Deliberations on the New EU Long-Term Budget - State of Play

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News

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After negotiations on the EU's next long-term budget, the multiannual financial framework for the years 2028-2034 (MFF 2028-2034), had stalled for a time, they picked up momentum again in the spring of 2026. Whilst the European Commission has proposed a fundamental reform of the EU budget – under which, for example, fewer funds would be channelled directly to Member States for agriculture and cohesion, with more money instead being allocated to promoting the EU's competitiveness – the European Parliament (EP) and those Member States that benefit from cohesion policy and the CAP, have defended their budgets. By contrast, Member States considered "frugal", such as Germany, have been putting the brakes on increased spending. For the developments on the new MFF →eucrim 3/2025, 302-303. For the Commission's proposal →eucrim 2/2025, 136-137. The key developments in the negotiations during the last months are briefly summarised chronologically in the following:

- **17 March 2026**: At the General Affairs Council, ministers from the EU Member States hold a policy debate on the governance aspects of the MFF 2028–2034. Many Member States call for the Council to play a greater role in relation to the Commission's proposals, particularly regarding the design of programmes and strategic steering. Part of the debate are the three main funds under the next MFF, i.e., the National and Regional Partnership Plans (NRPPs), the European competitiveness fund, and the Global Europe instrument.
- **14 April 2026**: Ahead of the informal meeting of the Heads of State or Government on 23–24 April 2026, the President of the European Council, *António Costa*, sends a letter in which he called for an agreement (= general approach of the Council) on the next MFF to be reached by the end of the year. According to *Costa*, the discussion on this matter has "become more urgent" following the postponement of discussions in March. EU leaders need to discuss the appropriate level of financing to achieve the EU's ambitions (including the importance of New Own Resources) as well as the contribution of the new EU long-term budget to the EU's competitiveness agenda. The Council plans to conclude the negotiations on the MFF by the time of the presidential elections in France in April 2027.
- **28 April 2026**: The EP sets out its position for negotiations with the EU Member States on the long-term budget. MEPs propose setting the post-27 budget to 1.27 % of the EU's gross national income (excluding debt repayment costs). This would be an increase of 10% compared to the Commission's proposal of July 2025. This increase would be distributed evenly across the three budget headings supporting EU priorities (excluding administration and agencies). Overall, the EP proposes a seven-year budget of €1.78 trillion (2025 constant prices), or €2.01 trillion (current prices). MEPs plead for distinct allocations for policies under the national and regional partnership plans, including the common agricultural policy and fisheries policy, cohesion policy, the European Social Fund and home affairs. They also stress that regional and local authorities should be fully involved in planning and

implementing the programmes. As detailed in another resolution (→separate news item), MEPs reiterate that simplification must not undermine transparency, accountability or democratic oversight. Lastly, the EP is calling for the introduction of new own resources, including a levy on digital services, a levy on online gambling, the extension of the Carbon Border Adjustment Mechanism (CBAM), and a levy on capital gains from cryptocurrencies.

- **6 May 2026**: The European Committee of the Regions(CoR) presents its key demands for the future MFF. Regions and cities are calling, amongst other things, for a strong and independent cohesion policy as a key instrument for promoting economic, social and territorial cohesion in the EU. Cohesion funding should remain open to all regions and not, as proposed by the Commission, be reserved exclusively for the less developed regions. Furthermore, the CoR requests that national investment plans must be prepared in consultation with local and regional authorities. If this is not the case, regions and cities should have the right to activate a "subsidiarity clause" and notify the European Commission so that it can reject overly centralised NRPPs.
- **14 May 2026**: On the occasion of the awarding of the Charlemagne Prize to *Mario Draghi*, German Chancellor *Friedrich Merz* calls for a "fundamental modernisation" and a "radically streamlined structure" for the next MFF. *Merz* criticises the current EU budget as outdated and too heavily focused on redistribution. In order to meet today's challenges, a modern, investment-oriented — a "Draghi-proofed" — budget is required. The chancellor makes it clear that he rejects the idea of new European debt: "Germany cannot go down this path, if only for constitutional reasons," Merz said.
- **20 May 2026:** In a Parliament debate together with the Commission, the majority ofMEPs comes out in favour of an EU-wide levy on online gambling. This is intended to serve as a new source of own resources to finance the MFF (see above). *Piotr Sarafin,* the Commissioner responsible for the EU budget, does not comment on the substance of the matter, given that the Commission is currently reviewing the proposal. However, MEPs also raised critical legal and political questions, particularly regarding the relationship with existing national taxes and the preservation of Member States' tax sovereignty.
- **26 May 2026:** A policy debate on the next MFF 2028-2034 in the General Affairs Council focuses on the MFF's contribution to the integration of the EU's single market. Disagreements over the budget size and funding come to light. Germany continues to oppose the significant increase in the MFF proposed by the Commission, arguing that it was not financially viable. No agreement can be reached on the repayment of NextGenerationEU debt either.
- **11 June 2026:** The Cyprus Council Presidency presents a new "negotiating box" for the MFF 2028-2034. For the first time, the Council puts forward specific figures. The Presidency proposes a ceiling for commitments of €1,730.2 billion (at 2025 prices) and a ceiling for payments of €1,733.5 billion (also at 2025 prices). This represents a moderate reduction of approximately 2% on the Commission's original proposal. The three new sources of EU own resources recently proposed by the EP (on crypto-assets, online gambling and large digital companies) are not mentioned. The future of the contribution rebates, from which Germany, amongst others, would benefit, is also left open.
- **16 June 2026:** The two EP rapporteurs respond to the negotiating box put forward by the Cyprus Council Presidency. They reject the Council's proposal to cut the budget by 2%. Among other things, they pointed out that the appropriations for agriculture and cohesion were already at a very low level and that further cuts would further weaken the EU's ability to act.
- **16 June 2026:** The General Affairs Council agrees on a partial general approach to the Regulation on National and Regional Partnership Plans (NRPP) as a key instrument of the EU budget for 2028–2034 (NRPP Regulation). Under the future NRPP Fund, each Member State would draw up a single comprehensive plan to replace the current separate programmes for cohesion, agriculture, fisheries, migration and security, as well as the Climate and Social Fund. The Council stresses that its approach intends to ensure appropriate flexibility for Member States when preparing and implementing their

investment plans. The Council also adopts its partial negotiating position on the regulation establishing the new European Competitiveness Fund (ECF) – another central pillar of the next EU multi-annual budget - as well as on Global Europe, the EU's main financing instrument for external action for the period 2028 to 2034.

- **19 June 2026:** The Heads of State or Government adopt conclusions on the next multiannual financial framework at the European Council. The debate brings to light the structural conflicts between the "modernisers" (Germany, Austria and the Netherlands) and the "friends of cohesion" (primarily southern and eastern European Member States). The Irish Council Presidency is called on to take the work forward on the "Negotiating Box" by the October European Council. An agreement should be reached by the end of 2026.

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