Alona Lebedieva: The EU Budget 2026 Highlights the Increasing Need for a New Financial Architecture in Europe

KYIV, UKRAINE, December 4, 2025 /EINPresswire.com/ -- The European Parliament has adopted the EU budget for 2026, focusing on competitiveness, innovation, security, and foreign policy. As a result of negotiations with the Council, MEPs increased funding for key areas by an additional €372.7 million compared to the European Commission’s initial proposal. The decision was approved with 419 votes in favour.


Alona Lebedieva

“More than twenty programmes have received additional resources. Horizon Europe and infrastructure projects in transport and energy have been strengthened by €20 million and €23.5 million respectively. Support for civil protection, military mobility, and border management is growing. Funding has been increased for humanitarian aid, the Southern and Eastern Neighbourhood, as well as Erasmus+ and EU4Health. A strong emphasis has been placed on supporting the agricultural sector through an additional €105 million for promoting European products,” notes Alona Lebedieva, owner of Ukraine’s multi-profile industrial and investment group Aurum Group.

A separate challenge emerged due to sharply higher debt-servicing costs for the NextGenerationEU fund — €4.2 billion more than expected. The Parliament insisted that these expenditures must not be offset by cutting flagship programmes and triggered a protective cascading mechanism. The total volume of the 2026 budget amounts to €192.8 billion in commitments and €190.1 billion in payments.

“The adopted budget demonstrates how the EU is gradually shifting from reactive crisis management to long-term investment in resilience — defence, economic, and institutional. The increase in funding for science, infrastructure, and foreign policy indicates that Europe is trying to use the budget not as a bookkeeping document, but as a tool of geoeconomic competition,” says Lebedieva.

This is why, in her opinion, a further reassessment of the role of joint borrowing and shared investment mechanisms should be expected, as the current debt costs have exposed the limits of previous approaches.

“At the same time, the 2026 budget has highlighted a chronic EU problem: the gap between real needs and the rigid ceilings of the Multiannual Financial Framework. The European economy is operating under conditions of war in Ukraine, an energy transition, and global competition with the United States and China. Under such circumstances, €190 billion per year for 450 million Europeans is more an indicator of political caution than ambition. If the EU wants to retain its geopolitical agency, it will have to rethink not only spending priorities but the architecture of the budget itself,” Lebedieva explains.

Importantly, the 2026 budget was adopted in parallel with the creation of a new EU defence framework — the European Defence Industry Programme (EDIP). This is the first structural initiative aimed not only at increasing the production capacities of the European defence industry, but also at laying the foundation for joint military projects and Europe’s strategic autonomy.

“The programme has received €1.5 billion in funding, €300 million of which is earmarked for Ukraine — to modernise its defence industry and integrate it into the EU’s defence supply ecosystem. This approach significantly reinforces the defence component of European policy and demonstrates that security and industrial development are no longer seen as separate issues,” Lebedieva emphasises.

The inclusion of the defence programme in the overall financial context shows how Europe is transitioning to a model in which the budget becomes an instrument not only of development but also of defence capabilities and geostrategic resilience. It also confirms the need to reform the EU’s financial architecture itself: the current limits of the Multiannual Financial Framework do not correspond to the scale of emerging security challenges.

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