

Bankwatch's position on the Global Europe instrument

The proposed [Global Europe](#) regulation's objective is to uphold and promote the Union's values, principles and interests worldwide. However, while human rights, democracy and rule of law are mentioned in the text, the regulation does not provide sufficient mechanisms to advance these principles.

Performance-based approach not suitable for all sectors – specific grant programmes for environment, civil society and just transition of carbon-intensive regions must be available

Based on our experience so far with the Reform and Growth Facility for the Western Balkans, **the budget support model is not suitable for all sectors**. Actions to support environmental protection, just transition of coal regions and civil society need to be supported irrespective of reforms in other areas if the countries are to complete the needed changes in time for EU accession and the closure of coal power plants and mines. For accession and candidate countries, chapter 27 is one of the most challenging EU acquis chapters to complete and its funding must be consistent, predictable, and bound to specific projects, rather than dependent on political will. And neither just transition regions nor civil society can wait for government reforms. Specific grant programmes for these purposes must therefore be available.

A [joint NGO statement](#) from 27 May 2025 signed by 68 civil society organisations warns that the experience with **merit-based programmes** in the Western Balkans is very limited. The existing evidence suggests that implementation is going much more slowly than anticipated. This increases the danger that the reforms will end up being done hastily just to tick the boxes rather than to bring meaningful changes in the countries.

It is unfortunate that this 'box-ticking' issue is not resolved with this proposed regulation, despite its gravity. A way forward is to improve public participation, as laid out below.

For more information

Nevena Smilevska

Just Transition Coordinator for
the Western Balkans

CEE Bankwatch Network

nevena.smilevska@bankwatch.org

Learn more: bankwatch.org



Furthermore, significant improvements are needed in the Reform and Growth approach, whose emphasis must be on rule of law and social and environmental improvements, rather than growth per se, and which must be properly publicly consulted (see below). Considering there are very few environmental reforms in the current Reform Agendas, these must be much more thoroughly integrated into institutional rule of law reforms. One example where this is needed is in areas like effective, proportionate and dissuasive penalties for legal breaches.

The specific objectives of simplified architecture, improved coherence of action, increased flexibility of the instrument and strengthened impact of the EU action may make the deployment of this fund easier for the European Commission. However, the joint NGO statement mentioned above and based on findings from the ground alerts that stakeholders in these countries are not yet ready for this kind of functioning. The Reform and Growth approach applied in the Western Balkan countries and Moldova risks turning into ‘tick-box exercises’, moving processes forward to some extent, but having limited impact in real life because the reforms are not meaningful.

Moreover, a forthcoming Bankwatch analysis has found that in the energy sector, many of the energy sector reforms included in the countries’ Reform Agendas consist of actions which were already mandatory under various agreements and treaties, and should have been completed several years ago. This essentially results in rewarding countries for being late, and must not happen again.

It is therefore worrisome that this approach will be applied to all funding, including that for environment and just transition.

Public participation in programming and monitoring must be built into Global Europe

Public consultation on planned reforms and investments must be meaningful, timely and effective. The EU’s partnership principle must be updated and extended to include all EU funds, including those in accession countries, in order to ensure adequate steering and monitoring of implementation.

Public consultations must be mandatory for any plans, programmes, and infrastructure projects to be approved/adopted under this instrument, rather than merely ‘aiming’ for consultation. In addition, consultations must allow sufficient time for giving input and be open to the entire public, not just to a few handpicked civil society groups. So far, the formulations in the draft related to the inclusion of civil society are much too vague and full of phrases like ‘where appropriate’. The obligation for the beneficiary countries and the Commission to consult the public must be clearly included.

The wording in the current Reform and Growth Facility Regulation is also insufficient and should not be replicated as it allows hand-picking of civil society groups and social partners to consult.

Moreover, explicit provisions requiring the creation of **monitoring committees**, including representatives of independent civil society organisations – including environmental ones – must be included in the Global Europe Regulation, which is not the case so far.

The climate and environment spending target must be higher and more granular

The proposed text also mentions the EU's international commitments, in particular the sustainable development goals, the 2030 Agenda, the Paris Agreement and the Kunming-Montreal Global Biodiversity Framework. However, it is unclear how it can make a significant contribution to these considering that under Annex III of the [draft Performance Regulation](#), the climate and environment target is only 30 per cent for this instrument – lower than for the entire MFF.

This target should be raised for the entire Global Europe instrument to at least to equal the overall MFF target (currently proposed at 35 per cent but it should be at least 50 per cent). Within the instrument, different ambition levels should be set for different regions, with a target higher than 35 per cent for candidate and potential candidate countries and a lower one for the rest of the geographic pillars.

Moreover, the fact that **no specific earmarking** is foreseen as part of the instrument for most of the less 'competitive' areas threatens to push them out of financing. This particularly applies to **biodiversity** and **just transition of carbon-intensive regions**. Experience shows that when such areas have to compete with other objectives in the same funds, governments tend to neglect them. For this reason, **each of the six environmental objectives from the EU taxonomy, as well as just transition of carbon-intensive regions**, need to have specific funding amounts earmarked, not only an overall amount for climate and environment.

In reality, the amounts reported as being allocated for environment and climate are usually inflated due to the use of the controversial and very imprecise '**Rio markers**' approach, which awards a 40 per cent attribution for activities that are not directly targeted at e.g. biodiversity, but which are expected to have beneficial effects. This system is again proposed in the draft performance regulation, but **should be discontinued** and only measures directly targeting the specific environmental objective should be counted towards the targets.

Moreover, the draft text does not explicitly **prohibit funding for fossil fuels**, running the risk of undermining climate action and contributing to environmentally harmful subsidies. Including such a provision in the current Reform and Growth Facility Regulation has proven to constitute a useful clarification and must also be included in Global Europe.

Fundamentals must remain key objectives

While the specific objectives set out in Annex II include many worthwhile goals, ensuring **a just transition of carbon-intensive regions** is notably missing in the sections on the candidate and potential candidate countries and needs to be included.

And on the other hand, critical raw materials are included in the Annex II goals for some regions, threatening to fuel environmental and social harm in non-EU countries and further damaging the EU's

reputation. **Mining is a profitable activity that should not be supported by EU funds and must not be included.**

With Article 4 (2) stating that the Commission is empowered to adopt delegated acts to amend Annex II, all the objectives can be changed. This gives too much power to the Commission and creates uncertainty for stakeholders.

It is therefore necessary to **include a safeguard clause ensuring that the objectives** related to energy efficiency, energy transition, environment, democracy, rule of law, fundamental rights, prevention of corruption, equality and inclusion, empowering civil society and independent media, biodiversity, climate, social development and inclusion cannot be removed from Annex II.

Furthermore, the objective in the section on Europe regarding ‘*Empowering civil society and strengthening its capacity on the monitoring of the implementation of reforms*’ needs to be adjusted to ‘*strengthening its capacity on the **shaping** and monitoring of reforms*’, since public participation needs to happen at an early stage of *decision-making*, not merely through monitoring a predetermined course of action.

The form and process of developing the programmes needs to be much clearer

Articles 3, 15 and 18 of the proposed regulation offer **no clarity on the programmes**. It is unclear if the programmable actions at country, multi-country, regional and trans-regional level mentioned in Article 3 mean there will be one programme for each of these categories or something else.

What is more, Article 31 adds to this unclarity by foreseeing that an **implementing act establishing uniform conditions for implementing this regulation will be adopted** by the Commission for Enlargement and Neighbourhood East partners in the pillar referred to in Article 3 (1), point (a). This would relate to the design and content of the performance-based plans, performance, structures and control systems to be set up in preparation of accession, and the management of structural, agricultural and cross-border cooperation funds.

Strengthening of ‘do no significant harm principle’ welcome, but more clarity on safeguards needed

We welcome the draft performance regulation’s proposals on making the *Do No Significant Harm* principle more uniform across the next MFF and look forward to sector-specific guidance as well as an exclusion list clarifying which activities should not receive public funds. However, beyond this improvement, it is unclear which environmental, climate and social safeguards will apply to the Global Europe instrument, and how and when a decision on this implementing act will be made.

The Global Gateway must meet development objectives not only EU commercial interests.

We echo the concerns raised in the 2025 European Parliament ‘[Draft Report on Global Gateway – past impacts and future orientation](#)’, which requires clear codification of Global Gateway activities in the

Global Europe regulation. The project selection under Global Europe instruments must be transparent, inclusive, and aligned with partner countries' priorities and developed through a joint programming instrument integrating the partnership principle, rather than the looser 'Team Europe' approach as outlined in Article 11.

The 2028–2034 budget should require that projects be chosen based on clear, demand-driven criteria, ensuring they respond to the actual development needs of local communities rather than top-down EU interests. This includes early involvement of partner governments, civil society, and local stakeholders in identifying and designing projects, particularly in sectors like energy, digital infrastructure, health, and education. The Parliament also underlines the need for robust governance mechanisms, which have been requested by stakeholders numerous times regarding Global Gateway projects, through proper parliamentary oversight and public accountability built into the process. Projects should be selected not only for their geopolitical relevance but also for their developmental impact, such as job creation, SME support, social, human rights and environmental sustainability.

The budget should also mandate impact assessments and monitoring frameworks to evaluate outcomes and adjust priorities accordingly.

Need for an EU funds accountability mechanism

The European Commission should set up an accountability mechanism, accessible for impacted people and groups, rightsholders and stakeholders or should at least enter a memorandum of understanding with the European Ombudsman to open the door for citizens outside the EU impacted by its projects.

Ukraine funding needs increased public oversight and specific earmarking for democracy building, biodiversity protection, and climate-resilient investments.

For **Ukraine**, a move from crisis-response to long-term strategy is needed. The Ukraine Facility, like SURE and HERA, was designed primarily for shock absorption. This approach has produced fragmented implementation, limited long-term vision, and inconsistencies between internal and external policy frameworks. To address these shortcomings, the design of future instruments should shift from emergency-driven responses to a strategic, long-term framework that integrates internal and external policy objectives and harmonises rules for implementing partners such as the EIB and EBRD.

The proposed Ukraine Reserve, planned to provide up to EUR 100 billion over seven years, risks replicating the design flaws of the Facility if no fundamental reforms are introduced. To avoid another patchwork instrument, the Reserve should consolidate funding streams, ensure integration and transparency, and strengthen consistency across programmes, including in the green and digital transitions.

For the Reserve to be credible and effective, it must include strong safeguards and democratic oversight. European Parliament and Ukrainian Parliament, as well as civil society, should be given specific tasks in

governance and monitoring, with mechanisms for genuine and meaningful consultation. In addition, earmarked funding should be introduced for democracy building, biodiversity protection, and climate-resilient investments. These measures will ensure that EU support both meets immediate needs and strengthens Ukraine's long-term sustainability and accession process.