Does Georgia Fit into “Global Europe”?

Coping with the Shift in Development Paradigm

Almost two years have passed since the Georgian Dream government brought the country’s relationships with the EU into an artificial coma. From a candidate country, Georgia has moved into the “candidate in name only” basket. As verbal jousting between Tbilisi and Brussels continues, the world around is rapidly changing. And the EU’s policy is seeking ways to adapt to new realities and challenges, regardless of Tbilisi’s temper tantrums.

International development assistance has suffered a major shock with the closure of USAID and the U.S. decision to reduce or stop contributions to the major international agencies. The European Union is expected to step in, but it is reeling under the weight of shouldering the brunt of supporting Ukraine while Europe’s internal politics are shifting, too.

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Recent examples abound: Sweden now focuses on “trade, investment in education, infrastructure, economic reforms and domestic resource mobilization”, while Finland states as an overarching goal of its development policy to establish a “closer connection between trade and development.” In Germany, boosting the long-neglected defense and security budget line is also coming at the expense of development policy. As Germany’s Minister for Economic Cooperation and Development lamented, the withdrawal of USAID and the hike in defense spending mean that her country will focus more on combating extreme poverty, while development financing will be reduced and transformed into loans.

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If the European countries want to spend less on development and democratization assistance, they seem mostly willing to use the EU more often as a common "bucket" to consolidate limited funds.

For those in Georgia who want its European trajectory to resume, it is crucial to watch the ongoing negotiations on the Multi-Annual Financial Framework (MFF), the European Union's budget, which will determine how much is spent, where, on what objectives, and how. The regulation proposed by the European Commission to establish the Global Europe instrument for the upcoming MFF cycle (2028-2032) offers insight into some of these questions. While this is still a proposal – the EU Parliament is supposed to vote in Autumn- the direction the Commission took seems firm.

Consolidation Is the Key

What is immediately apparent is that the European Commission is proposing a radical consolidation of the existing funding baskets (known as "instruments" in EU parlance): five will be merged into the Global Europe pillar, including those targeting accession and candidate countries, the Ukraine facility, neighborhood, and global programs. The Instrument for Pre-Accession Assistance (IPA), which until now was the Commission's key instrument for bringing candidate countries up to speed, will disappear. Instead, the new "Europe" pillar of "Global Europe" will lump together candidate countries, potential candidates, and the Eastern Neighborhood.

The general principle is that the European Union "shall concentrate its means where they can make the most transformational impact with a view to supporting sustainable development and catering for the strategic interests of the Union." The language hints at resource precarity and an imperative to spend them wisely.

Creating one instrument instead of five gives the EU budget-wide flexibility: it would be easier to move money inside one instrument than it has previously been between instruments. As a direct response to current unpredictability, the Commission wants to adapt spending better to shifting priorities. Consolidation also means multiple priorities competing for slightly over EUR 43 billion foreseen for the Europe pillar in the 7-year cycle (the financial headroom may increase to respond to potential crises). The key lesson for Georgia is that Brussels is unlikely to keep relations in a comatose state. If Tbilisi does not move ahead to meet Brussels, or moves backward, the expectations (and funding levels) are likely to be downgraded and defunded in a lasting manner. On the other hand, if there is rapid progress, the instrument foresees the capacity to "step up its cooperation where needed in light of the volatility of the external context."

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Values, Yes... But It Depends

This brings us to values and interests. The document establishing the Global Europe instrument is fairly clear on how it reconciles these two elements.

The overall objective is steeped in the language of interests: "promoting mutually beneficial partnerships with partner countries, contributing simultaneously to the sustainable development of partner countries and to the Union's strategic interests." The universality and indivisibility of human rights is then held up as the overall guiding principle for the actions.

In subsequent articles, it becomes clear that respect for human dignity, freedom, democracy, equality, the rule of law, minority rights, etc. are common to the EU, and that their realization is the key expectation of countries seeking to accede to the Union. “The prospect of Union membership has a powerful transformative effect, embedding positive democratic, political, economic and societal change,” the document states, arguing that this change and necessary reforms are in the “common interest of the Union and its partners.”

Yet, beyond the candidate countries, the Union’s ambition to carry its values diminishes sharply: relations with the neighborhood are “founded on the values of the Union,” but the focus is shifting to “mutually beneficial and tailored partnerships focusing on strategic priorities and fostering regional cooperation.” The Black Sea region is mentioned specifically in this regard to “helping mitigate challenges posed by Russia’s war of aggression against Ukraine.”

Such a vision puts Georgia in an ambiguous situation. On the one hand, if it is considered a candidate country, it would be expected to make transformative changes to comply with the EU’s values and institutional systems. On the other hand, if it drifts decisively and falls into the “Neighborhood” basket, the EU’s focus on values and reforms may diminish, but its financial engagement may not, provided interests are aligned. This is where the geo-economic considerations come into play.

Global Gateway and Focus on Infrastructure

Global Europe is positioned as an instrument supporting the Global Gateway strategy. The Global Gateway, though still a bit arcane, is essentially the EU’s response to China’s Belt-and-Road initiative. It combines investment-driven, large-scale projects in digital, climate and energy, transport, health, and education and research sectors, positioned as values-driven and predictable. The projects under Global Gateway are supposed to benefit from the best borrowing rates, since they are backed by the EU’s top-notch financial guarantee.

Ideally, the Global Europe may serve as a development-oriented “software” guided by values, feeding into largely investment-driven infrastructural “hardware” of Global Gateway. Yet the experience from multiple regions suggests that the two goals are often difficult to reconcile. More and more strategic connectivity interventions under Global Gateway, including the Trans-Caspian Transport Corridor, have been associated less with development effectiveness and more with Europe’s geopolitical ambitions and an imperative to compete with China, the United States, and Russia.

So far, the project ensuring Black Sea submarine digital and energy connectivity is the Global Gateway flagship project in the South Caucasus, linked to associated country projects in Georgia and Armenia. But there are others financed through the Global Gateway investment program, including the railway through Nakhichevan and the development of the port of Baku, as recently announced by the Commission President on July 1, 2026. The tension between geopolitics and values is particularly palpable here, since the Commission President described Baku as a “reliable partner” only two months after its Parliament cut ties with the European Parliament, citing “anti-Azerbaijani policy, slander and smear activities.”

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If regional politics allows and Tbilisi plays its cards right, even under Georgian Dream’s current policy, it will have space to squeeze into the EU's strategic regional projects and perhaps be hailed as a partner. The key obstacle here is not so much the EU's commitment to values as Georgia's questionable capacity to absorb funds and implement activities, especially given recent high-level corruption allegations and trials. How the European Union can assess and mitigate these risks depends largely on how Global Europe is run.

How Would They Run It?

When discussing the practical application of an instrument in a given country, much hinges on its implementation modality. Who initiates projects, who participates in deliberations, and to what extent often defines how decisions on values vs. interests are made.

The IPA framework was often criticized for the extended control it provided over the programmatic agenda of the accession candidate's government. Serbia is sometimes offered as an example of a country that has mastered absorbing IPA funding without yielding on reforms.

For Enlargement and Neighborhood East partners, Global Europe is supposed to be implemented through a multiannual "performance-based plan," according to the document submitted to the European Parliament, but the design of that plan is not yet available and will be drafted by the Commission at a later stage.

It is already clear, however, that the programming process will remain a dialogue between the Commission, Member States and a partner country. The EU Delegation in the country will play a central coordinating role. The noticeable change from the IPA practice is the growing role of the EU Member States.

On the one hand, the performance-based plan is supposed to be shaped through a "Team Europe" approach – which means that the EU Member States, their development agencies and, potentially, development banks and financial institutions (such as EBRD) present in a country will have a role in shaping the performance-based plan. On the other hand, and crucially, the Council of the EU (meaning the Member States) will set the conditions for the performance-based plans and assess their implementation. This additional layer will come above the current Commission review.

From Georgia's perspective, these changes are ambiguous. The Commission was at times accused of a lack of transparency and favoritism in the accession process, which led to the development of the so-called "merit-based criteria" in accession negotiations that are supposedly easier to monitor and verify externally. Increasing the role of Member States in the planning and assessment process adds a stronger, explicitly political (and thus unpredictable) element to a rather complicated mix of assessing candidate and associated states' performance.

What Will They Measure?

The EU instruments are curious documents for policy analysts because their results are supposed to be measurable through built-in institutional procedures. Oftentimes, reviewing the monitoring and evaluation frameworks – that is, what exactly is being measured and how – reveals more about the instruments' nature than their stated objectives.

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Here, the changes proposed by the new regulation are rather important. The previous instruments were based on a so-called "results chain" approach in which inputs are used to implement activities, which create outputs and are transformed into immediate outcomes and medium-term results, which feed into an overall impact (such as, for example, "citizens' rights better protected through national human rights institutions").

The Global Europe regulation attached Performance Regulation, and annexes do not mention this approach. They are built around a library of indicators (i.e., things one can plausibly monitor) at only two levels: outputs (what is directly produced or supported by the implementation of an activity) and results (direct effects of supported activities).

The words "outcome" or "impact" do not appear at all in the text that deals with programming and its evaluation, only in the narrative part on the effectiveness of development.

This is a curious phenomenon. Technically, the reason is understandable: efficiency drive. Consolidating programming requires aggregating measurable indicators, and from 7 thousand, their registry is reduced to 500.

But it remains to be seen to what extent and how such change will affect strategic thinking – which programmatically means keeping focus on outcome and impact levels. While some practical details of evaluation and monitoring are still in development, and then would need to be transposed into practice, one can't help but notice that the compression of the results framework to immediately observable indicators reflects the overall spirit of the document: its accent on overall geopolitical unpredictability, combined with near certainty about emergencies coming Europe's way.

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Does it mean that the EU no longer believes in being able to shape the world in its own image, as a democratic society of nations, based on the rule of law and respect for human rights? Perhaps this is a realist view. But if this ambition to extend the community of values through, among others, its programmatic instruments is abandoned even in its nearest neighborhood, this won't augur well for those in Georgia who feel strongly about the values that brought the EU into existence ▪