal, it endorses a single external-action instrument and commits unconditionally to continued Ukraine support. A recurring rhetorical device – a blanket refusal to discuss negotiation details – is invoked in 28 of 49 answers in one parliamentary response alone. The most specific position in the entire German Heading 3 record is a geographical one: the government considers only loan-based macro-financial assistance acceptable as credit-financed support within the heading, and only if restricted to the Eastern Partnership and Southern Neighbourhoods. Germany's own ODA quotas (0.7% of GNI, with 0.2% for least-developed countries) are affirmed as important international goals, but explicitly kept separate from the MFF negotiation – a clear example of a national development commitment that is not being translated into an EU-budget ask. The only push for hard floors inside Heading 3 anywhere in the German record comes from the Green opposition (a 93% ODA target, locked-in quotas, a minimum civil-society delivery share) – and that motion was voted down in committee in June 2026, with the governing coalition parties joined in the majority by the far-right opposition.

The Netherlands' Global Europe position is the most developed and most internally quantified compared to other countries**.** It also shows the sharpest documented tension between what it argues for at EU level and what it is doing at home.

The EU-level position is substantively pro-instrument. The Netherlands supports the proposed 90% ODA share for Global Europe funds. It has stated the 'dual objective' explicitly in its own words (development for partner countries *and* EU self-interest – naming market access, critical raw materials, and migration cooperation specifically as the EU interests are being served). It also endorses the instrument strengthening the EU's geopolitical influence, arguing for stronger Council steering over the Commission as early as September 2025, a position on which the cabinet reported broad agreement among Member States by May 2026. The Netherlands also helped reach a partial general approach on the merged Global Europe regulation at the 16 June 2026 Council – the same meeting at which it rejected the overall MFF negotiating box that funds it. It supports the single most contested structural consequence of the merger, by endorsing a country-based approach instead of thematic programming, and the end of separate thematic budgets. Meanwhile, it attaches three explicit conditions: that development cooperation and enlargement support not blur together without direction, that humanitarian aid only move into the geographic pillars if its independence and adherence to humanitarian law stays fully guaranteed, and that Council steering extend specifically to macro-financial assistance decisions.

The ring-fence is real but conditional and was tested in June 2026. The Netherlands explicitly named Global Europe (alongside competitiveness) as a pillar that should absorb 'as little as possible' of any savings – a genuinely pro-Heading-3 position for a net contributor pushing for a smaller overall budget. But this is a claim about *relative shares*, not about funding levels, and the Dutch line on Global Europe is explicitly made subordinate to the frugal line on the total budget size, so a 'protected' Global Europe could still shrink in euros. That distinction shows in how the Netherlands answered the Cypriot Presidency's negotiating box of 11 June 2026. Measured against the Commission proposal, the box took 0.5% off Pillar 1, the national and regional partnership plans that carry cohesion and agriculture, but 3.9% off both competitiveness and Global Europe, nearly eight times as hard. At the General Affairs Council of 16 June, the Netherlands and a group of like-minded Member States called the box 'no basis for an agreement' on the ground they share as 'frugals': the overall budget is still too high. On its own, the Netherlands added that the proposed distribution of funds is not future-oriented enough. Its cabinet is more explicit in its letter to parliament. It objects that the savings fall 'in particular' on Pillar 2 and Pillar 3, which it calls essential to the Union's future earning capacity and geopolitical weight. The Netherlands is therefore a frugal that wants a smaller budget but defends competitiveness and external action within it.

Migration conditionality has hardened into an explicit budget claim. What started in March 2025 as a general principle (migration outcomes should guide how EU external funds are spent) had become, by September 2025, a specific claim that *sufficient financing within the Global Europe pillar itself* is necessary to achieve migration objectives, paired with a call for clearer Member State steering

mechanisms over how that money is used. By May 2026, migration cooperation is named as one of the EU's core interests served by the dual-objective instrument. This is the most concrete Member-State-level articulation of migration conditionality across the three countries.

2. MFF negotiations: Hardening divides

During the month of September, European affairs ministers discussed the MFF on two occasions: at an informal meeting on 3–4 Sept. and at a formal meeting on 22 Sept. Between these meetings, exchanges have continued at ambassadorial level (Coreper II), guided by two internal notes prepared by the Irish Presidency: one setting the state of play on own resources (4 Sept.), and another taking stock of the negotiations and setting out guiding questions for further discussions (14 Sept.) The intention of the Irish Presidency is to present the new revised negotiating box in October ahead of its discussion at the GAC meeting on 13 Oct. and the European Council meeting on 15 Oct. Following that meeting, European Council President António Costa is expected to formally take over the negotiations.

Spending side: Budget size and distribution per headings

Both in the informal meeting of 3-4 Sept. and in the meeting on 22 Sept., Member States basically stuck to their established positions: the ‘frugals’ reiterated their demand for cuts and the ‘friends of cohesion’ expressed their commitment to keep CAP and cohesion spending. An important development is that Belgium has aligned with the group of ‘frugal’ countries. It called for budget restraint in the meeting of 3-4 Sept. and, ahead of the meeting on 22 Sept., Austria convened the frugal group (Germany, Denmark, Finland, the Netherlands, and Sweden), with Belgium also attending.

In the preparatory note of 14 Sept., the Irish presidency summarised the positions of the Member States on the four headings:

- **Heading 1:** The NRPPs are 'the most important priority for the majority of Member States'. However, some consider the modernisation of this Heading, and of the budget as a whole, essential to reaching an overall agreement. Differences therefore remain over its appropriate volume.
- **Headings 2 and 3:** Most Member States acknowledge their importance, with 'a particular emphasis on Heading 2 objectives', although some are open to more moderate increases than those proposed by the Commission. Key priorities include **research, defence, infrastructure, climate, Erasmus, enlargement support, and Ukraine.**
- **Heading 4:** A majority of Member States see scope for reductions, with many questioning the proposed increase in EU staff levels at a time when national administrations are constrained.

The note concluded with three guiding questions to structure discussions up to the 22 Sept. meeting:

- *Of all priorities identified within the MFF, which three expenditure programmes are the most critical for you?*
- *On revenue, what adjustments to the new Own Resources package would make it more acceptable to you?*
- *How open are you to an increase in GNI-based contributions?*

It should be noted that the third question is new. For the first time, a Council Presidency formally put a higher GNI-based contribution on the table as a possible balancing variable, alongside cuts and new Own Resources.

During September, the Commission has been assisting the MFF exchanges in the Council by doing calculations of possible scenarios. According to POLITICO, in one COREPER II meeting, the European Commission would have presented a simulation of the impact of slashing the Global Europe Instruments' budget by as much as 40% in its next long-term budget. Some national officials interviewed by POLITICO, however, interpreted this move 'as a 'scare tactic' or 'horror scenario' intended to jolt deadlocked capitals, rather than as a serious proposal, noting that frugal countries prefer horizontal cuts across headings.

In the 22 Sept. meeting, according to press releases from POLITICO, Agence Europe, and Contexte, some Member States raised specific demands on spending cuts/increases:

- **Italy** made the case for cuts where allocations rise most steeply: 'competitiveness, external action and administrative expenditure'.
- The **Baltic States, Czechia, and Romania** asked for dedicated funding for eastern-flank regions bordering Russia and Belarus, with military mobility as a priority.
- **France and Slovakia** defended funds for the Common Agricultural Policy (CAP).

In addition, in early September, Spain submitted a non-paper to the European Commission proposing the creation of a dedicated European Climate Adaptation Fund[3]. This would be complementary to the next MFF and financed through specific new resources, including a proposed EU levy on oil and gas profits and potentially common EU debt instruments. The proposal has not been formally included in the MFF negotiations.

Revenue side: New own resources, GNI-based contributions and NGEU repayment

In the preparatory note on own resources (4 Sept.), the Irish presidency found that 'the vast majority' of Member States were willing to agree to the introduction of new own resources, but every Member State had 'objections to at least one of the

[3]https://www.euronews.com/2026/09/04/spain-calls-for-eu-climate-resilience-overhaul-with-tougher-rules-and-new-funding

new own resources proposed by the Commission.' Its assessment of each resource was as follows:

- **CBAM (carbon border adjustment mechanism):** the 'most consensual'.
- **E-waste resource:** broad support, with reservations limited to technical details.
- **ETS 1 (EU Emissions Trading System):** a majority is in favour, possibly with adjustments, but 'a group of States remains opposed'.
- **TEDOR (tobacco excise duty resource):** 'many' Member States are hostile.
- **CORE (Corporate Resource for Europe):** 'most' Member States oppose it.
- **Digital Levy (proposed by the Parliament):** seen as a credible alternative by 'a small number' of delegations.

The note also noted that 'many' Member States are open to **changing the repayment profile of NextGenerationEU (NGEU) debt.** This idea was already evoked in a May 2026 joint declaration of the 'Friends of Cohesion'. In September, Spain put forward a more detailed proposal, replacing the fixed annual repayment of €24 billion envisaged in the Commission's proposal with a constant annual fiscal effort equivalent to approximately 0.06% of EU GDP. According to Spanish estimates, this would free up around €70 billion over the 2028–2034 MFF without extending the final repayment deadline of 2058. The proposal was presented at the informal ECOFIN meeting of 18–19 Sept., where it met with German opposition.

In the GAC meeting of 22 Sept., Greece formally submitted a proposal for a new Own Resource: **a resource based on the proceeds from future auctions on EU telecommunications**. Developed by Greek Minister of Economy and Finance and Eurogroup President Kyriakos Pierrakakis, it envisages using part of the proceeds from future auctions of telecommunications spectrum as a new EU own resource. The proposal has a broader objective than raising revenue: it seeks to coordinate the allocation of telecommunications frequencies across the EU and use part of the proceeds to finance strategic technology investments. According to the Greek estimates, it could provide around €12–15 billion per year. However, according to some EU officials interviewed by Contexte, there is little chance of seeing this new EU own resources being approved, as harmonising auctions in telecoms is difficult and there is resistance from national capitals to lose both the competences and revenues attached to it.

Another issue that has been discussed during September is **how much proceeds shall be collected through new Own Resources**. The Commission initially estimated at €66 billion/year the amount of resources collected from the five proposed new Own Resources; yet, on 9 Sept., it published a note re-estimating the amount to €64 billion. Since early September, France has insisted that this €64-65 billion should be 'the minimum'. Other countries have not mentioned a minimum amount to be collected but, according to some sources, the Irish negotiating box may propose something less ambitious for Own Resources (e.g. €30 billion/year coming from new Own Resources) in an attempt to strike a compromise between 'frugals' and Friends of cohesion/France.

Finally, at the meeting of 22 Sept., according to press releases, some Member States raised specific points on the revenue side:

- Italy and Portugal welcomed the Parliament's proposals to tax digital services and crypto-asset transactions.
- Several net beneficiaries (e.g. Bulgaria) called for higher GNI-based contributions, describing them as 'fair, transparent, and easy to implement.'
- Finland, Poland, Croatia, and Czechia raised objections on the ETS1 own resource.

According to an EU diplomat interviewed by 'Contexte', the Irish presidency is doing technical work to change the parameters of some Own Resource proposals – ETS1, TEDOR – to render them more acceptable.

The European Parliament stalls on performance rules

While the Council negotiates figures, the European Parliament's side of the process has quietly stopped moving. Legislative work on every MFF sectoral programme – not just Global Europe – has come to a halt because the Parliament's budgetary committee cannot reach agreement on the Performance Framework Regulation: the horizontal rules setting spending targets and indicators that will govern how every heading's money is tracked and released. Since GEI (like every other MFF instrument) is meant to operate under this common framework, no programme-specific file can move to a vote until it's settled.

The practical consequence for GEI is that the AFET–DEVE committee vote on the Gahler/Biedroń draft report, originally expected in September, has already slipped once; Parliament's negotiating mandate, originally due in early October, is now expected only in plenary on 11–12 Nov.

What is not yet clear is the substance of the committee's disagreement. Whether it is a technical dispute over indicators and methodology or deeper political divides already visible elsewhere in the GEI file. Until now, the Parliament's own amendment activity has been concentrated in the ECR and Greens/EFA groups, while EPP and S&D – the groups that will actually decide votes – have stayed quiet. If the Performance Framework stays stuck through October, the European Parliament risks entering a trilogue later and potentially with less leverage, at the exact moment the Council is trying to finalise its own position around the 15–16 Oct. European Council.

3. What to watch next

- **10 Oct. 2026:** Irish negotiating box
- **19 Oct. 2026:** AFET and DEVE committee votes on the joint Gahler/Biedroń draft report

- **11-12 Nov. 2026:** European Parliament adopts a negotiating mandate on the GEI in plenary
- **15-16 Oct. 2026:** European Council meeting on the MFF, based on a new negotiating box from the Irish Presidency
- **12 Nov. 2026:** European Political Community meeting in Ireland
- **13 Nov. 2026:** Informal meeting of heads of state or government in Ireland
- **26–27 Nov. 2026:** Special European Council meeting (subject to confirmation) explicitly dedicated to the MFF 2028-2034 negotiations
- **17-18 Dec 2026:** Costa's stated target for a Council-level agreement on the MFF, consistent with the June European Council conclusions committing to a deal by the end of 2026