

EU Funding in Times of Geopolitical Turbulence: A Constitutional Laboratory

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Europe must now do things differently – and the EU budget is no exception.¹

The European Union is navigating an era of geopolitical turbulence. The current international landscape is defined by a conventional war of aggression at the Union's border, hybrid threats across EU territory, and an unpredictable reconfiguration of Europe's security guarantees within NATO. These dynamics generate new expenditure needs for the Member States, particularly in the defence sector and for the support of Ukraine, as well as demands for greater flexibility, thereby providing fresh impetus for the evolution of the EU funding normative regime. Within an unchanged Treaty framework, EU institutions have exhibited notable creativity in forging financial solutions with few precedents, turning European public finances into an arena of legal experimentalism: a constitutional laboratory.

This transformative momentum is certainly reinforced by the innovations first introduced during the pandemic. Since the outbreak of COVID-19, the EU has increasingly deployed funding instruments and relaxed previously rigid constraints, including the use of large-scale capital-market borrowing, to address the effects of crises.² As is well known, while the EU had previously borrowed to offer loans to Member States in difficulty,³ Next Generation EU (NGEU) marks the first time in history that the Union has raised funds on the capital markets to finance fully-fledged grants. Moreover, it represented a breakthrough in terms of its legal and financial architecture, as well

¹ Commission, 'A dynamic EU Budget for the priorities of the future - The Multiannual Financial Framework 2028-2034' (Communication) COM(2025) 570 final, 1.

² See also Richard Crowe, 'The European Union's Public Finances in Times of Crisis: Fragmentation, Innovation, and Consolidation' in Claire Kilpatrick and Joanne Scott (eds), *New Frontiers of EU Funding* (Oxford University Press 2024).

³ On the earlier borrowing and lending activities of the Union (and the European Community), see Brigid Laffan, *The Finances of the European Union* (MacMillan 1997), 217–244.

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as of its governance arrangements:⁴ these novelties have arguably reshaped the financial constitutional DNA of the Union.⁵ Funding has since become an increasingly critical instrument within the EU governance toolbox,⁶ and the pandemic-driven mechanisms provided a template later applied to different crisis scenarios, including in relation to the Russian war of aggression against Ukraine.⁷

The rapidly changing geopolitical context has brought new priorities to the foreground – security and defence above all – triggering reforms to mobilise additional funding within the current MFF⁸ and influencing the debate on the post-2027 EU budget architecture.⁹ This includes the adoption of the Security Action in Europe (SAFE) instrument,¹⁰ as well as enhanced flexibility within the current legal framework to redirect cohesion funds towards defence capabilities.¹¹ Moreover, it provided a fertile ground for envisaging new, unprecedented solutions – such as the loan instrument in support of Ukraine in a regime of enhanced cooperation recently agreed on within the European Council.¹² In the medium-term, these emerging priorities have also played a critical

⁴ Among the many contributions on the pandemic-driven legal and financial innovations, see Bruno De Witte, ‘The European Union’s Covid-19 Recovery Plan: The Legal Engineering of an Economic Policy Shift’ (2021) 58 *Common Market Law Review* 635; Richard Crowe, ‘The EU Recovery Plan: New Dynamics in the Financing of the EU Budget’, in Gavin Barrett et al (eds), *The Future of Legal Europe: Will We Trust in It?* (Springer 2021); Päivi Leino-Sandberg and Matthias Ruffert, ‘Next Generation EU and its Constitutional Ramifications: A Critical Assessment’ (2022) 59 *Common Market Law Review* 433; Federico Fabbrini, *EU Fiscal Capacity: Legal Integration After Covid-19 and the War in Ukraine* (Oxford University Press 2022); Paul Dermine, *Le plan de relance ‘Next Generation EU’ de l’Union européenne: Analyse constitutionnelle d’une initiative historique* (Bruylant 2023); Pieter-Augustijn Van Malleghem, ‘Next Generation EU: Hamiltonian Moment or European New Deal?’ (2023) 42 *Yearbook of European Law* 3; Maria Antonia Panasci, ‘Unravelling Next Generation EU as a Transformative Moment: From Market Integration to Redistribution’ (2024) 61 *Common Market Law Review* 13.

⁵ On the impact of NGEU on the EU financial constitution, see Ruth Weber, ‘Introduction’ in Ruth Weber (ed), *The Financial Constitution of European Integration: Follow the Money?* (Hart Publishing 2023) and the contributions included therein.

⁶ Bruno De Witte, ‘Integration through Funding’ in Ruth Weber (ed), *The Financial Constitution of European Integration: Follow the Money?* (Hart Publishing 2023). See also Mark Dawson and Floris De Witte, *EU Law and Governance* (Cambridge University Press 2022), 88–90.

⁷ RePowerEU and the Ukraine Facility feature among the most paradigmatic examples in this respect: Regulation (EU) 2023/435 of the European Parliament and of the Council of 27 February 2023 amending Regulation (EU) 2021/241 as regards REPowerEU chapters in recovery and resilience plans and amending Regulations (EU) No 1303/2013, (EU) 2021/1060 and (EU) 2021/1755, and Directive 2003/87/EC [2023] OJ L 63/1; Regulation (EU) 2024/792 of the European Parliament and of the Council of 29 February 2024 establishing the Ukraine Facility [2024] OJ L 2024/792.

⁸ Commission and High Representative of the Union for Foreign Affairs and Security Policy, ‘Joint White Paper for European Defense Readiness 2030’ JOINT(2025) 120 final. On the recent evolution of EU defence policy, including on the financial side, see Armin Steinbach, ‘The Supranational Turn of EU Defence Policy’ (2025) 62 *Common Market Law Review* 1635.

⁹ The introduction of the already mentioned Commission Communication COM(2025) 570 final is telling in this regard.

¹⁰ Council Regulation (EU) 2025/1106 of 27 May 2025 establishing the Security Action for Europe (SAFE) through the Reinforcement of the European Defence Industry Instrument [2025] OJ L 2025/1106.

¹¹ Regulation (EU) 2025/1914 of the European Parliament and of the Council of 18 September 2025 amending Regulations (EU) 2021/1058 and (EU) 2021/1056 as regards specific measures to address strategic challenges in the context of the mid-term review [2025] OJ L 2025/1914.

¹² European Council, ‘European Council meeting (18 December 2025) – Ukraine’ EUCO 26/25. On which see Rosalba Famà, ‘Differentiated Financial Integration Under the New Ukraine Loan Scheme: “Common Sense Prevailed?”’ (*EU Law Live*, 23 December 2025) <<https://eulawlive.com/op-ed-differentiated-financial-integration-under-the-new-ukraine-loan-scheme-common-sense-prevailed/>> accessed 5 June 2026.

role in shaping the Commission's package of proposals for the 2028–2034 multiannual budget, including both the next MFF and the new Own Resources Decision.¹³

This Special Issue, therefore, comes at a critical juncture for the present and future of EU funding, at the crossroad between a short-term restructuring of the existing framework and a medium- and long-term rethinking of the EU financial architecture in times of geopolitical turbulence. The opening of negotiations on the new MFF provides a timely opportunity to reflect on the innovations introduced over the last six years and on their potential evolution into structural elements of the EU funding 'galaxy'.¹⁴ The post-2027 era of EU finances seems to be shaped by two overarching dynamics, which clearly emerge also in the contributions of this Special Issue. On the one hand, instruments and practices originally introduced under exceptional pandemic conditions appear set to transition from temporary expedients into more stable components of the Union's fiscal toolkit. On the other hand, the Commission's proposals for the next MFF incorporate a set of aspects that depart significantly from previous budgetary cycles, aligning the Union's financial framework with newly emergent policy and strategic priorities. Together, these tendencies illustrate the mixture of normalisation of pandemic-driven novelties (section 1) and further innovation (section 2) that will likely characterise EU funding in the near future.

The COVID-19 Legacy: The Normalisation of Pandemic-driven Innovations

The influence of the pandemic-driven innovations emerges along three distinct dimensions: the normalisation of the 'planning method' in EU funding governance; the increasing use of EU funding as a policy incentive mechanism; and the stabilisation of Union-level borrowing mechanisms.

First, the MFF proposals incorporate the emerging 'planning method', whereby financing is not based on the costs' reimbursement but rather on the successful implementation of milestones and targets set out in plans agreed with recipient States.¹⁵ The Commission has proposed extending this governance technique – tested especially during the pandemic crisis with the implementation of the Recovery and Resilience Facility (RRF) – to the ordinary management of cohesion, agricultural, fisheries, and home affairs policy funds.¹⁶ If approved as it stands, this means that the largest spending envelope in the EU budget would be disbursed based on the realization of reforms and investments included in the National and Regional Partnership Plans: potentially, a Copernican revolution for the governance of the EU budget. While this approach may sharpen the focus on outcomes, decoupling disbursements from actual expenditure simultaneously raises significant accountability concerns, as it makes it more difficult to trace the precise use of funds and to ensure transparent and

¹³ See further below at section 2.

¹⁴ Richard Crowe, 'The European Budgetary Galaxy' (2017) 13 *European Constitutional Law Review* 428; 'Future Financing of the EU: Final report and recommendations of the High-Level Group on Own Resources' ['Monti Report'] (2016), see Table in Annex IV.

¹⁵ Paul Dermine, 'The Planning Method: An Inquiry into the Constitutional Ramifications of a New EU Governance Technique' (2024) 61 *Common Market Law Review* 959. On the RRF's governance technique, see Cristina Fasone and Nicola Lupo, 'Learning from the euro crisis: A new method of government for the European Union's economic policy coordination after the pandemic' (2024) 22 *International Journal of Constitutional Law* 882.

¹⁶ COM(2025) 570 final, 3 ff; as well as Commission, 'Proposal for a Regulation of the European Parliament and the Council establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509' COM(2025) 565 final, art 21 ff.

effective oversight.¹⁷ Moreover, as national plans are agreed by governments and the Commission, the ‘planning method’ risks reinforcing executive dominance at the expense of parliaments and sub-national entities, which have traditionally played a key role in the management of EU funds, particularly the structural funds.¹⁸ It is not surprising then that the proposal to amend the governance method has already raised concerns within the European Parliament, as well as among regional and local actors.¹⁹ The leaders of four major political groups have expressed their strong opposition in a letter sent to Commission President von der Leyen in late October 2025,²⁰ and the European Parliament has recently confirmed its critical assessment in its position at first reading.²¹ Hence, this proposal is likely to be one of the most contentious topics in the long marathon towards the approval of the next MFF and it is difficult to predict whether, and to what extent, it will survive political pressure.

Secondly, although closely related to the previous point, the Commission’s proposals for the next multiannual budget further advance the strategic use of EU funding as an incentive mechanism to pursue the Union’s objectives and to stimulate compliance with EU law and policies. This dimension of the EU budget has been growing exponentially since the 2014-2020 MFF²² and was given a decisive boost in the current multiannual financial period, notably through the RRF’s ‘money for reforms’ logic²³ and the increasing use of spending conditionalities,²⁴ particularly to enforce the Union’s values.²⁵ The post-2027 EU budget appears set to follow – and further expand – the

¹⁷ As noted already by the European Court of Auditors with regard to the RRF: European Court of Auditors, ‘Review 02/2025: Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF’ (Publications Office of the European Union 2025). On the issue of accountability in the RRF, see also Maria-Luisa Sánchez-Barrueco, ‘The recovery and resilience facility: Too complex a governance system for meaningful accountability?’ (SIEPS Report 2023:3, 2023).

¹⁸ Dermine (n 15), 983–985.

¹⁹ European Committee of the Regions, ‘EU budget post-2027: democracy and European unity at risk under current proposal, local and regional leaders warn’ (8 October 2026) <<https://cor.europa.eu/en/news/eu-budget-post-2027-democracy-and-european-unity-risk-under-current-proposal-local-and-regional>> accessed 5 June 2026; Henry Foy, ‘Farmers and regions win carve-outs as Brussels blinks in budget stand-off’ (*Financial Times*, 10 November 2025) <www.ft.com/content/eb3a3f84-dee1-401c-8d46-91f82489b952> accessed 5 June 2026.

²⁰ We refer to EPP, S&D, Renew Europe and the Greens/EFA. The letter is reported in Max Grier, ‘EU Parliament demands changes to von der Leyen’s budget proposal, document reveals’ (*Politico*, 30 October 2025) <www.politico.eu/article/ursula-von-der-leyen-document-european-parliament-demands-changes-to-eu-budget-proposal/> accessed 5 June 2026.

²¹ European Parliament resolution of 28 April 2026 on the proposal for a Council regulation laying down the Multiannual Financial Framework for the years 2028 to 2034 [2026] P10_TA(2026)0111.

²² The rise of spending conditionality in the normative framework governing EU funding is the most tangible expression of this evolution: Viorica Viță, ‘Revisiting the Dominant Discourse on Conditionality in the EU: The Case of EU Spending Conditionality’ (2017) 19 Cambridge Yearbook of European Legal Studies 116.

²³ On the origins of the performance-based disbursement policy of the RRF, see Päivi Leino-Sandberg, ‘Recovery and Resilience Facility two years after – *quo vadis* EU money?’ (*Verfassungsblog*, 28 September 2023) <<https://verfassungsblog.de/recovery-and-resilience-facility-two-years-after-quo-vadis-eu-money/>> accessed 5 June 2026.

²⁴ On the use of conditionality in the 2021-2027 financial period see Viorica Viță, ‘The Reinforced Conditionality Approach of the 2021-27 MFF’ in Brigid Laffan and Alfredo De Feo (eds), *The EU financing the next decade: MFF 2021 2027 and next generation EU* (European University Institute Publication Office 2020); on the use of funds as a governance instrument see the forthcoming edited volume by Evangelia (Lilian) Tsourdi and Marijn van der Sluis (eds), *Governing through Funding in the EU* (Cambridge University Press, forthcoming).

²⁵ On which see, among many contributions, Antonia Baraggia and Matteo Bonelli, ‘Linking Money to Values: The New Rule of Law Conditionality Regulation and Its Constitutional Challenges’ (2022) 23 German Law Journal 131; Marco Fiscaro, ‘Beyond the Rule of Law Conditionality: Exploiting the EU Spending Power to Foster the Union’s Values’ (2022) 7 European Papers 697; Pauline Thinus, ‘The EU’s Transactional Approach to Rule of Law Spending Conditionality in the 2020s’ (2025) 63 Journal of Common Market Studies 548.

same trajectory. Indeed, the already mentioned shift in governance certainly signals an increasing reliance on funding as a pure incentive mechanism, a bargaining instrument to achieve policy goals which are largely detached from the traditional spending objectives of the relevant funds. As noted by Marc Steiert in this Special Issue, this evolution may come at the expense of traditional expenditure items, such as those connected to social policy, insofar as it obfuscates the actual measures financed by the budget and makes it easier to divert funds among different policy objectives as a result of RRF-style negotiations. This element contributes to what the author considers a retreat from the EU budget's social legacy.²⁶

The strategic deployment of funding as an incentive mechanism for achieving broader policy goals is also reflected in the reinforced framework of conditionalities proposed by the Commission to induce compliance with the values enshrined in Article 2 TEU. As part of the package for the 2028-2034 MFF, the Commission indeed proposes making access to EU funds conditional upon respect for the rule of law and for the EU Charter of Fundamental Rights through two 'horizontal conditions', which would complement the permanent Conditionality Regulation and replace the mechanisms currently in force, including the so-called 'Charter horizontal enabling condition'.²⁷ However, as emphasized by Marco Fisicaro in this collection, the relationship between the different values-related conditionality instruments in the post-2027 toolkit remains unclear and, if approved in its current form, the proposal paradoxically risks making the suspension of funds more difficult in cases concerning rule of law issues, including judicial independence, which have been the Commission's primary focus during the current MFF.²⁸

Thirdly, the EU's large-scale reliance on common debt seems bound to increase in the coming years and to become a key feature of the EU budget.²⁹ After SURE, NGEU and, more recently, the Ukraine Facility and SAFE, the Commission has proposed the creation of two new instruments under the next MFF that would complement the existing borrowing framework: 'Catalyst Europe' and the 'Crisis Response Mechanism'. The former is designed to supplement – through back-to-back loans – the resources allocated to a Member State under the aforementioned National and Regional Partnership Plans.³⁰ The latter is more ambitious and displays a rather innovative legal structure.³¹ Based on the new Own Resources Decision, the 'Crisis Response Mechanism' would constitute a semi-permanent borrowing-for-lending instrument designed to address emergency situations. Its legal design is unprecedented: the Council would be able to activate the mechanism through an implementing decision based on Article 311(4) TFEU, thereby eliminating the need for further amendments of the Own Resources Decision during the multiannual period, which would otherwise require national ratification. The Council implementing decision would temporarily raise the so-called own resources 'ceiling' for a specified amount and allocate the resulting additional fiscal space exclusively to covering potential liabilities arising from the issued debt. The Commission would then be empowered to borrow directly under the Own

²⁶ Marc Steiert, 'The Reversibility of the Social in the EU Budget: From Innovation to Retreat in the 2028-2034 Multiannual Financial Framework', in this Special Issue.

²⁷ COM(2025) 565 final, arts 8 and 9.

²⁸ Marco Fisicaro, 'Enforcing the Charter of Fundamental Rights through EU Funding: A First Assessment ahead of the Next Multiannual Financial Framework', in this Special Issue.

²⁹ Rosalba Famà, 'The EU as a Borrower: Reconnecting the Debate between the Economic and Monetary Union and the EU Budget' (2025) 50 *European Law Review* 568–590.

³⁰ COM(2025) 565 final, arts 18 and 19.

³¹ Commission, 'Proposal for a Council decision on the system of own resources of the European Union and repealing Decision (EU, Euratom) 2020/2053' COM(2025) 574 final, arts 6–8.

Resources Decision, similarly to NGEU. As a result, EU common debt appears poised to become a more permanent feature of the Union's budgetary architecture with far-reaching financial and legal implications. By adopting a multidisciplinary approach, the contribution by Moritz Rehm delves into the financial feasibility of EU debt and sheds light on the implications of joint borrowing management in the long term.³² Relatedly, these developments make the outstanding question of how to repay the ever-increasing volume of EU debt even more pressing.³³ In this respect, as explained by Filippo Croci, the proposed reform of own resources arguably falls short of what would be required to match the Union's growing ambitions.³⁴ At a more fundamental level, the creeping expansion of the Union's borrowing activities further fuels persistent questions concerning the marginal role of the European Parliament in EU budgetary governance and, more generally, the legitimacy of the emerging EU fiscal capacity.³⁵

Moving Beyond the NGEU Paradigm: New Emerging Priorities and the Call for Flexibility and Simplification

Besides the visible influence of pandemic-driven innovations, the proposals for the post-2027 MFF display several distinctive features that primarily reflect the Commission's intention to adapt the EU budget to the challenges arising from the shifting geopolitical landscape, while integrating some of the recommendations set out in the Draghi Report on EU competitiveness.³⁶ Yet, in the absence of a substantial increase in the overall size of the proposed MFF,³⁷ the growing geopolitical reorientation of the EU budget inevitably risks coming at the expense of both traditional spending objectives, such as cohesion and agriculture, and the core funding priorities of the 2021-2027 multiannual financial period, most notably the green transition.

As anticipated, the current international context has profoundly reshaped the Union's policy agenda, with security and defence spending emerging as a prominent concern.³⁸ The adoption of the SAFE instrument offers a vivid illustration of this shift, which also raises critical constitutional questions against the system of EU competences, both in the Common Foreign and Security Policy and the economic policy realms, as examined by Rosalba Famà.³⁹ Beyond SAFE, this growing focus on security and defence is evident in the expansion of the eligible activities of the European Investment Bank and in the Commission's proposals for the next MFF.⁴⁰ As regards

³² Moritz Rehm, 'The New Era of Leveraging the EU's Fiscal Space for Common Borrowing', in this Special Issue.

³³ On this issue, see also Maria Kendrick, 'NextGenerationEU: Will the Debt be Repaid by EU Own Resources or Member State Taxpayers?' (2023) 48 *European Law Review* 29.

³⁴ Filippo Croci, 'The System of Own Resources of the European Union: State of Play and Future Prospects', in this Special Issue.

³⁵ See Eleanor Spaventa, 'Some Reflections on the European Commission's Changing Roles' in Catherine Barnard, Adam Łazowski and Daniel Sarmiento (eds), *Pursuit of Legal Harmony in a Turbulent Europe: Essays in Honour of Eleanor Sharpston* (Hart Publishing 2024) 137, 143–144.

³⁶ Mario Draghi, 'The future of European Competitiveness: A competitiveness strategy for Europe (Part A) and In-depth analysis and recommendations (Part B)' (Publications Office of the European Union, 9 September 2024).

³⁷ The Commission's envisaged increase in size is substantially lower than the numbers may suggest, as it is mostly neutralized by NGEU repayments. The Parliament has taken a rather critical stance on the overall size of the proposed MFF, especially in light of the new spending priorities: see European Parliament Resolution P10_TA(2026)0111, paras 16–20.

³⁸ See Stefaan Van den Bogaert and Vestert Borger, 'Hanging Together in Times of War: Europe's Budgetary Powers at the Service of Defence' (2026) 63 *Common Market Law Review* 287.

³⁹ Rosalba Famà, 'Defense Loans and New Trajectories of EU Fiscal Governance: Are We SAFE?', in this Special Issue.

⁴⁰ European Investment Bank, 'EIB Steps Up Financing for European Security and Defence and Critical Raw Materials', 21 March 2025. See also the reference at n 1.

the latter, not only does the strengthening of the Union's defence capabilities feature among the specific objectives to be pursued within the framework of the National and Regional Partnership Plans,⁴¹ but it also constitutes one of the main rationales for the introduction of a new, dedicated fund, called 'European Competitiveness Fund'.⁴² In addition, the Commission has proposed the creation of an external action financial instrument, named 'Global Europe', which is explicitly designed to readapt the external heading of the EU budget to the current, unstable international context.⁴³ Besides simplifying the current framework by unifying existing instruments, Global Europe would be equipped with more resources compared to the past, thus showing the intention to bolster the EU's role as a geopolitical actor on the global stage.

Overall, the remodulation of policy priorities in the post-2027 EU budget and the steady rise of defence spending stimulate renovated reflections on the shifting balance between the traditional solidarity objectives pursued through EU funding and the growing centrality of security concerns in times of geopolitical turbulence. In this regard, Claudia Cinnirella's article shows how the ongoing shift in policy priorities may affect the EU budget's redistributive mandate and its ambition to operate as a vehicle for solidarity within the EU.⁴⁴ This holds particularly true for the Union's flagship solidarity-oriented policy, namely cohesion policy, whose reorientation towards crisis management and defence spending increasingly, and controversially, distances it from its founding mission of reducing regional disparities.⁴⁵ Striking a balance between the traditional spending pots and the new policy priorities will certainly represent one of the most difficult tasks during the negotiations, as this issue will arguably become a major ground of tension between so-called net contributor and net recipient Member States.⁴⁶

Another distinctive feature of the next multiannual budget will arguably be a renewed focus on the Union's competitiveness. While competitiveness is by no means a new word in the EU's vocabulary,⁴⁷ its centrality has increased significantly in recent years, particularly following the publication of the Draghi Report, which has exerted considerable influence on the Commission's policy agenda⁴⁸ and, for present purposes, on the shaping of the next MFF package.⁴⁹ This is clearly reflected in the proposed introduction of the already mentioned European Competitiveness Fund, which would support investments in sectors such as research and

⁴¹ See COM(2025) 565 final, art 3(1)(b).

⁴² Commission, 'Proposal for a Regulation of the European Parliament and of the Council on establishing the European Competitiveness Fund ('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, and amending Regulation (EU) [EDIP]' COM(2025) 555 final.

⁴³ Commission, 'Proposal for a Regulation of the European Parliament and of the Council establishing Global Europe' COM(2025) 551 final.

⁴⁴ Claudia Cinnirella, 'Solidarity via the EU Budget and Its Implications in Emergencies', in this Special Issue.

⁴⁵ On the progressive detachment of cohesion policy from its genetic rationale, see Leticia Díez Sánchez, 'Why Cohesion Policy Is Not About Cohesion' (2025) 62 Common Market Law Review 13. For a critical assessment of the instrumentalization of cohesion policy, see Peter Lindseth and Päivi Leino-Sandberg, 'Crisis, Reinterpretation, and the Rule of Law: Repurposing "Cohesion" as a General EU Spending Power' (2024) 16 Hague Journal on the Rule of Law 587.

⁴⁶ Paola Tamma, 'The coming battle over the EU's budget shake-up' (*Financial Times*, 18 December 2025) <www.ft.com/content/5d46d849-44b1-4d4f-81d4-5a5d86c5baca?syn-25a6b1a6> accessed 5 June 2026. On the diverging positions of net recipient and net beneficiary Member States, see also Carlos Mendez, John Bachtler and Fiona Wishlade, 'Cohesion Policy on the Rocks?' (EORPA Report 25/3, 2025) <<https://pureportal.strath.ac.uk/files/330394151/Mendez-et-al-EORPA-2025-Cohesion-Policy-on-the-Rocks.pdf>>, particularly 32–34.

⁴⁷ Francesco Costamagna, 'The long march of competitiveness in the EU legal order' (2024) 3 European Law Open 221.

⁴⁸ See, among others, Commission, 'A Competitiveness Compass for the EU' (Communication) COM(2025) 30 final.

⁴⁹ As made it explicit in COM(2025) 570 final.

innovation, technological development, clean transition and industrial decarbonization, as well as defence and security.⁵⁰

Moreover, and more generally, the Commission has advanced a significant simplification of the regulatory framework and greater flexibility in EU budget management, in line with the recommendations set out in the Draghi Report.⁵¹ Notably, alongside a substantial reduction of the number of headings and programmes, the Commission has put forward a ‘single rulebook’ for funding streams pooled under the same heading with the aim of simplifying rules and procedures to access EU funds by the beneficiaries and increasing the level of funds’ absorption.⁵² In addition, if approved as it stands, the new EU multiannual budget would be characterised by enhanced flexibility in redirecting funds across different programmes⁵³ or in response to unforeseen events,⁵⁴ a necessity that emerged visibly in the last five years.⁵⁵

Taken together, these elements suggest that the post-2027 budgetary framework will continue to fuel the deep and steady transformation of the EU funding machinery through the normalisation of key pandemic-era novelties, combined with a set of distinctive changes driven by the current international context. Overall, it can hardly be argued that the EU budget is ‘lost in stagnation’, as was claimed in the past.⁵⁶ Events which unfolded after the completion of this collection, such as the European Council’s agreement on the creation of a loan instrument to support Ukraine under a regime of enhanced cooperation,⁵⁷ further demonstrate the growing use of EU funding as a testing ground for legal experimentation, underscoring the need for increased scholarly attention. It is our hope that this Special Issue will shed light on the evolutionary trends shaping EU funding in times of profound geopolitical uncertainty, as well as on their implications for the future trajectory of European integration.

Author Note

Rosalba Famà joined New York University as Emile Noel after the submission of the SI proposal, while keeping the Bocconi affiliation.

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⁵⁰ *ibid* 7–9; see also COM(2025) 555 final.

⁵¹ See Mario Draghi, ‘The future of European Competitiveness: In-depth analysis and recommendations (Part B)’ (Publications Office of the European Union, 9 September 2024), 295.

⁵² See, for instance, COM(2025) 555 final, arts 5–14.

⁵³ See, for example, *ibid* art 5(2), according to which ‘resources allocated to Member States under shared management may, at their request, [...] be made available to the ECF [European Competitiveness Fund]’.

⁵⁴ See, in particular, the ‘Flexibility Instrument’ provided by art 8 of Commission ‘Proposal for a Council Regulation laying down the multiannual financial framework for the years 2028 to 2034’ COM(2025) 571 final, as well as the already mentioned ‘Crisis Response Mechanism’.

⁵⁵ See also Commission Staff Working Document accompanying Commission Communication ‘A dynamic EU budget for the priorities of the future: the Multiannual Financial Framework 2028-2034’ SWD(2025) 570 final/2, 5–8.

⁵⁶ Peter Becker, ‘Lost in Stagnation - The EU’s Next Multiannual Financial Framework (2014–2020) and the Power of the Status Quo’ (SWP Research Paper No. 14, 2012), <www.swp-berlin.org/publications/products/research_papers/2012_RP14_bkr.pdf> accessed 5 June 2026.

⁵⁷ See references at n 12.

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