

# Multiannual financial framework for the years 2028 to 2034

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PURPOSE: to lay down the multiannual financial framework for the years 2028 to 2034.

PROPOSED ACT: Council Regulation.

ROLE OF THE EUROPEAN PARLIAMENT: Council may adopt the act only if Parliament has given its consent to it.

BACKGROUND: in accordance with Article 312 of the Treaty on the Functioning of the European Union (TFEU), a Council Regulation, adopted unanimously by the Council after obtaining the consent of the European Parliament, lays down a multiannual financial framework for a period of at least five years. This multiannual financial framework (MFF) determines the amounts of the annual ceilings on commitment appropriations by category of expenditure and of the annual ceiling on payment appropriations and lays down any other provisions required for the annual budgetary procedure to run smoothly.

The current MFF, which covers the years 2021 to 2027, was adopted on 17 December 2020. The MFF regulation has been revised twice since 2020. A first amendment in December 2022 provided financial support to Ukraine with EUR 18 billion in loans for 2023 and 2024, in response to the Russian war of aggression. A second revision, proposed in June 2023 and adopted on 29 February 2024 (with retroactive effect from 1 January 2024), aimed to adapt the European Union budget to new challenges and obligations, as existing resources had become insufficient.

CONTENT: the Commission is proposing **a seven-year MFF, from 2028 to 2034**. The MFF is structured according to the main categories of expenditure (headings) and provides for a maximum amount for each of them (ceilings).

## *Structure*

The proposed MFF for 2028-2034 is structured around **three headings**, corresponding to the main sectors of EU activity supported by the EU budget, and focused on delivering shared strategic policy priorities. A **fourth heading** covers expenditure on European public administration. In addition to these four headings, there is a ‘flexibility instrument’ and a ‘Ukraine reserve’ that can provide additional resources beyond these ceilings.

## *Flexibility*

In a rapidly evolving international context, the Union must be able to act and react when circumstances change. This is why the Commission proposes to introduce more flexibility throughout the EU's long-term budget, while preserving the predictability that makes it a powerful catalyst for investment.

The main drivers of flexibility for the period 2028-2034 are the **simplification of the MFF architecture**, which will include fewer programmes and a larger share of unprogrammed amounts, as well as built-in mechanisms and reserves that will allow for a more efficient, faster and less disruptive response to changing needs. Indicative financial envelopes for programmes and expenditure instruments should remain the main reference for multiannual financial programming, but the budgetary authority should be able to redirect expenditure during the annual budgetary procedure.

## ***Headings***

To help the Union deliver on its priorities for the period from 1 January 2028 to 31 December 2034 while meeting its repayment obligations under NextGenerationEU, the Commission proposes for the 2028-2034 MFF **a ceiling for commitments of EUR 1 763 100 000 000 at constant 2025 prices**, equivalent to 1.26% of EU GNI, and a corresponding payment ceiling of EUR 1 761 000 000 000 at constant 2025 prices, equivalent to 1.26% of EU GNI.

The headings of the proposed MFF for the period 2028-2034 correspond to the main areas of activity financed by the EU budget, namely:

- **Heading 1** - a) Economic, social and territorial cohesion, b) Agriculture and rural development, maritime affairs and c) Prosperity and security: EUR 946 404 million (2025 prices) in commitment appropriations;
- **Heading 2** - Competitiveness, prosperity and security: EUR 522 205 million;
- **Heading 3** - Global Europe: EUR 190 000 million;
- **Heading 4** - Administration: EUR 104 447 million.

## ***Special instruments***

Special instruments allowing to enter appropriations over and above the ceilings will be rationalised. The proposed streamlined flexibility toolbox set out in the draft MFF Regulation therefore includes:

### ***Ukraine Reserve***

A new thematic special instrument is established to enable the Union to continue supporting Ukraine for as long as necessary and to assist it in its path to EU accession. This instrument will provide appropriations corresponding to the part of the assistance provided to Ukraine under the Global Europe Regulation in the form of grant support and the provision of budgetary guarantees.

The allocation to Ukraine Reserve should not exceed **EUR 88 900 000 000** in 2025 prices for the period 2028-2034. The annual amount mobilised from Ukraine Reserve in any given year should not exceed EUR 13 500 000 000 in 2025 prices. The unused portion of the annual allocation for any given year may be carried forward until 2034.

### ***The Flexibility Instrument***

This instrument is intended to provide support in the event of new or unforeseen needs. In addition to a fixed annual amount that will be increased to **EUR 2 billion**, the flexibility instrument will include amounts equivalent to the decommitments made in the previous year as well as to net fines entered in the budget in the previous year.

### ***The Single Margin Instrument***

This instrument will make it possible to pool the unused margins under the ceilings of the MFF headings at the end of previous financial years and to use them across all policy areas.

The proposal provides for a **revision of the MFF** in the event of a revision of the Treaties with budgetary implications, in the event of the reunification of Cyprus, and, if circumstances so require, to ensure that the MFF complies with the ceilings for own resources.