European Commission - Press release

An ambitious budget for a stronger Europe: 2028-2034*

Brussels, 16 July 2025

Today, the European Commission presented its proposal for an ambitious and dynamic Multiannual Financial Framework (MFF), amounting to almost EUR 2 trillion (or 1.26% of the EU's gross national income on average between 2028 and 2034). This framework will equip Europe with a long-term investment budget matching its ambitions to be an independent, prosperous, secure, and thriving society and economy over the coming decade.

Europe faces an increasing number of challenges in numerous areas such as security, defence, competitiveness, migration, energy and climate resilience. These are not temporary but reflect systemic geopolitical and economic shifts that require a strong and forward-looking response.

The Commission therefore proposes a fundamental redesign of the EU budget, which will be more streamlined, flexible and impactful. It will significantly enhance the EU's capacity to deliver on core policies while addressing new and emerging priorities. This budget will continue to support people, business, Member States, regions, partners, and - above all - the EU's collective future.

A modern EU budget requires modernised and stable sources of income. That is why the Commission is also proposing new own resources and adjustments to existing ones, which will ease pressure on national budgets, generating EUR 58.5 billion per year.

*President **von der Leyen** stated: "Our new long-term budget will help protect European citizens, strengthen Europe's social model and make our European industry thrive. In a time of geopolitical instability, the budget will allow Europe to shape its own destiny, in line with its vision and ideals. A budget that supports peace and prosperity and promotes our values is the best tool we can have during these uncertain times."*

Key features of the new MFF

- **More flexibility** across the budget, so Europe has the **capacity to act and react fast** when circumstances change unexpectedly or when new policy priorities need to be addressed.
- **Simpler, more streamlined and harmonised** EU financial programmes, so that citizens and companies can **easily find and access funding** opportunities.
- A budget tailored to local needs, with **National and Regional Partnership Plans** based on investments and reforms, for **targeted impact where it matters most** and ensuring a faster and more flexible support for more economic, social and territorial cohesion across our Union.
- A powerful **competitiveness boost**, for Europe to secure supply chains, scale-up innovation and lead the global race for clean and smart technology.
- A **balanced package of new own resources** that ensures adequate revenues for our priorities while minimising pressure on national public finances.

The Commission's proposal is designed to ensure that EU funding is steered by the EU's political priorities, delivering results that national budgets cannot achieve alone.

Investing in people, Member States and regions

The new long-term budget will bring together EU funds implemented by Member States and Regions under one coherent strategy, with cohesion and agricultural policy at its core. This strategy will be implemented through National and Regional Partnership Plans, simpler and more tailored, to maximize the impact of every euro. Having one single plan per Member State integrating all relevant support measures - whether for workers, farmers or fishermen, cities or rural areas, regions or the national level - ensures a much stronger impact, and a much more efficient use of European funding.

It is the most effective way to support the Union's territories and communities. It brings genuine simplification, both for public authorities and for direct beneficiaries.

The Plans will foster convergence and reduce regional disparities. They will identify investments and reforms to better address tomorrow's challenges for the Member States and our Regions.

These Plans will be designed and implemented in close partnership between the Commission, the Member States, regions, local communities and all other relevant stakeholders.

In addition, there will be a mandatory minimum amount for less developed regions, as well as a safeguard ensuring that these will receive overall at least as much funding as under the current cohesion envelope.

Income support to farmers and fishermen will be ringfenced, including environmental measures, on-farm investments, support to young farmers and risk management tools. Funding rules for agriculture and rural communities will be simpler, including on payments, controls and audits.

The new Partnership Plans will support **quality employment, skills and social inclusion** across all Member States, regions and sectors. They will contribute to promote equal opportunities for all, to support strong social safety nets, foster social inclusion, intergenerational fairness and fight poverty. 14% of the National allocations will have to finance reforms and investments that enhance skills, fight poverty, promote social inclusion and foster rural areas.

Respect for the Rule of Law will remain unconditional. The Conditionality Regulation will continue to protect the entire EU budget from breaches on the rule of law. The National and regional partnership plans will contain further safeguards to ensure that Member States respect the principles of the rule of law and the Charter of Fundamental Rights.

Transparency on and screening of the beneficiaries of the EU budget will be reinforced. Information on the recipients of EU funds will be published in a centralised database.

Foster education and democratic values

Stepping up investment in skills is fundamental to help EU students and workers embrace opportunities. At the same time, investing in people means supporting a vibrant civic space and protecting artistic and cultural freedom. The long-term budget will continue to invest in the areas of skills, culture, media and values. A **reinforced Erasmus+ programme** will be the backbone of the Union of Skills. Education mobility, solidarity and inclusiveness will remain the core of the programme. **A strong AgoraEU programme** will promote shared values, including democracy, equality and the rule of law and support the European cultural diversity, its audiovisual and creative sectors, media freedom and civil society involvement.

Driving prosperity via competitiveness, research and innovation

A **new European Competitiveness Fund, worth EUR 409 billion,** will invest in strategic technologies, to benefit the entire Single Market, as recommended in the Letta and Draghi Reports. The Fund, operating under one rulebook, and offering a single gateway to funding applicants, will simplify and accelerate EU funding and catalyse private and public investment. It will focus its support on four areas:

- clean transition and decarbonization;
- digital transition;
- health, biotech, agriculture and bioeconomy;
- defence, and space.

The Fund will maximise the impact of every euro spent by drawing in private money.

In close connection with the European Competitiveness Fund, the renowned **EU research framework, with its flagship Horizon Europe worth EUR 175 billion** will continue to finance world-class innovation.

Horizon Europe and the Competitiveness Fund will offer support for the entire investment journey of a project (from conception phase to scale-up) and reduce both the cost for potential beneficiaries and the time for disbursement.

Protecting people and building preparedness and resilience to face new challenges

The long-term budget will equip Europe with faster, more efficient and flexible tools to withstand shocks and respond to new challenges. It will continue to build Europe's resilience by **financing the Preparedness Union and prepare for all stages of crisis management**: from prevention to response and recovery. The Commission is proposing a new dedicated crisis mechanism with a firepower of up to almost EUR 400 billion of loans to Member States, to be triggered when severe crises hit the Union. Furthermore, **national and regional partnerships** will support investments and reforms in all areas of preparedness and crisis management. **An agriculture reserve** will support farmers and stabilise markets if needed.

The **European Competitiveness Fund** will also enhance the EU's preparedness and strategic autonomy in key sectors and technologies, by developing industrial capacities and funding cutting-edge technologies. Lastly, the Union Civil Protection Mechanism and Union support for health emergency preparedness and response will be further strengthened integrating health preparedness activities.

Protecting Europe

The long-term budget will help build a **European Defence Union**, that can shield itself, stay connected, and act fast whenever needed. The defence and space window of the European Competitiveness Fund will allocate EUR 131 billion to support investment in defence, security and space, five times more funding at EU level compared to the previous MFF. Member States and regions will have the possibility to support on a voluntary basis and according to the regional needs and priorities, defence-related projects in their national and regional partnership plans. The military mobility strand of the Connecting Europe Facility will be multiplied tenfold. It will support dual-use infrastructure investments alongside civilian ones and contribute to a major boost for cybersecurity, infrastructure, and defence development overall. To enhance energy security, the Connecting Europe Facility will provide financing to cross-border energy and transport projects.

The new budget also foresees increased funding for migration management, to strengthen the EU's external borders and to bolster internal security.

EUR 74 billion will be allocated, which triples funding in the previous MFF. Member States will receive Union support to rapidly and effectively respond to developments on the ground. The funds will help Member States boost law enforcement capabilities online and offline, equip our border guards with the right tools to protect the external borders and implement a fair and firm migration management system under the Pact for Migration and Asylum.

Building partnerships for a stronger Europe in the world

This new Multiannual Financial Framework foresees reinforced external action to match a more strategic, values-driven and impactful approach to enlargement, partnerships and diplomacy, in alignment with the EU's strategic interests.

To simplify external action financing, a **Global Europe**, worth EUR 200 billion for 2028-2034 will maximise impact on the ground and improve visibility of EU external action in partner countries. It will allow the EU budget to step up support to candidate countries and prepare for their accession This instrument will have a dedicated reserve capacity of EUR 15 billion to respond to emerging crises and unforeseen needs.

To underpin the Union's unwavering support for Ukraine, EUR 100 billion may be mobilised for Ukraine over 2028-2034. Support for Ukraine will benefit from a degree of flexibility given the magnitude and unpredictability of the needs. Support for operations with military aspects will continue to be covered by the **European Peace Facility**.

The proposed new budget will also continue financing Common Foreign and Security Policy actions for a total amount of EUR 3.4billion, to continue contributing to the EU's objectives of preserving peace, strengthening international security, promoting international cooperation and developing and consolidating democracy, the rule of law and respect for human rights and fundamental freedoms.

New own resources to match our common ambition

To give itself the means to act, Europe must also equip itself with a modern and diversified revenue stream. In turn, this will create means to fund its priorities while repaying what the EU has borrowed under NextGenerationEU and limiting the national contributions to the EU budget. To that end, the Commission presents five new own resources:

- **EU Emissions Trading System (ETS):** targeted adjustment of the revenues generated from ETS1 go to the EU budget. Expected to generate around EUR 9.6 billion annually, on average.
- **Carbon border adjustment mechanism (CBAM):** targeted adjustment of the revenues generated from CBAM go to the EU budget. Expected to generate around EUR 1.4 billion annually, on average.
- **An own resource based on non-collected e-waste** through the application of a uniform rate to the weight of non-collected e-waste. Expected to generate around EUR 15 billion annually, on average.
- **A tobacco excise duty own resource**, based on the application of a rate on the Member State-specific minimum excise duty rate levied on tobacco products. Expected to generate around EUR 11.2 billion annually, on average.
- **A Corporate Resource for Europe (CORE)**, amounting to an annual lump-sum contribution from companies, other than small and medium-sized companies, operating and selling in the EU with a net annual turnover of at least EUR 100 million. Expected to generate around EUR 6.8 billion annually, on average.

Combined, these five new own resources and other elements of the own resources package put forward today are estimated to generate revenue of approximately EUR 58.5 billion per year (in 2025 prices).

Next steps

The decision on the future long-term EU budget and revenue system will be discussed by Member States in the Council. Adoption of the MFF Regulation requires unanimity, following the consent of the European Parliament. Some elements of the revenue side (notably the new own resources) require unanimity in the Council and approval by the Member States in accordance with their respective constitutional requirements. The Commission will do everything in its power to support a swift agreement.

For More Information

Dedicated Questions & Answers

Dedicated Factsheets

Dedicated legal documents

Website on the Next MFF

Website on the EU Budget

Website on NextGenerationEU

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Quote(s):

> *"Our new long-term budget will help protect European citizens, strengthen Europe's social model and make our European industry thrive. In a time of geopolitical instability, the budget will allow Europe to shape its own destiny, in line with its vision and ideals. A budget that supports peace and prosperity and promotes our values is the best tool we can have during these uncertain times."*
> Ursula von der Leyen, President of the European Commission - 16/07/2025

> *"The EU has shown that it can act decisively and ambitiously – during the pandemic, during the war in Ukraine. Let us continue on that path, and prove, once again, that Europe delivers together, with the means to build an independent Europe in the years to come."*
> Piotr Serafin, Commissioner for Budget, Anti-Fraud and Public Administration - 16/07/2025

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Related media

- Press conference by Ursula von der Leyen, President of the European Commission, on the next long-term EU budget