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#### COVER NOTE

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From: European Court of Auditors  
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To: General Secretariat of the Council

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Subject: Proposal for a Regulation of the European Parliament and of the  
Council establishing Global Europe  
- *Opinion of the European Court of Auditors*

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Delegations will find attached the opinion<sup>1</sup> adopted by the European Court of Auditors on the above proposal.

Other language versions, if needed, will soon be available on the following website:

<https://www.eca.europa.eu/en/publications/OP-2026-07>.

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<sup>1</sup> <https://www.eca.europa.eu/en/publications/OP-2026-07>

**OPINION 07/2026**

(pursuant to Article 322(1) TFEU)

EN

**concerning the proposal  
for a Regulation of the  
European Parliament  
and of the Council  
establishing Global  
Europe**

[COM(2025) 551 final]



EUROPEAN  
COURT  
OF AUDITORS



EU budget  
2028-2034

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# Introduction

## Why we provide this opinion

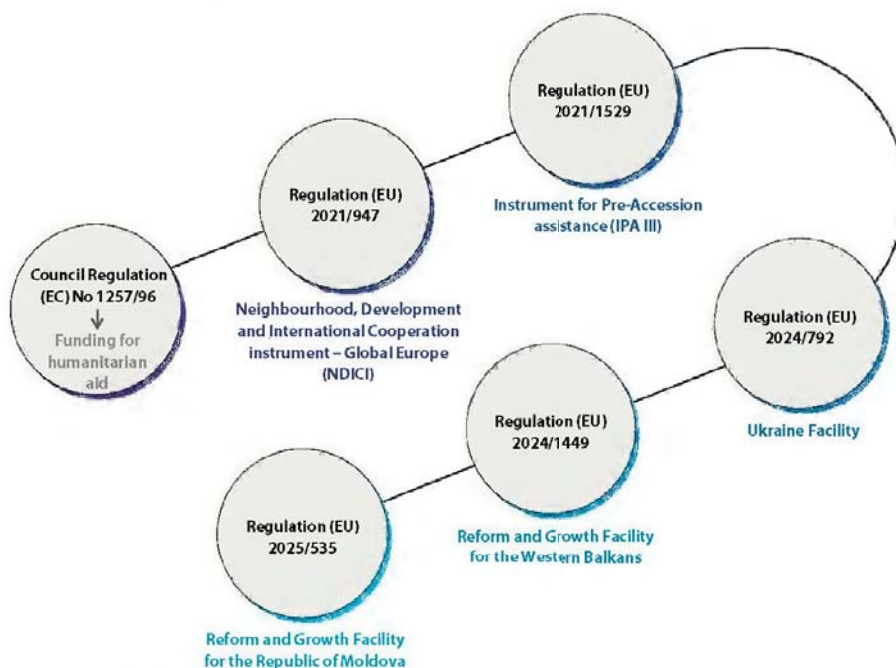
### Legal basis

- 01** On 16 July 2025, the European Commission presented its proposal for a regulation establishing Global Europe (“the proposal”) as part of legislative proposals for the 2028-2034 multiannual financial framework (MFF). Articles 209, 212 and 322(1) of the Treaty on the Functioning of the EU (TFEU) form the legal basis for the proposal. Articles 209 and 212 of the TFEU set the legal framework for the EU’s development, economic, financial and technical cooperation with third countries. These are policy areas of “shared competence”, where the EU carries out activities and conducts common policy without preventing the member states from exercising theirs, as stipulated in Article 4(4) of the TFEU.
- 02** Article 322(1), on the adoption of the EU’s financial rules, requires that the European Court of Auditors (ECA) be consulted as part of the legislative process. The Council and the Parliament submitted formal requests for an ECA opinion on 23 October and on 6 November 2025, respectively.

### Context

- 03** The Global Europe Regulation is expected to enter into force in 2028, subject to the outcome of the legislative procedure. The proposal encompasses various policies such as international partnerships, enlargement, neighbourhood and humanitarian aid, repealing and merging 2021-2027 instruments under one Global Europe instrument (*Figure 1*) while preserving distinct rules for humanitarian assistance.

**Figure 1 | 2021-2027 instruments merged under the proposal**



Source: ECA, based on the proposal.

**04** The proposal would make €200.3 billion<sup>1</sup> (€177 billion in 2025 prices) available to partner countries over the 2028-2034 period. This corresponds to a nominal increase of about 70 % compared to the current MFF. The proposed budget is divided into five geographic pillars and a global pillar, in addition to a reserve (“cushion”) for emerging challenges and priorities (Figure 2). An indicative amount of €25 billion would be dedicated to EU humanitarian aid<sup>2</sup>. In addition, Global Europe would “provide the framework for assistance” for Ukraine to cover the country’s reconstruction needs, provide pre-accession assistance, and mobilise private and public investments<sup>3</sup>. This financial support of up to €100 billion (€88.9 billion in 2025 prices) would be made available either in the form of loans, as non-repayable support, or as provisioning for budgetary guarantees. The non-repayable support and provisioning for budgetary guarantees would be mobilised through a special thematic instrument called the *Ukraine Reserve* to be established “over and

<sup>1</sup> All amounts in this opinion are expressed in current prices, unless otherwise indicated.

<sup>2</sup> The proposal, legislative financial and digital statement, point 3.2.

<sup>3</sup> Recital 19 of the proposal.

above the MFF ceilings” (outside the annual limits on EU expenditure) by a proposal for a Council Regulation on the MFF framework<sup>4</sup>.

**Figure 2 | The proposed budget under Global Europe**

*(amounts in billion euros, current prices)*



*Note:* See also [Figure 4](#), which illustrates the support to be provided to Ukraine in greater detail.

*Source:* ECA, based on the proposal.

- 05** In line with the 2021 Global Gateway strategy, the proposal places emphasis on the EU’s values and interests worldwide – promoting multilateralism and a rules-based international order, achieving the EU’s international commitments and agreed objectives – and on promoting stronger mutually beneficial partnerships with partner countries. The overall aim is to contribute to the sustainable development of partner countries as well as to the EU’s strategic interests.

<sup>4</sup> Recital 11 and Article 6 of COM(2025) 571, Proposal for a Council Regulation laying down the multiannual financial framework for the years 2028 to 2034, 16.7.2025.

## Scope

- 06** This opinion takes into account a series of previous ECA special reports and opinions on EU financial assistance to partner countries (*Annex I*). It aims to contribute to the legislative procedure by making suggestions on how to clarify certain parts, highlighting risks or potential consequences of the proposal with an impact on the financial management of EU funds (*Annex II*).
- 07** As part of the legislative package for the 2028-2034 MFF, the Commission proposed a regulation on a performance framework that sets common rules for expenditure tracking and reporting, performance monitoring, and the evaluation of EU programmes and activities, which is also applicable to Global Europe. We will deliver a separate opinion on that proposal. Therefore, this opinion refers to the performance framework only in cases specifically related to Global Europe.
- 08** In December 2025, the Commission presented legislative proposals that would allow the EU to provide additional loans to Ukraine. The European Council agreed to provide €90 billion in loans over 2026-2027 that would be backed by the margin of the EU's budget known as the "headroom"<sup>5</sup>. A revised set of proposals was presented in January 2026. The European Parliament gave its consent to the use of the 'enhanced cooperation procedure' among 24 EU countries backing these loans<sup>6</sup>. The Parliament also decided to fast-track the adoption of the loans as such<sup>7</sup>. None of these legislative proposals were subject to this ECA opinion.

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<sup>5</sup> European Council conclusions EUCO 24/25 of 18.12.2025.

<sup>6</sup> European Parliament, Press-release, MEPs approve "enhanced cooperation" for €90 billion EU support loan to Ukraine, 21.01.2026.

<sup>7</sup> European Parliament, Press-release, Parliament to fast-track support loan for Ukraine, 20.01.2026.

## Main messages

09 In our opinion, we have identified a number of main messages. These are listed below in [Box 1](#) and further developed in the following sub-sections.

### Box 1

#### Main messages at a glance

- **EU added value:** The proposal identifies areas where Global Europe would add value, but relies on qualitative analysis only. Moreover, there is no definition of EU added value in the current EU legislation nor in the text of the proposal.
- **Aligning spending objectives with EU-wide policy priorities:** The instrument's **objectives** cover a vast array of policy areas and make funding allocation flexible. However, many indicative spending targets are abandoned. In particular, we suggest completing the proposal with incentives to promote cooperation on migration with partner countries.
- **Financing the EU budget:** The proposal would make €200.3 billion (€177 billion in 2025 prices) available for partner countries over the 2028-2034 period. This amount is not backed up by a quantitative analysis. In addition, up to €100 billion (€88.9 billion in 2025 prices) could benefit **Ukraine** over the same period. Large amounts of concessional loans to Ukraine would increase the EU's borrowing obligations. The Commission would be in a position to decide to subsidise these loans without seeking prior opinion from a committee of member states' representatives. We suggest highlighting in the proposal that subsidising loans for partner represents a derogation from current financial rules. Furthermore, in absence of provisioning, any potential losses from these loans would be covered directly by a margin of the EU's budget known as the "headroom", which entails considerable risks.
- **Budget flexibility:** The proposal provides more flexibility to re-allocate resources across geographical areas and policy objectives than the current instruments.

However, the possible use of **direct award** to support investments in the strategic interest of the EU – if not carefully delineated – could go against the principle of competition, transparency and equal treatment. We call for defining robust safeguards, including a cap on the amounts for direct award.

In addition, the provision permitting the **management of budgetary guarantees** to be entrusted to **private entities** could potentially expand the EU budget's exposure to contingent liabilities. We believe that this should be the case only when necessary and duly justified.

- **Accountability in respect of funds spent:** We repeatedly highlighted lessons to be learned to enhance the performance-orientation, accountability and transparency of future performance-based instruments: these lessons should be considered in the design of “performance-based plans” with **enlargement and Neighbourhood East** partner countries, where spending would follow the “financing not linked to costs” model. Considering the large amounts at stake, the procedure for adopting “**policy-based loans**” and “**performance-based plans**” – tools to promote reforms and investments in partner countries – provides for limited formal involvement of the budgetary authority of the EU, i.e. the European Parliament and the Council. We propose considering reinforcing their role in the oversight arrangements.
- **ECA audit mandate:** Persistent restrictions to access audit documentation, posed by certain implementing entities, would justify having the **ECA's audit rights** enshrined directly in an article of the proposal.

## EU added value

- 10** In our review on opportunities for the post-2027 MFF, we reported that there is no definition of EU added value in the current EU legislation. To be fully effective, the concept of EU added value should be understood in the same way by all EU institutions, and articulated in an appropriate political declaration or EU legislation. In other words, EU added value can only be measured effectively if it is clearly defined and applied consistently.
- 11** The impact assessment accompanying the proposal includes useful elements, such as a description of the “**EU added value**”, confirming the areas where the proposal provides added value, i.e. enlargement, neighbourhood, international partnerships, and humanitarian aid. There is, however, no definition of EU added value in the current EU legislation nor in the text of the proposal itself (paragraphs [28-31](#)).

## Aligning spending objectives with EU-wide policy priorities

- 12** The proposal sets specific objectives that cover a vast array of policy areas. It contains an indicative financial breakdown by geographic regions, but not by the objectives. This makes the allocation of funding between objectives flexible; however, it also risks resulting in an unfocused approach to funding, leaving some objectives underfunded (paragraphs [32-33](#)).
- 13** The proposal sets a binding target to use at least 90 % of the overall allocation of €200.3 billion (€177 billion in 2025 prices) for official development assistance (ODA). The Commission can amend this target through delegated acts, and we propose to set a maximum percentage that would be allowed to revise this target. The proposal also re-affirms the mainstreaming of climate action, environmental protection and gender equality, but abandons other targets such as social inclusion and human development, and cooperation on migration and forced displacement (paragraphs [42-44](#)).
- 14** The proposal introduces a possibility for the Commission to suspend payments or a programme if a partner country fails to readmit its own nationals returned from an EU member state. This would equip the EU with “negative leverage” to support readmission negotiations. We believe that complementing the suspension mechanism with positive incentives, such as an indicative spending target for migration, would be a more effective approach to incentivise cooperation on migration (paragraphs [45](#) and [47-49](#)).

## Financing the EU budget

- 15** The proposal would make €200.3 billion (€177 billion in 2025 prices) available to partner countries over the 2028-2034 period, which corresponds to a nominal increase of about 70 % compared to the current MFF. However, the [impact assessment accompanying the proposal](#) contains no quantitative analysis of the needs and provides no clear explanation for this increase (paragraphs [34-36](#) and [46](#)).
- 16** In addition, the Commission could provide up to €100 billion (€88.9 billion in 2025 prices) in financial support for **Ukraine**. A large share of it could be provided in the form of loans. The Commission would borrow the necessary funds on capital markets. This would further increase the burden from the EU’s borrowing obligations. The loans would not be provisioned and instead would be covered, in the event of default, by the difference between the own resources ceiling (i.e. the maximum amount the EU may request from member states) and the EU expenditure limits set in the MFF Regulation. This margin is known as the EU budget’s “headroom”. We have repeatedly warned that the absence of provisioning poses considerable risks. This is because any losses would be directly borne by the headroom of future EU budgets, potentially resulting in a call for supplementary contributions from member states (paragraphs [37-41](#), [63-68](#)).

- 17** In addition, the loans to Ukraine could be offered on concessional terms. Interest-rate and borrowing-cost subsidies for the already existing EU loans to Ukraine could reach €11.5 billion over the next MFF. Substantial amounts would be required to subsidise the newly proposed loans. The Commission would be in a position to decide on these subsidies without following a committee procedure, i.e. without seeking prior opinion from a committee of member states' representatives. This represents a derogation from Article 223(4)(e) of the Financial Regulation, and we suggest recognising it as such in the proposal (paragraphs 51-53).

### Budget flexibility

- 18** In the face of an increasingly volatile global context, the proposal provides the **flexibility** to re-allocate resources across geographical areas and policy objectives by establishing a single financing instrument to support partner countries (*Figure 1*). While this increases the capacity to react to unexpected events and evolving priorities, we draw attention to the risk that it may also limit the predictability of funding for partner countries (paragraphs 54-55).
- 19** Moreover, certain features of the proposal provide more flexibility in implementation. However, we note that they also represent derogations from current financial rules (we list all the derogations in *Annex III*). For instance, the possibility to use **direct award** to support investments in the strategic interest of the EU – if not carefully delineated – could go against the principle of competition, transparency and equal treatment. To ensure that direct awards to private entities remain exceptional, we call for defining robust safeguards, including a cap on the amounts (paragraphs 56-58).
- 20** In addition, the proposal carries forward the possibility for the Commission to entrust the management of **budgetary guarantees to private entities** (subject to successful 'pillar-assessment') (paragraphs 59-62 and 69-70). This would enable private entities to transmit the economic benefits of the EU budgetary guarantee to financial intermediaries and final recipients, while eventually allowing them to call on the guarantee should they incur losses. We emphasise that this provision could expand the EU budget's exposure to contingent liabilities, so it should only be used where necessary and duly justified. In addition, we propose introducing a ceiling to cap the maximum amount that can be used for provisioning the guarantees and financial assistance (paragraphs 71-75).

### Simplification and performance framework

- 21** The proposal simplifies the EU's **budgetary architecture** by merging current external action financing instruments, while preserving distinct rules for humanitarian assistance

(*Figure 1*). As noted in paragraph 18, this provides flexibility to re-allocated resources across policy objectives, but could also limit predictability of funding for partner countries. We previously highlighted that merging several instruments did not contribute to increased coherence and transparency because different methodologies for the allocation of funds were used across geographical areas<sup>8</sup>.

- 22 Furthermore, the proposal for a regulation on a performance framework establishes a single set of monitoring and reporting requirements across budgetary instruments designed to simplify the aggregation of performance indicators (paragraph 07). This is consistent with our previous recommendation to simplify and ensure the consistent use of indicators in the multiannual indicative programmes<sup>9</sup>. However, we highlight the risk that the streamlined public reporting requirements for the Commission could lead to the loss of information that is relevant for monitoring and evaluating the implementation of the instrument (paragraphs 85-87).

### Accountability in respect of funds spent

- 23 In relation to external action instruments, our 2024 statement of assurance audit revealed shortcomings in grant award and public procurement procedures, sustainability of EU-funded investments, or ineligible expenditure. The lessons learned should be considered in the design and implementation of support provided under Global Europe.
- 24 The proposal extends the possibility of granting “policy-based loans” to promote reforms and investments to any partner country. It also envisages adopting “performance-based plans” to be submitted by enlargement and Neighbourhood East partner countries. These plans (and loans accompanying them) would build upon existing facilities for Ukraine, for the Western Balkans, and for Moldova, which means that disbursements would be based on the “financing not linked to costs” model and take place upon the achievement of payment conditions (qualitative and quantitative steps).
- 25 In our review 02/2025, we noted that financing not linked to costs, as used in the Recovery and Resilience Facility, does not make it a performance-based instrument. We repeatedly highlighted lessons to be learned to enhance the performance-orientation, accountability and transparency of future performance-based instruments: these lessons should be considered in the future when designing support to enlargement and Neighbourhood East partners.

<sup>8</sup> Special report 14/2023 on programming the NDICI instrument.

<sup>9</sup> Ibid.

- 26** The Commission would adopt both “**policy-based loans**” and “**performance-based plans**” via *implementing acts* in accordance with a committee procedure, meaning by seeking prior opinion from a committee composed of members states’ representatives. However, considering the large amounts at stake, this procedure provides for limited formal involvement of the budgetary authority of the EU, i.e. the European Parliament and the Council. Moreover, this procedure is not aligned with the procedure for adopting similar plans with the member states. We therefore suggested to the Commission and the legislators to consider reinforcing the role of the EU budgetary authority in the adoption process of these plans with partner countries (and loans accompanying them), and defining a methodology for handling cases of partial fulfilment of the payment conditions (i.e. qualitative and quantitative steps) set in those plans (paragraphs [76-84](#)).

### **ECA audit mandate**

- 27** Recital 93 to the proposal refers to the ECA’s audit rights. However, we keep encountering restrictions to our access to documents held by entities such as international organisations that manage EU funds under indirect management. Therefore, we believe that it would be justified to have the ECA’s audit rights enshrined directly in an article of the proposal (paragraphs [88-91](#)).

# Specific comments

## Explanatory memorandum

### Impact assessment

- 28** The Commission prepared an impact assessment accompanying the proposal, as required by the Financial Regulation<sup>10</sup>. The impact assessment for Global Europe elaborates on the policy options considered and provides a detailed justification for the preferred policy option retained by the Commission, i.e. a financing instrument based on multiannual indicative allocations, with support for Ukraine being financed over and above the MFF ceilings<sup>11</sup>. The impact assessment includes useful elements, such as a description of what the Commission considers as “EU added value” of the proposed instrument (*Figure 3*).
- 29** However, the proposal for Global Europe, as the other proposals for the 2028-2034 MFF, does not contain a definition of the concept of EU added value. In our review *03/2025 on opportunities for the post-2027 MFF*, we reported that, while the principle of subsidiarity is defined in the Treaty, there is no definition of EU added value in the current EU legislation. As we previously pointed out<sup>12</sup>, to be fully effective, the concept of EU added value should be understood in the same way by all EU institutions, and articulated in an appropriate

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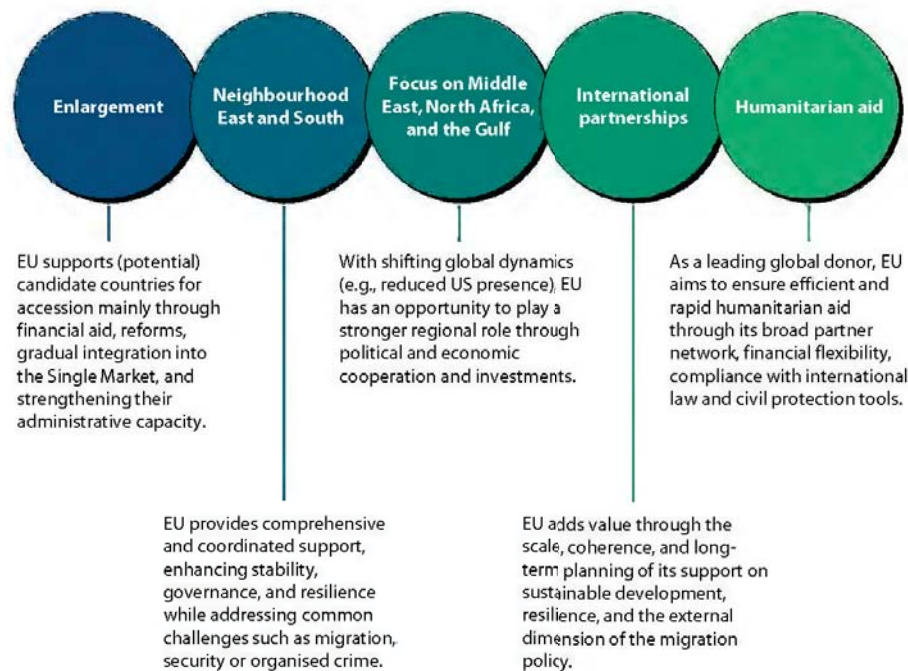
<sup>10</sup> Article 35(1) of Regulation (EU, Euratom) 2024/2509 on the financial rules applicable to the general budget of the Union (the Financial Regulation), 23.9.2024.

<sup>11</sup> SWD(2025)552, Impact assessment accompanying the proposal, p. 58.

<sup>12</sup> Opinion 01/2010 on the financial management of the EU budget, paragraphs 14 and 18.

political declaration or EU legislation. EU added value can only be measured effectively if it is clearly defined and applied consistently<sup>13</sup>.

**Figure 3 | EU added value of Global Europe**



Source: ECA, based on the impact assessment accompanying the proposal, Chapter 3 and Annex 6.

**30** When assessing the quality of a draft version of the impact assessment, the **Regulatory Scrutiny Board** pointed out some weaknesses, such as not specifying how Global Europe fits within wider EU objectives, or insufficient assessment of the trade-off between flexibility and predictability. It nevertheless concluded that “given that at this stage the impact assessment lacks several key elements, the Board has decided, exceptionally, to issue an Opinion without qualification”<sup>14</sup>. The Board applied this treatment also to other legislative proposals for the 2028-2034 MFF. This represents an exceptional treatment as the Board’s opinion can be “positive”, “positive with reservations”, or “negative”<sup>15</sup>. To address the Board’s recommendations, the Commission provided an explanation of how each recommendation was reflected in the final version of the impact assessment<sup>16</sup>.

<sup>13</sup> Review 03/2025 on opportunities for the post-2027 MFF, paragraphs 14-15.

<sup>14</sup> SEC(2025) 548, Opinion of the Regulatory Scrutiny Board, 13.6.2025, p. 2.

<sup>15</sup> SWD(2021) 305, Better regulation guidelines, 3.11.2021, p. 11.

<sup>16</sup> SWD(2025) 552, Impact assessment, p. 58.

- 31** The Commission acknowledged certain limitations, such as the fact that it applied only qualitative methods in preparing the impact assessment. In addition, the impact assessment focuses on the streamlined financial architecture and “does not include funding scenarios and, consequently, only qualitative cost-benefit analysis is possible”<sup>17</sup>. This confirms the fact that the proposal contains no quantitative analysis of the needs and provides no clear explanation for the increase in funding. Our special report on programming the NDICI instrument<sup>18</sup> highlighted that selecting priorities without knowing the amount of funding available makes it difficult to define the scope and quantify the expected results of the programmes.

## Title I – General provisions

### Objectives of the instrument (Article 4)

- 32** In line with the 2021 Global Gateway strategy, the proposal places emphasis on the EU’s values and interests worldwide – promotion of multilateralism and a rules-based international order, achievement of international commitments and objectives that the EU has agreed to – and on promoting stronger mutually beneficial partnerships with partner countries. Emphasising the EU’s strategic interests, the general objective in Article 4 (1)(c) explicitly highlights that the instrument should contribute “simultaneously to the sustainable development of partner countries and to the strategic interests of the Union”. The Commission explained that strategic interests and objectives defined by the European Council (in accordance with Article 22(1) of the Treaty on European Union) would guide the Commission in setting out common priorities with partner countries.
- 33** We note that the specific objectives set in Annex II to the proposal cover a vast array of policy areas. The proposal does not include an indicative financial breakdown per objective that would guide the allocation of funding to policy objectives. This makes the allocation of funding flexible; however, it also risks resulting in an unfocused approach to funding, leaving some of the objectives underfunded. Making funding allocations more targeted is a recurrent recommendation that appears in our recent special reports<sup>19</sup>. Furthermore, our report on fighting hunger highlighted that shifts in political priorities and inadequate needs assessment constrain the effectiveness of EU foreign aid interventions<sup>20</sup>.

<sup>17</sup> *Ibid.*, p. 38, p. 80, and pp. 6-7.

<sup>18</sup> Special report 14/2023 on programming the NDICI instrument.

<sup>19</sup> Special reports 14/2023, 21/2023, 17/2024, 18/2024, and 17/2025.

<sup>20</sup> Special report 20/2025 on fighting hunger in sub-Saharan Africa.

## Budget (Article 6)

- 34** Article 6 of the proposal sets the budget for the instrument at €200.3 billion (€177 billion in 2025 prices), divided into six pillars – one for each geographic region, complemented by a “Global” pillar funding actions at global level, and a “cushion” for emerging challenges and priorities (*Figure 2*). The six pillars would encompass funding for activities that were previously funded through geographic programmes, thematic programmes and rapid response actions. They would also provide funding for humanitarian aid, which would continue to be implemented in accordance with principles set out in Council Regulation (EC) No 1257/96. An indicative amount of €25 billion would be dedicated to EU humanitarian aid<sup>21</sup>.
- 35** According to the Commission, the overall proposed budget would represent a nominal increase of approximately 70 % compared to the funds for external action under the 2021-2027 MFF<sup>22</sup>. However, the impact assessment accompanying the proposal contains no quantitative analysis of the needs and does not clearly spell out the reasons for this increase, beyond referring to an increasingly volatile global context.
- 36** We recognise that comparing the current and next MFFs is challenging due to the need to account for inflation. For the budget as a whole, the Commission prepared an assessment for the loss of purchasing power arising from higher-than-expected inflation over the 2021-2027 period. It estimated that the current MFF would have lost 6.5 % of its value in real terms by the end of 2027<sup>23</sup>. The Commission did not prepare a separate assessment for external action funding. It is worth highlighting that inflation forecasts over 2021-2027 are significantly higher for developing economies than for the EU<sup>24</sup>. For example, our special report 20/2025 highlighted that inflationary pressures and the aftershocks of crises such as the COVID-pandemic have heightened the vulnerabilities to food insecurity in sub-Saharan Africa.

<sup>21</sup> The proposal, legislative financial and digital statement, point 3.2.

<sup>22</sup> COM(2025) 570, Commission Communication on a dynamic EU budget for the priorities of the future – The Multiannual Financial Framework 2028-2034, 16.7.2025, p. 15.

<sup>23</sup> SWD(2025) 570, Staff working document accompanying Commission Communication on the MFF 2028-2034 p. 8.

<sup>24</sup> International Monetary Fund, *World Economic Outlook*, October 2025, Table A5, p. 131.

## Support for Ukraine (Article 6(2))

- 37** The support to Ukraine provided by the EU and its member states has amounted to €193.3 billion since the beginning of Russia's war of aggression<sup>25</sup>. The Global Europe instrument would "provide the framework for assistance" for Ukraine to cover the country's reconstruction needs, provide pre-accession assistance, and mobilise private and public investments<sup>26</sup>. The combined support could reach up to €100 billion (€88.9 billion in 2025 prices) in total, and would be provided in the form of:
- (a) non-repayable support;
  - (b) provisioning for budgetary guarantees;
  - (c) loans.
- 38** **Non-repayable support** (e.g. grants) would be mobilised through the *Ukraine Reserve*. The Reserve would be a special thematic instrument to be established "over and above the MFF ceilings" by the Council Regulation on the MFF framework<sup>27</sup>. For non-repayable support, this regulation sets a cap of €13.5 billion per year (in 2025 prices)<sup>28</sup>.
- 39** In addition, part of the support mobilised under the Ukraine Reserve can be used to put aside provisions, mainly to enable the functioning of a **budgetary guarantee** for Ukraine. The funding under the Ukraine Reserve could also be used for financial instruments and "blending" operations, and to provide different forms of support to address Ukraine-related needs in nuclear safety under the proposed Instrument for Nuclear Safety Cooperation and Decommissioning.
- 40** The **loans** are to be mobilised "over and above the MFF ceilings"<sup>29</sup>. Unlike for the non-repayable support, the proposal sets no upper limit for the amount of loans to be extended in a given year. As with the Ukraine Facility and macro-financial assistance plus, the loans could be offered on concessional terms (paragraphs **51-53**) and they would not be provisioned. The loans would be covered directly by the EU budget headroom (paragraphs **63-68**).

<sup>25</sup> Commission website EU assistance to Ukraine.

<sup>26</sup> Recital 19 to the proposal.

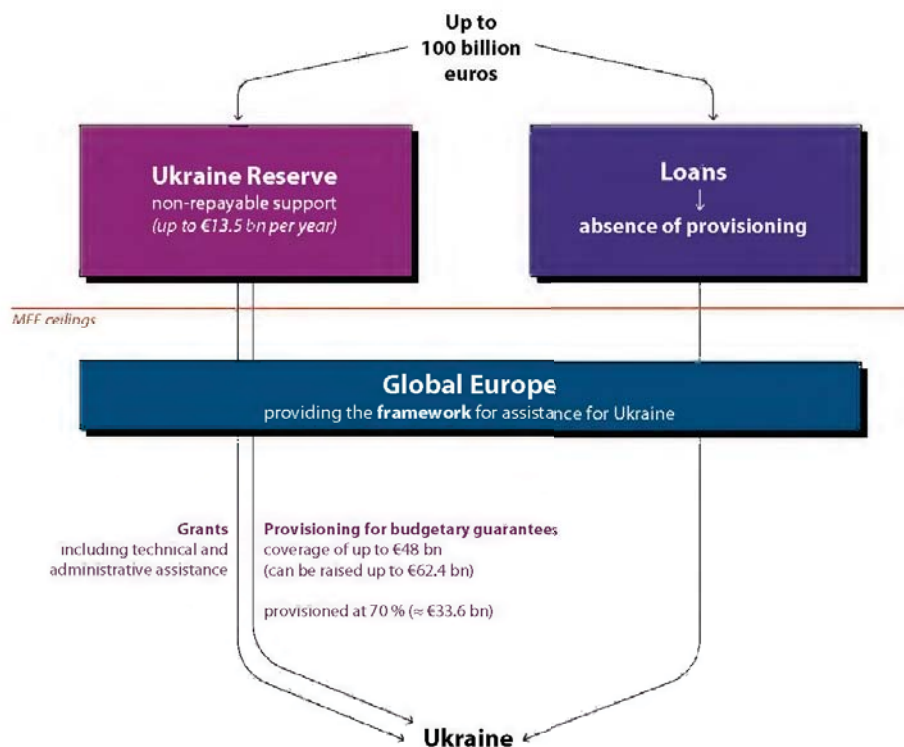
<sup>27</sup> Article 6 of COM(2025) 571, Proposal for a Council Regulation laying down the multiannual financial framework for the years 2028 to 2034, 16.7.2025.

<sup>28</sup> *Ibid.*, Article 6(2).

<sup>29</sup> *Ibid.*, Recital 11.

- 41 The proposal provides no indicative split between the loans and the non-repayable support. The amounts are to be determined every year when the annual EU budget is adopted. We acknowledge that this makes the support for Ukraine highly flexible to respond to a volatile context and to take into account the debt sustainability of Ukraine. *Figure 4* summarises the support to be provided to Ukraine.

**Figure 4 | Support to Ukraine under Global Europe**



Source: ECA, based on the proposal.

## Reduction in the number of spending targets (Articles 6(5) and 6(6))

- 42 Recital 23 reiterates that the primary objective of the EU's development cooperation is to eradicate poverty as set out in the Treaties. Article 6(5) of the proposal maintains a *binding* target related to official development assistance (ODA), i.e. to use at least 90 % of the overall allocation of €200.3 billion (€177 billion in 2025 prices) for ODA. The remaining 10 % allows the Commission to finance other activities that would not be eligible as ODA, such as those related to security, migration management, or those supporting partnerships with high-income countries. We previously identified cases where the Commission did not

take a precautionary approach regarding ODA reporting in cases of doubt, reporting funding as 100 % ODA eligible when in fact it was not<sup>30</sup>.

- 43** However, under Article 6(6) of the proposal, the Commission would have the possibility to amend (and potentially to lower) the ODA target through delegated acts. A target that can fluctuate over time undermines predictability of funding for partner countries, affecting especially least developed countries<sup>31</sup>. To make the funding more predictable, **the Commission and the legislators should consider** setting a maximum percentage by which the Commission can adjust the ODA spending target.
- 44** Moreover, the current Neighbourhood, Development and International Cooperation (NDICI) Regulation sets indicative spending targets (e.g. percentage of funding supporting climate objectives, social inclusion and human development, cooperation on migration and forced displacement). By contrast, Global Europe abandons all except one of these indicative targets. Recital 91 of the proposal states that the instrument should “be implemented in accordance with [the Performance Regulation]”<sup>32</sup>. Annex III to this Regulation indicates that at least 30 % of the Global Europe’s budget should contribute to climate and environmental objectives. This is the only indicative target explicitly mentioned in relation to Global Europe.
- 45** Such indicative targets enhance predictability in spending, and provide a basis to assess whether the EU long term policy objectives are adequately funded (paragraph 33). Furthermore, being indicative, they do not impede the flexibility to reallocate funds to address new priorities or emergencies. Therefore, **the Commission and the legislators should consider** setting indicative spending targets similar to those in the NDICI Regulation, and in particular a target related to cooperation on migration and forced displacement (see also paragraphs 47-49).

## Emerging challenges and priorities cushion (Article 7)

- 46** Articles 6(3) and 7 preserve an “emerging challenges and priorities cushion” worth €14.8 billion, or 7.4 % of the proposed budget, to respond to unpredictable needs. The cushion would increase by 59 % compared to the amount made available under NDICI. The proposed increase reflects the incorporation of the *Emergency Aid Reserve* (a thematic

<sup>30</sup> Special report 17/2024 on EU Trust Fund for Africa.

<sup>31</sup> ECDPM, A companion guide to the Global Europe instrument proposal, p. 5.

<sup>32</sup> COM(2025) 545, Proposal for a Regulation establishing a budget expenditure tracking and performance framework.

special instrument set over and above the MFF ceilings) into Global Europe<sup>33</sup>. It also reflects the extensive use of the cushion during the current MFF: by June 2023, about 80 % of the cushion had been used or allocated to provide support in response to emergencies such as Russia's war of aggression against Ukraine, to provide COVID-19 vaccines globally or to support Syrian refugees in Türkiye<sup>34</sup>. However, as with the other indicative amounts for the geographic pillars or the actions at global level, it is unclear what quantitative analysis was undertaken to justify setting the cushion at this level (paragraphs 31 and 34-36).

## Migration and forced displacement (Article 12)

- 47** The proposal gives the EU greater leverage to enhance partner countries' cooperation on migration. Global Europe introduces the possibility for the Commission to suspend payments or a programme if a partner country fails to respect its obligation to readmit its own nationals. This would equip the EU with "negative leverage" to support readmission negotiations.
- 48** At the same time, the proposal abandons an existing spending target set in recital 51 to the NDICI Regulation to incentivise cooperation on migration. The NDICI indicative target of 10 % is intended to help the EU "to comprehensively respond to challenges, needs and opportunities related to migration and forced displacement".
- 49** In our report on readmission cooperation, we recommended that the Commission evaluate the "potential of all newly proposed agreements, instruments and policies related to third countries being used as incentives for migration management and readmission cooperation", while also highlighting the role of positive incentives and potential risks of using negative leverage<sup>35</sup>. Therefore, the **Commission and the legislators should consider** complementing the suspension mechanism in Article 12 with positive incentives, such as an indicative spending target for migration.

<sup>33</sup> SWD(2025) 570, p. 33 and Figure 3.1.

<sup>34</sup> COM(2023) 336, Communication from the Commission on the mid-term revision of the Multiannual Financial Framework 2021-2027, 20.6.2023, pp. 2 and 6.

<sup>35</sup> Special report 17/2021 on readmission cooperation, paragraphs 67, 68, 126 and recommendation 3.

## Title II – Implementation of the instrument

### Adoption of action plans and measures (Article 19)

**50** By default, the Commission adopts actions plans and measures through a committee procedure defined in Article 32(2). This procedure requires the Commission to seek an opinion from a committee composed of representatives appointed by the member states before the Commission can adopt implementing measures. In addition, the Commission may adopt action plans and measures without following the committee procedure where expenditure does not exceed a certain amount. However, compared to Article 25(2) of the NDICI, Article 19(2) of the proposal would double each of the discretionary ceilings, bringing them to:

- €10 million for individual measures;
- €20 million for special measures;
- €40 million for exceptional assistance measures “to implement crisis, peace and foreign policy needs actions”.

In our opinion 10/2018 on the legislative proposal for the 2021-2027 NDICI (paragraph 42), we noted that increasing the ceilings “weakens oversight arrangements”, which also applies to this proposal.

### Interest-rate and borrowing-cost subsidies for loans to Ukraine (Article 19(2)(e))

**51** As explained above (paragraphs 37-41), the proposal allows the Commission to allocate up to a maximum amount of €100 billion (€88.9 billion in 2025 prices) in loans for Ukraine over the 2028-2034 period. The Commission confirmed its intention to subsidise these loans. This means the loans could potentially be offered on concessional terms to be defined in a loan agreement to be concluded with the Government of Ukraine. They could have a long maturity, a grace period, or be accompanied by interest-rate and borrowing-cost subsidies, as is currently the case for the loans provided under the [Ukraine Facility](#).

**52** Article 19(2)(e) of the proposal gives the Commission the possibility to subsidise loans to partner countries, such as Ukraine. However, the Commission would be in a position to decide on the subsidies without following the committee procedure, i.e. without seeking prior opinion from a committee of representatives appointed by the member states. In 2024, a report from the European Parliament estimated that subsidies for the already existing loans could reach significant amounts: “If we assume that Ukraine pays zero

interest to the EU on the total of €57 billion worth of loans throughout the next MFF period, our estimates suggest this could add approximately €1.65 billion annually, or €11.5 billion in total, to the EU budget between 2028 and 2034<sup>36</sup>. Substantial amounts would be required to subsidise the newly proposed loans.

- 53** Moreover, the proposal does not recognise that subsidising loans for partner countries represents a derogation from Article 223(4)(e) of the Financial Regulation, which requires that all costs arising from financial assistance be borne by the beneficiary country. Therefore, **the Commission and the legislators should** highlight this derogation in the text of Article 19(2)(e)) and also explain the rationale for this derogation in the recitals to the proposal, as required by Article 3 of the Financial Regulation.

### Carry-over of unused commitments (Article 22)

- 54** Article 22 of the proposal defines the conditions for carrying over funds unspent in a given year to the following year. To ensure this flexibility, Article 22 contains derogations from the Financial Regulation that are comparable to the derogations in Article 30 of the NDICI Regulation.
- 55** However, unlike Article 30(2) of the NDICI Regulation, the proposal does not maintain the possibility of reallocating decommitted amounts to the original budget line for which they were earmarked initially. Instead, the *communication on the 2028-2034 MFF* (page 22) highlights that decommitted amounts are expected to feed into the Flexibility Instrument to be set up “over and above” the MFF ceilings. We acknowledge that this fosters the overall flexibility of the EU budget to respond to unpredictable events or new priorities across MFF headings.

### Implementation and forms of EU funding (Article 23)

- 56** Article 23(4)(e) of the proposal introduces the possibility to award grants without a call for proposals to private entities established in member states to “facilitate investments that are in the strategic interest of the Union”. This is a novelty compared to the NDICI Regulation and represents a derogation from Article 198 of the Financial Regulation, which lists existing exceptions to calls for proposals for grants.
- 57** Recital 70 provides examples of where a direct award could be used: to enable investments “in strategic areas such as critical raw materials, climate change resilience or digital and

<sup>36</sup> Briefing requested by the Committee on Budgets, *Management of debt liabilities in the EU budget under the post-2027 MFF*, October 2024.

other infrastructure” that enhance the EU’s strategic autonomy. However, recital 70 does not clearly state the specific reasons for the use of a direct award and does not spell out the criteria that should guide such a decision. Similarly, the impact assessment (page 29) accompanying the proposal refers to the objective of fostering private-sector access to public and private funding through an enhanced toolbox, but it does not explain how the proposed new tools would better contribute to advancing the EU’s policy objectives.

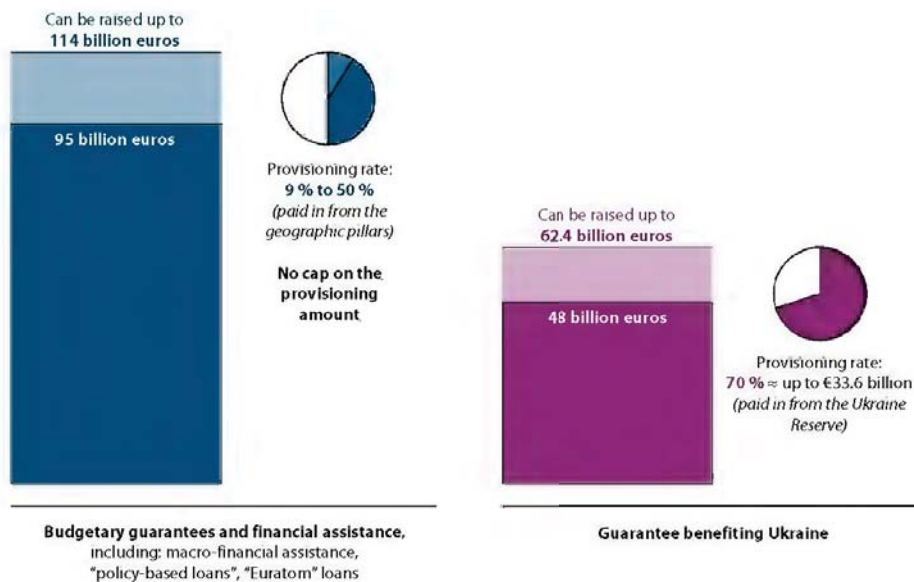
- 58** Article 23(4)(e) of the proposal allows the Commission to use this provision only ‘where necessary and duly justified’ in the action plans and measures adopted by the Commission. However, the proposal sets no financial ceiling on the support provided via direct awards. In this context, we highlight the risk that the direct award provision could go against the principle of competition, transparency and equal treatment in the award of EU funds. **The co-legislators should therefore consider** defining robust safeguards, including a cap on the amounts, to ensure that direct awards remain exceptional.

### **Budgetary guarantees and financial assistance (Article 24)**

- 59** Article 24 of the proposal carries forward most of the legal provisions to set up guarantee mechanisms and financial assistance to partner countries. The **maximum amount** made available to cover budgetary guarantees and financial assistance could amount up to €95 billion. This represents a nominal increase of 78 % compared to the €53.5 billion External Action Guarantee created under the NDICI Regulation. The maximum amount of €95 billion would also cover financial assistance to non-EU countries other than Ukraine in the form of “policy-based loans”<sup>37</sup>, macro-financial assistance and “Euratom loans” to address nuclear safety needs under the proposed [Instrument for Nuclear Safety Cooperation and Decommissioning](#). Article 24(4) of the proposal empowers the Commission to further increase the maximum amount by 20 %, i.e. up to €114 billion through a delegated act.
- 60** In addition, a separate guarantee (under Article 24(3) of the proposal) would benefit Ukraine with a financial coverage of up to €48 billion – up from €7.8 billion for the guarantee created under Article 31 of the [Ukraine Facility](#). The Commission would be entitled to increase the guarantee for Ukraine by 30 % through a delegated act, potentially bringing the maximum amount to €62.4 billion. [Figure 5](#) summarises the guarantee mechanisms and provisioning rates.

<sup>37</sup> Defined in Article 26 of the proposal.

**Figure 5 | Guarantees and financial assistance under Global Europe**



Source: ECA, based on the proposal.

- 61** For the budgetary guarantee and financial assistance to partner countries (other than Ukraine), the proposal envisages standard provisioning rates ranging from 9 % for sovereign operations to 50 % for riskier operations involving the private sector. The guarantee for Ukraine would be initially provisioned at 70 %, unlike the loans for Ukraine (paragraphs 63-68). Article 24(4) of the proposal sets the condition for the Commission to review all provisioning rates every year. We welcome the fact that this frequency is aligned with the requirements set for the Ukraine Facility (Article 32(2)).
- 62** Finally, Article 24(9) of the proposal specifies that the amounts needed for provisions would come from the geographic pillars and from the *Ukraine Reserve*. However, unlike the NDICI Regulation (Article 31(5)), which capped the maximum provisioning amount at €10 billion, the proposal sets no ceiling. Without such a ceiling, a significant amount may be used for provisioning, at the expense of other forms of support to be provided to partner countries, such as grants. In this context, we note that the 2024 mid-term evaluation of EU external instruments for 2021-2027 (pages 61 and 124) recognised that grants and "blending" operations (which combine grants with loans) are more appropriate than budgetary guarantees in the context of fragile countries and least developed countries. Therefore, **the Commission and the legislators should consider** introducing a ceiling in Article 24(9) of the proposal that would cap the maximum amount that can be used for provisioning the guarantees and financial assistance.

## Absence of provisioning for loans to Ukraine (Article 24(3))

- 63** As explained in paragraphs 37-41, the proposal allows the Commission to allocate up to a maximum amount of €100 billion (€88.9 billion in 2025 prices) in loans for Ukraine over the 2028-2034 period. The Commission would finance the proposed loans by borrowing the necessary funds on capital markets or from financial institutions. This would further increase the burden arising from the EU's borrowing obligations and further raise the EU budget exposure.
- 64** Article 24(3)(3) of the proposal provides that, by way of derogation from the Financial Regulation, the loans will not be provisioned. Instead, the loans would be guaranteed by the EU budget's "headroom" (see [Box 2](#)).

### Box 2

#### The EU budget headroom

The "headroom" is the margin between the own resources ceiling (i.e. the maximum amount the EU may request from member states) and expenditure limits set in the MFF Regulation.

The headroom acts as a last-resort guarantee for investors: should the EU face difficulties in servicing its debt (e.g. due to delayed or incomplete repayments from loan beneficiaries), the Commission could call for supplementary contributions from member states to meet those obligations. This mechanism constitutes a binding legal commitment by member states. However, before any such call is made, the Commission should ensure that it has risk mitigation and liquidity management measures in place.

In 2020, Council Decision (EU, Euratom) 2020/2053 raised the permanent own resources ceiling from 1.23 % to 1.4 % of the collective gross national income of the EU member states. For the 2028-2034 MFF, the Commission proposed further increasing this ceiling to 1.75 %<sup>38</sup>. In 2025, taking into account the planned increase in resources, the Commission estimated that the available headroom would average €128.5 billion per year over the 2026-2034 period, which it considered sufficient to cover the potential losses from the headroom-backed loans as at 31.12.2024.

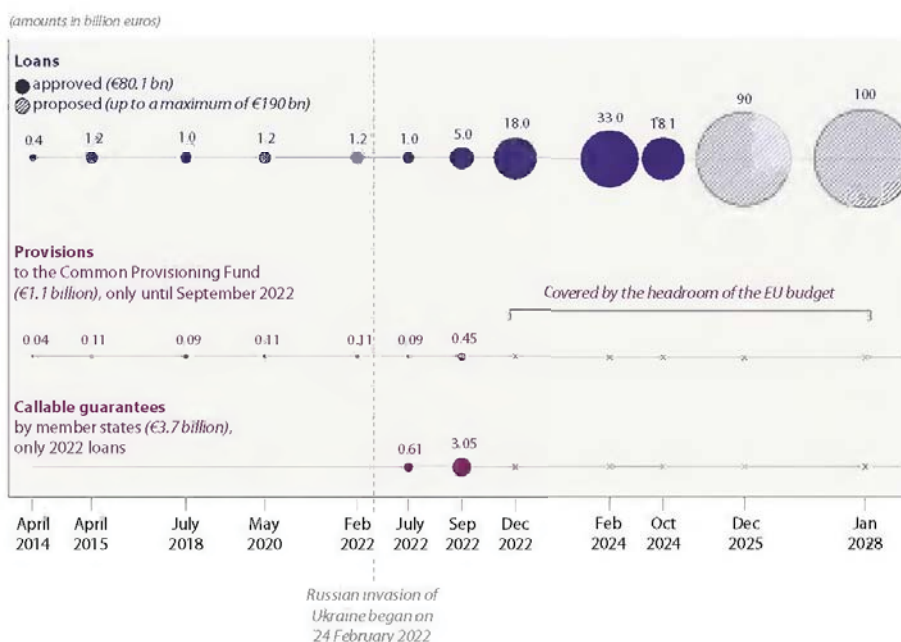
*Source:* ECA 2024 annual report, points 2.39 and 2.40, and COM(2025) 781 Commission report on contingent liabilities, p. 20.

- 65** It is important to note that provisioning for all loans from the EU budget to third countries was previously set at 9 % of the loan value, to comply with the requirement stipulated in Article 214(1) of the Financial Regulation. In 2022, for the exceptional loans provided to

<sup>38</sup> COM(2025) 574, Proposal for a Council Decision on the system of own resources, Article 4.

Ukraine, the member states agreed to make available additional callable guarantees (guarantees that are payable on demand) for up to 61 %, bringing the total budgetary cover to 70 %. However, since 2023, no provisioning is required for the €18 billion in macro-financial assistance plus, nor for the €33 billion in loans under the Ukraine Facility, nor for the €18.1 billion in loans provided under the Ukraine Loan Cooperation Mechanism. In addition, the European Council agreed to recent proposals to provide €90 billion in loans over 2026-2027 that would be also backed by the headroom, rather than being provisioned (paragraph 08). *Figure 6* shows previously approved loans to Ukraine, the loans proposed for the 2026-2027 period, and the loans proposed under Global Europe.

**Figure 6 | Timeline of approved loans and proposed loans for Ukraine**



*Note:* The amounts of proposed loans correspond to a theoretical maximum. As explained in paragraph 41 and in *Figure 4*, the proposal for Global Europe provides no indicative split between the loans and the non-repayable support.

*Source:* ECA, based on Figure 2.23 in the ECA's 2024 annual report and on the proposal.

**66** We have warned repeatedly about the risks of using the EU budget headroom to guarantee loans to Ukraine<sup>39</sup>. This is because any losses relating to the loans will have to be covered by the headroom of future EU budgets (see *Box 2*), which may potentially

<sup>39</sup> Opinion 07/2022, opinion 03/2023, and ECA annual reports for the 2022, 2023, and 2024 financial years.

result in a call for supplementary contributions from member states. In addition, as shown in [Figure 6](#), loans to Ukraine backed by the headroom continue to increase. The loans proposed under Global Europe of up to €100 billion, as well as the recently proposed €90 billion in loans, would inevitably put additional pressure on the headroom. In this context, as stated in our opinion on the system of own resources, the Commission should reassess whether the newly proposed own resource ceiling of 1.75 % is still adequate<sup>40</sup>.

- 67** Furthermore, this treatment of the loans contrasts with the Commission’s approach to the exceptional macro-financial assistance loans for a total of €6 billion granted in 2022. In June 2025, the Commission confirmed that, for these loans, “maintaining a provisioning rate of 70 % can be deemed adequate at present to protect the EU budget from potential losses”<sup>41</sup>.
- 68** In summary, the absence of provisioning for the proposed loans of up to €100 billion to Ukraine under Global Europe (as well as for the recently proposed €90 billion in loans over 2026-2027) entails considerable risks. Given the rising exposure of future EU budgets to liabilities, and in accordance with the principle of prudence, **the Commission and the legislators should consider** complementing the coverage provided by the headroom with additional safeguards, such as provisioning, to deal with a sudden and unexpected default by Ukraine. This would provide the member states with time to prepare for any potential contributions needed.

## Implementation of budgetary guarantees and financial instruments (Article 25)

- 69** Budgetary guarantees and financial instruments would continue to be implemented by “eligible implementing entities” in line with the principles of indirect management set out in Articles 62(1)(c), and 211(5) of the Financial Regulation. All such entities must undergo an *ex ante* ‘pillar-assessment’ in accordance with Article 157(3) of the Financial Regulation. This is to ensure a level of protection of the EU financial interests equivalent to that provided by the Commission under direct management. Examples of such entities may include international organisations, European development finance institutions and member states’ development banks, with which the Commission has signed budgetary guarantee agreements<sup>42</sup>.

<sup>40</sup> [Opinion 04/2026](#) concerning the proposal for a Decision on the system of own resources of the EU, paragraph 16.

<sup>41</sup> Draft EU budget for 2026, working document XI, p. 116.

<sup>42</sup> *Ibid.*, pp. 79-88.

- 70** In addition, Article 25(2) of the proposal highlights that bodies established in a partner country may be considered “eligible implementing entities” provided they are positively pillar-assessed, even where that partner country benefits from but does not contribute to the budgetary guarantee or financial instrument. Furthermore, the proposal clarifies that this provision represents a derogation from the third subparagraph of Article 211(5) of the Financial Regulation.
- 71** More importantly, under certain conditions, Article 25(3) of the proposal allows the Commission to entrust the management of budgetary guarantees or financial instruments to **bodies “governed by private law”** of a member state or of a partner country benefiting or contributing to the financial instruments or budgetary guarantee, to the extent that the body provides adequate assurance of its financial capacity. This represents a derogation from Articles 62(1) and 211(5) of the Financial Regulation, which already exists under the current MFF.
- 72** Recital 82 to the proposal explains that this provision is aimed at making investments more attractive for the private sector and maximising their impact. The **impact assessment** (page 29) further highlights that the management of guarantees could be entrusted to member states’ export credit agencies. The Commission also confirmed that other types of organisations, such as commercial banks, could be considered eligible.
- 73** Despite the requirements for all implementing entities to undergo pillar-assessment, and for private entities to provide assurance of their financial capacity, the scope of Article 25(3) remains broad as virtually any “bodies governed by private law” could be considered eligible. This provision would enable private entities to transmit the economic benefits of the EU budgetary guarantee to financial intermediaries and final recipients, while eventually allowing them to call on the guarantee should they incur losses. This provision could potentially expand the exposure of the EU budget to contingent liabilities.
- 74** In this context, we highlight that entrusting the management of guarantees to private entities should be used in exceptional cases only, for instance where European development finance institutions or member states’ development banks cannot operate on the ground. Therefore, **the legislators should consider** clarifying in Article 25(3) that this provision would be used only “where necessary and duly justified”. The Commission could subsequently clarify such cases in its guidance.
- 75** The suggested modification would be aligned with Article 23(7) of the proposal that envisages that implementation of budgetary guarantees and financial instruments be entrusted “whenever possible [...] to the [European Investment Bank], the [European Bank for Reconstruction and Development], or a Member State organisation”.

## Implementation of “policy-based loans” (Article 26)

- 76** As a novelty compared to the NDICI Regulation, Article 26 of the proposal introduces the possibility to grant “**policy-based loans**”. Recital 85 explains that these loans would “support partner country’s reform programmes and catalyse investments”. These loans would come in addition to macro-financial assistance loans, which are strictly intended to complement an International Monetary Fund programme to help countries dealing with serious balance-of-payments difficulties.
- 77** Recital 85 to the proposal highlights that the conditions applicable to “policy-based loans” should, where relevant, be aligned with the conditions for budget support in the Financial Regulation and that a debt analysis should be conducted prior to the approval of any loan. Article 24(1) of the proposal further provides that the total amount of financial assistance (including “policy-based loans”) and budgetary guarantees cannot exceed €95 billion (paragraph 59).
- 78** The “policy-based loans” could be provided to any partner country (irrespective of the geographic region). Recital 88 explicitly mentions that “policy-based loans” could be provided to enlargement and Neighbourhood East partner countries implementing “performance-based plans” (defined in Article 31 of the proposal, see also paragraphs 80-84) where funds are disbursed upon fulfilment of pre-agreed conditions. In this respect, the use of loans under the Europe pillar builds upon the recently established facilities for Ukraine, the Western Balkans and Moldova.
- 79** It is important to note that “policy-based loans” – for potentially large amounts – would be adopted by the College of Commissioners as *Commission implementing acts* in accordance with the committee procedure defined in Article 32(2). This procedure requires the Commission to seek an opinion from a committee composed of representatives appointed by the members states before the Commission can adopt an implementing act. However, this procedure envisages limited formal involvement of the budgetary authority of the EU, i.e. the European Parliament and the Council as an institution<sup>43</sup>. Therefore, **the legislators should consider** reinforcing the role of the European Parliament and of the Council in the adoption of “policy-based loans”.

<sup>43</sup> Articles 10(3), 10(4) and 11 of Regulation (EU) No 182/2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission’s exercise of implementing powers.

## Title III – Final provisions

### Adoption of further implementing rules for the Europe pillar (Article 31)

- 80** Article 31 of the proposal (in conjunction with Article 17(1)) sets out the procedure for adopting “**performance-based plans**” with enlargement and Neighbourhood East partner countries. The Commission explained that cooperation with these countries would build upon the recently established facilities for Ukraine<sup>44</sup>, the Western Balkans<sup>45</sup> and Moldova. Replicating those facilities means that disbursements would take place upon the achievement of payment conditions (qualitative and quantitative steps) to be set in the “performance-based plans” and be based on the “financing not linked to costs” model (although this is not explicitly stated in Article 31).
- 81** In this context, we recall that our [review 02/2025](#) highlighted lessons to be learned to enhance the performance-orientation, accountability and transparency of such instruments in the future. Specifically, we noted that the performance plans under the Recovery and Resilience Facility focus on implementation progress rather than performance, and that efficiency cannot be measured as the Commission does not collect information on actual costs. We concluded that financing not linked to costs does not, in itself, make the Recovery and Resilience Facility a performance-based instrument.
- 82** The “performance-based plans” would be adopted as *Commission implementing acts* in accordance with Articles 17(1) and 32(2) of the proposal. The procedure would be the same as for the existing facilities for the Western Balkans and for Moldova. However, the plans would define conditions for spending €43 billion (€38 billion in 2025 prices) under the Europe pillar, plus potentially up to €100 billion (€88.9 billion in 2025 prices) for Ukraine. This is significantly higher than the funding provided through the facilities for Moldova (€1.8 billion) and the Western Balkans (€6 billion).
- 83** Though Article 32(2) of the proposal requires the Commission to follow the committee procedure, this adoption procedure envisages limited formal involvement of the budgetary authority of the EU, i.e. the European Parliament and the Council as an institution<sup>46</sup>. Moreover, the Commission’s approach towards the plans with partner countries is not aligned with the procedure envisaged for the adoption of national and regional partnership plans with the EU member states. In fact, Article 23 of the proposal for the

<sup>44</sup> [Opinion 03/2023](#) on establishing the Ukraine Facility.

<sup>45</sup> [Opinion 01/2024](#) on establishing the Reform and Growth Facility for the Western Balkans.

<sup>46</sup> Articles 10(3), 10(4) and 11 of Regulation (EU) No 182/2011.

European Fund Regulation, on which we will deliver a separate opinion, provides for the adoption of the latter plans by means of a *Council implementing decision*. This is also the case for the Ukraine Facility (Article 19), under which the *Ukraine Plan* was adopted by means of a Council implementing decision, as the Ukraine Facility is considered an “exceptional medium-term instrument”<sup>47</sup>.

- 84** Therefore, to align the provisions in Article 31 of the Global Europe proposal with other EU legislation, **the Commission and the legislators should consider** reinforcing the role of the budgetary authority, i.e. European Parliament and of the Council in the adoption process of the “performance-based plans” with partner countries. In addition, in line with existing facilities, **the Commission should consider** defining a methodology (guidance) for handling cases in which the payment conditions (i.e. qualitative and quantitative steps) to be set in the “performance-based plans” have been fulfilled only partially.

## Reporting

- 85** Under the proposal for a performance framework, on which we will deliver a separate opinion, a single performance report would be replacing 32 programme-specific reporting requirements, including the annual report on the implementation of the EU’s external action instruments. We highlight the risk of the consolidated report not covering all relevant information, as the proposal for the performance framework does not specify in detail the content of the future annual performance reporting.
- 86** Currently, Article 41 of the NDICI Regulation requires the Commission to publish detailed quantitative information – such as budgetary commitments, contracted amounts and payment appropriations, including the use of budgetary guarantees and financial instruments, broken down by implementing entity and geographic area – complemented by qualitative information on the progress achieved towards the objectives and the outcome of monitoring and evaluations. This information is currently reported in annual reports on the implementation of EU’s external action instruments.
- 87** This information is relevant for steering and evaluating the implementation of the instrument and allows the Parliament and the Council to monitor the allocation of funding. Therefore, **the Commission should ensure** that equivalent information is reported in the future, either through the proposed Single Gateway portal or as part of annual performance reporting.

<sup>47</sup> C/2024/1969 Joint declaration of the European Parliament, the Council and the Commission relating to the exceptional nature of the Ukraine Facility.

## ECA audit rights

- 88** The ECA's audit rights are referred to in recital 93 of the proposal. It recalls that in accordance with the [Financial Regulation](#) "any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO and the European Court of Auditors and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights". However, this obligation is not explicitly included in any article of the proposal.
- 89** Moreover, Article 23(1) states that external actions can be implemented through indirect management by entities listed in Article 62(1)(c) of the [Financial Regulation](#), including international organisations. Under indirect management, the Commission relies fully on the management verifications and audits conducted by these entities.
- 90** In our audit work, we frequently deal with pillar-assessed entities, primarily international organisations that manage EU funds in partner countries. Our audit work for the statement of assurance reveals that a significant share of quantifiable errors concerns transactions managed by international organisations. In addition, we keep encountering restrictions in accessing documents and information essential for conducting our audits<sup>48</sup> – we have faced delays or restricted access in receiving requested documentation from some international organisations and, consequently, in planning, execution and quality control of our work. Our recommendations to remedy this situation have not been fully implemented so far.
- 91** Therefore, having the ECA's audit rights enshrined in an article of the proposal would ensure clarity regarding the obligations of EU funding recipients, and compliance with international auditing standards. **The Commission and the legislators should consider** adding a specific article to the proposal reiterating the ECA's role and its access and audit rights. The proposed article could partially replicate recital 93 or could be worded as follows: "The external audit of the activities undertaken in accordance with this Regulation are carried out by the European Court of Auditors in accordance with Article 287 of the Treaty on the Functioning of the European Union, as reflected further in Regulation (EU, Euratom) 2024/2509".


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<sup>48</sup> ECA 2024 annual report on the implementation of the EU budget, paragraphs 9.14-9.16, and 2024 annual report on the European Development Funds, paragraphs 25 and 26.

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This opinion was adopted by the Court of Auditors in Luxembourg at its meeting of 5 February 2026.

*For the Court of Auditors*

A handwritten signature in blue ink, appearing to read 'Tony Murphy', with a small horizontal line at the end.

Tony Murphy  
*President*

# Annexes

## Annex I – ECA publications dealing with EU support for partner countries

| Publication reference       | Title (hyperlink to the publication)   |
|-----------------------------|--|
| 2025                        | <b>Annual reports concerning the 2024 financial year</b>   |
| 2024                        | <b>Annual reports concerning the 2023 financial year</b>   |
| Special Report (SR) 20/2025 | <b>Commission support to fight hunger in sub-Saharan Africa</b><br>Commendable but insufficient focus on sustainability and impact   |
| SR 17/2025                  | <b>EU aid for trade to least developed countries</b><br>Needs are being tackled, but EU funding is not on track to meet 2030 target  |
| SR 15/2025                  | <b>EU humanitarian aid under remote management</b><br>Can save lives, but there are weaknesses in the approach   |
| SR 18/2024                  | <b>EU financial support for health systems in selected partner countries</b><br>Broad strategic objectives followed but interventions affected by coordination and sustainability issues                           |
| SR 17/2024                  | <b>The EU trust fund for Africa</b><br>Despite new approaches, support remained unfocused  |
| SR 21/2023                  | <b>The Spotlight Initiative to end violence against women and girls</b><br>Ambitious but so far with limited impact  |
| SR 14/2023                  | <b>Programming the Neighbourhood, Development and International Cooperation Instrument – Global Europe</b><br>Comprehensive programmes with deficiencies in the methods for allocating funds and impact monitoring |
| SR 05/2023                  | <b>The EU's financial landscape</b><br>A patchwork construction requiring further simplification and accountability  |
| SR 04/2023                  | <b>The Global Climate Change Alliance(+)</b><br>Achievements fell short of ambitions   |
| SR 27/2022                  | <b>EU support to cross-border cooperation with neighbouring countries</b><br>Valuable support, but implementation started very late and problems with coordination need to be addressed                            |
| SR 01/2022                  | <b>EU support to the rule of law in the Western Balkans</b><br>despite efforts, fundamental problems persist   |

| Publication reference | Title (hyperlink to the publication)  |
|-----------------------|---|
| SR 23/2021            | <b>Reducing grand corruption in Ukraine</b><br>several EU initiatives, but still insufficient results   |
| SR 17/2021            | <b>EU readmission cooperation with third countries</b><br>relevant actions yielded limited results  |
| SR 02/2021            | <b>EU humanitarian aid for education</b><br>helps children in need, but should be longer-term and reach more girls  |
| Opinion (OP) 02/2026  | <b>Opinion for a regulation of the European Parliament and of the Council establishing Horizon Europe, the Framework Programme for Research and Innovation, for the period 2028-2034, laying down its rules for participation and dissemination, and repealing Regulation (EU) 2021/695</b>   |
| OP 01/2026            | <b>Opinion for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ("the ECF"), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, repealing provisions of Regulations (EU) 2021/696, (EU) 2023/588, (EU), and amending Regulation (EU) [EDIP]</b> |
| OP 03/2024            | <b>Opinion accompanying the Commission evaluation of the External Action Guarantee [COM(2024) 208]</b>  |
| OP 01/2024            | <b>Opinion concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the Reform and Growth Facility for the Western Balkans [2023/0397(COD)]</b>   |
| OP 03/2023            | <b>Opinion concerning the proposal for a Regulation of the European Parliament and of the Council on establishing the Ukraine Facility</b>  |
| OP 07/2022            | <b>Opinion concerning the proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU, Euratom) 2018/1046 as regards the establishment of a diversified funding strategy as a general borrowing method [2022/0370 (COD)]</b>  |
| OP 10/2018            | <b>Opinion concerning the proposal for Regulation of the European Parliament and the Council establishing the Neighbourhood, Development and International Cooperation Instrument [COM(2018) 460]</b>   |
| Review 03/2025        | <b>Opportunities for the post-2027 Multiannual Financial Framework</b>  |
| Review 02/2025        | <b>Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the Recovery and Resilience Facility</b>   |

## Annex II – Suggested changes with comments

Table 1 | Suggested changes with comments

| Text of the proposal   | Suggested change   | Comments   |
|--|--|--|
| Recitals to the proposal   |  | We propose setting indicative spending targets similar to those in the NDICI Regulation, in particular to provide partner countries with positive incentives to enhance cooperation on migration (paragraphs 44-45). |
| Article 6 – Budget<br>6. The Commission is empowered to adopt delegated acts to amend the percentage set out in paragraph 5.   | Article 6 – Budget<br>6. The Commission is empowered to adopt delegated acts to amend the percentage set out in paragraph 5 <b>by a maximum of [XX] percentage points.</b> | We propose setting a maximum percentage by which the Commission can adjust the ODA spending target (paragraphs 42-43).   |
| Article 12 – Migration and forced displacement<br>3. In case the Commission services, in consultation with EEAS, identifies serious shortcomings in a partner country related in particular to the obligation to readmit its own nationals from the Member States, the Commission may suspend payments or the implementation of a programme. In no case the suspension shall affect humanitarian assistance. |  | We propose complementing the suspension mechanism in Article 12(3) with positive incentives, such as an indicative spending target for migration (paragraphs 47-49).   |
| Article 19 - Adoption of action plans and measures   | Article 19 – Adoption of action plans and measures   | We propose highlighting in the text that subsidising loans for partner countries   |

| Text of the proposal  | Suggested change  | Comments   |
|---|---|--|
| 2. (e) interest rate and borrowing cost subsidies provided to the beneficiary partner country linked to financial assistance if duly justified.   | 2. (e) <b>and by way of derogation from Article 223(4)(e) of Regulation (EU, Euratom) 2024/2509</b> , interest rate and borrowing cost subsidies provided to the beneficiary partner country linked to financial assistance if duly justified.  | represents a derogation from the Financial Regulation, and explaining the rationale for this derogation in the recitals to the proposal, as required by Article 3 of the Financial Regulation (paragraph 53).              |
| Article 23 - Implementation and forms of Union funding<br>4. By way of derogation from Article 198 of Regulation (EU, Euratom) 2024/2509, grants may be awarded without a call for proposals in the following cases: (...)<br><br>(e) where necessary and duly justified in the action plans and measures referred to in Article 18, grants to legal entities governed by private law which are effectively established in a Member State to facilitate investments that are in the strategic interest of the Union and support the objectives of the Instrument. | Article 23 – Implementation and forms of Union funding<br>4. By way of derogation from Article 198 of Regulation (EU, Euratom) 2024/2509, grants may be awarded without a call for proposals in the following cases: (...)<br><br>(e) where necessary and duly justified in the action plans and measures referred to in Article 18, grants <b>within a maximum amount of EUR [XXX]</b> to legal entities governed by private law which are effectively established in a Member State to facilitate investments that are in the strategic interest of the Union and support the objectives of the Instrument. | To ensure that direct awards to private entities to facilitate investments in the EU's strategic interest remain exceptional, we propose defining robust safeguards, including a cap on the amounts (paragraphs 56-58).    |
| Article 24 - Budgetary guarantees and financial assistance: maximum Union support, financing and borrowings.<br>3. (third subparagraph)<br><br>No provisioning shall be constituted and, by way of derogation from Article 214(1) of Regulation (EU, Euratom)   |   | We propose complementing the coverage for loans to Ukraine by the headroom with additional safeguards, such as provisioning, to deal with a sudden and unexpected default by Ukraine. This would provide the member states |

| Text of the proposal   | Suggested change   | Comments  |
|--|--|---|
| 2024/2509, no provisioning rate shall be set for the loans to Ukraine.   |  | with time to prepare for any potential contributions needed (paragraphs 63-68).   |
| <p>Article 24 - Budgetary guarantees and financial assistance: maximum Union support, financing and borrowings</p> <p>9. The amounts referred to in Article 6(1), point (a) to (e) shall be used for the provisioning of the budgetary guarantee and financial assistance referred to in paragraph 1 of this Article. The provisioning of the Union support to Ukraine in the form of budgetary guarantee referred to in paragraph 3 shall be financed by the financial resources made available in accordance with Article 6 of Regulation Council Regulation [(EU, Euratom) 20XX/XXX * [MFF Regulation] referred to in Article 6(2), including where the budgetary guarantee is provided for activities under Regulation (Euratom) [XXX] (INSC-D).</p> | <p>Article 24 – Budgetary guarantees and financial assistance: maximum Union support, financing and borrowings</p> <p>9. The amounts referred to in Article 6(1), point (a) to (e) shall be used for the provisioning of the budgetary guarantee and financial assistance referred to in paragraph 1 of this Article <b>within a maximum amount of EUR [XXX]</b>. The provisioning of the Union support to Ukraine in the form of budgetary guarantee referred to in paragraph 3 shall be financed by the financial resources made available in accordance with Article 6 of Regulation Council Regulation [(EU, Euratom) 20XX/XXX * [MFF Regulation] referred to in Article 6(2), including where the budgetary guarantee is provided for activities under Regulation (Euratom) [XXX] (INSC-D).</p> | We propose introducing a ceiling in Article 24(9) of the proposal that would cap the maximum amount that can be used for provisioning the guarantees and financial assistance (paragraph 62). |
| <p>Article 25 - Implementation of the budgetary guarantee and financial instruments</p> <p>3. By way of derogation from Article 62(1), first subparagraph, point (c), and Article 211(5) of Regulation (EU, Euratom) 2024/2509, where financial instruments or the budgetary guarantee are implemented in indirect management, bodies which provide adequate</p>   | <p>Article 25 – Implementation of the budgetary guarantee and financial instruments</p> <p>3. By way of derogation from Article 62(1), first subparagraph, point (c), and Article 211(5) of Regulation (EU, Euratom) 2024/2509, where financial instruments or the budgetary guarantee are implemented in indirect</p>   | We propose clarifying in Article 25(3) that this provision would be used only “where necessary and duly justified” (paragraphs 69-75).  |

| Text of the proposal  | Suggested change  | Comments   |
|---|---|--|
| assurance of their financial capacity and governed by private law of a Member State, a partner country benefitting from the financial instruments or the budgetary guarantee, or a partner country which has contributed to the financial instruments or the budgetary guarantee shall be eligible.   | management, <b>and where necessary and duly justified</b> , bodies which provide adequate assurance of their financial capacity and governed by private law of a Member State, a partner country benefitting from the financial instruments or the budgetary guarantee, or a partner country which has contributed to the financial instruments or the budgetary guarantee shall be eligible. |  |
| <p>Article 26 - Implementation of policy-based loans</p> <p>1. The Commission shall adopt decisions, by means of implementing acts, making available the policy-based loan amount to a partner country and setting out the availability period of the loan which shall not go beyond three years after the end of the multiannual financial framework. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 32(2). If that decision is part of an action plan or measure, Articles 18 and 19 shall apply.</p> |   | We propose reinforcing the role of the budgetary authority of the EU, i.e. the European Parliament and the Council, in the adoption of “policy-based loans” (paragraphs 76-79).  |
| <p>Article 31 - Adoption of further implementing rules for the Europe pillar</p> <p>For Enlargement and Neighbourhood East partners in the pillar referred to in Article 3(1), point (a), the Commission shall adopt an implementing act establishing uniform conditions for implementing this Regulation, in relation to the design and content of the performance-based plans, performance, structures and control systems to be set up in</p>  |   | <p>We propose reinforcing the role of the budgetary authority of the EU, i.e. the European Parliament and the Council, in the adoption process of “performance-based plans” with partner countries (paragraphs 80-84).</p> <p>We propose, in line with existing facilities for Ukraine, for the Western Balkans, and for</p> |

| Text of the proposal  | Suggested change   | Comments   |
|---|--|--|
| preparation of accession, also in the context of the management of structural, agricultural and cross-border cooperation funds. This implementing act shall be adopted in accordance with the examination procedure referred to in Article 32(2). |  | Moldova, defining a methodology for handling cases in which the payment conditions (i.e. qualitative and quantitative steps) to be set in the "performance-based plans" have been fulfilled only partially (paragraph 84). |
| –   | [New] <b>Article – External audit</b><br><b><u>The external audit of the activities undertaken in accordance with this Regulation are carried out by the European Court of Auditors in accordance with Article 287 of the Treaty on the Functioning of the European Union, as reflected further in the Financial Regulation (EU, Euratom) 2024/2509.</u></b> | We propose adding an article reiterating the ECA's role and its access and audit rights (paragraphs 88-91).  |

## Annex III – Derogations from the Financial Regulation under Global Europe

Derogations from Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union

| Proposal for a Regulation of the European Parliament and of the Council establishing Global Europe |                                      |   | Article of the Financial Regulation from which the proposal derogates                                    |
|--|--------------------------------------|---|--|
| Article of the proposal where a derogation is used   | Recital that explains the derogation | Purpose of the derogation   |  |
| Article 19(2)(e)   | –                                    | To provide interest rate and borrowing-cost subsidies for loans to partner countries.<br><b>We note that Article 19(2)(e) of the proposal does not recognise a derogation from Article 223(4)(e) of the Financial Regulation, which requires that all costs arising from financial assistance be borne by the beneficiary country (paragraph 53).</b> | Article 223(4) (e)<br>Rules and implementation of financial assistance                                   |
| Article 22(1)  | Recital 65                           | Unused commitment and payment appropriations under the Global Europe instrument shall be automatically carried over and may be committed and used under this instrument up to 31 December of the following financial year.  | Article 12(4)<br>Cancellation and carry-over of appropriations   |
| Article 22(3)  | Recital 65                           | Revenue, repayments and recoveries from financial instruments established by external action programmes under this, or preceding multiannual financial frameworks, are made available to be reused under the Global Europe instrument.  | Article 212(3)<br>Principles and conditions applicable to financial instruments and budgetary guarantees |
| Article 22(4)  | Recital 66                           | The resources allocated to Global Europe can be increased by assigning surpluses from current and legacy budgetary guarantees and financial assistance related to external action.  | Article 216(4)(a)<br>Effective provisioning rate   |

| Proposal for a Regulation of the European Parliament and of the Council establishing Global Europe |                                      |   | Article of the Financial Regulation from which the proposal derogates                              |
|--|--------------------------------------|---|--|
| Article of the proposal where a derogation is used   | Recital that explains the derogation | Purpose of the derogation   |  |
| Article 23(4)  | Recitals 69                          | Grants may be provided, without a call for proposals, to support human rights defenders and other civil society actors.   | Article 198<br>Exceptions to calls for Proposals   |
| Article 23(4)  | Recitals 70                          | Grants may be awarded, without a call for proposals, including for proposals to private sector entities established in an EU member state to facilitate investments that are in the strategic interest of the Union.  | Article 198<br>Exceptions to calls for Proposals   |
| Article 24(3)  | Recital 38                           | Absence of a provisioning rate for loans to the government of Ukraine under the Global Europe instrument.   | Article 214(1)<br>Provisioning of financial liabilities  |
| Article 25(2)  | Recital 82                           | The partner country should not be required to contribute to the budgetary guarantee or the financial instruments (This is to promote the participation of eligible implementing entities and counterparts from partner countries benefiting from the budgetary guarantee or financial instruments).   | Article 211(5)<br>Scope and implementation   |
| Article 25(3)  | Recital 82                           | Allow bodies subject to private law which provide adequate assurance of their financial capacity, and which are neither entrusted with a public service mission nor with the implementation of a public-private partnership to be eligible implementing entities and counterparts. (This is to provide flexibility, increase the attractiveness for the private sector and maximise the impact of the investments). | Article 211(5)<br>Scope and implementation<br>Article 62(1)(c)<br>Methods of budget implementation |

## Abbreviations

| Abbreviation | Definition/Explanation  |
|--------------|---|
| MFF          | Multiannual Financial Framework   |
| NDICI        | Neighbourhood, Development and International Cooperation – Global Europe Instrument, set up for the 2021-2027 MFF |
| ODA          | Official Development Assistance   |
| TFEU         | Treaty on the Functioning of the European Union   |

## Glossary

| Term   | Definition/Explanation   |
|--|--|
| <b>Blending</b>  | The practice of teaming EU grants with loans or equity from public and private financiers  |
| <b>Budgetary guarantee</b>   | Commitment to use the EU budget to compensate the European Investment Bank and other development finance institutions for any losses incurred if a beneficiary fails to meet its obligations, such as by defaulting on a loan.   |
| <b>Committee procedure</b>   | Procedure requiring the Commission to seek an opinion from a committee of representatives from all member states before it can adopt implementing acts.  |
| <b>Common Provisioning Fund</b>  | Fund covering potential liabilities arising from financial instruments, budgetary guarantees and financial assistance.   |
| <b>Concessional loan</b>   | Loan issued on terms significantly more favourable than are available on the market.   |
| <b>Development bank</b>  | Also named development finance institutions, specialised development banks or subsidiary, usually majority state-owned, set up to support private sector development in developing countries.  |
| <b>European Development Fund</b>   | EU fund, managed by the Commission outside the general budget, that provides development aid to the African, Caribbean and Pacific States, and to overseas countries and territories that are associated with the EU through Member States. All funding for development aid from 2021 onwards is included in the general budget. |
| <b>Financial Regulation</b>  | The rules governing how the EU budget is set and used, and the associated processes such as internal control, reporting, audit and discharge.  |
| <b>Headroom</b>  | Difference between the own resources ceiling (i.e. the maximum amount the EU may request from member states) and the EU expenditure limits set in the MFF Regulation.  |
| <b>Loan guarantee</b>  | A commitment by a guarantor to repay any amount outstanding on a loan if the borrower defaults, in accordance with the agreed terms.   |
| <b>Macro-financial assistance</b>  | A form of financial aid the EU gives to partner countries experiencing balance-of-payments or budgetary difficulties.  |
| <b>Multiannual Financial Framework (MFF)</b>   | Seven-year financial plan defining maximum annual amounts for each area of EU expenditure and ensuring budgetary discipline.   |
| <b>Neighbourhood Development and International Cooperation Instrument – Global Europe Instrument (NDICI)</b> | EU programme under the 2021-2027 multiannual financial framework that combines several external action instruments into one.   |
| <b>Official Development Assistance (ODA)</b>   | Government aid that promotes and specifically targets the economic development and welfare of developing countries.  |

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| <b>Term</b>                             | <b>Definition/Explanation</b>   |
|---|---|
| <b>Pillar assessment</b>                | Commission's <i>ex ante</i> assessment of the systems, rules and procedures of entities implementing EU funds under indirect management. It is carried out to ensure a level of protection of the EU's financial interests equivalent to direct management, prior to signing agreements with such entities. |
| <b>Provisioning rate</b>                | Percentage of an authorised financial liability which must be reflected as a provision.   |
| <b>Recovery and Resilience Facility</b> | The EU's financial support mechanism to mitigate the economic and social impact of the COVID-19 pandemic, stimulate recovery and meet the challenges of a greener and more digital future.  |

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## HOW TO CITE

European Court of Auditors, opinion 07/2026 “concerning the proposal for a Regulation of the European Parliament and of the Council establishing Global Europe [COM(2025) 551 final]”, Publications Office of the European Union, 2026.

This opinion, issued pursuant to Article 322(1)(a) TFEU, which provides for consultation of the European Court of Auditors on proposals relating to the Union's financial rules and instruments, concerns the proposed regulation for Global Europe, which was initially presented by the European Commission on 16 July 2025.

The purpose of this opinion is to provide observations on the design and governance of the proposed Global Europe instrument and its potential implications for the financial management of EU funds. It is intended to help ensure that the future programme promotes sound financial management, accountability, and European added value in the EU's enlargement, neighbourhood, development and humanitarian aid policies.

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