

**“A single plan for each member state”:
The new road of the next UE Multiannual Financial Framework 2028-2034**

At the beginning of March 2025, the European Commission has proposed the establishment of a **European Competitiveness Fund** as part of the upcoming Multiannual Financial Framework (MFF) for 2028–2034. However, specific budgetary allocations for this fund have not yet been finalized or publicly disclosed. Discussions are ongoing, with formal proposals expected to be presented in July 2025. The EU Commission President Ursula Von der Leyen highlighted the future approach, which is not more based on joint programmes but on a single plan for each member state. This plan will focus on **new efficient allocation of financial resources**.

The MFF, the EU's long-term budget, establishes spending limits for a number of policy areas over a seven-year period. Significant adjustments are anticipated in the forthcoming MFF for 2028–2034 to meet new environmental, social, geopolitical, and economic issues. Assuring financial sustainability, advancing European competitiveness, strengthening security and defence, and fostering social cohesion are the goals of the new framework.

Additionally, repayment obligations from the NextGenerationEU initiative and the need for new own resources will shape the next budgetary cycle. The 2028-2034 MFF will build on lessons learnt from the current framework (2021-2027) and aim to create a more resilient and strategically focused budget. The new MFF will continue to support traditional funding areas such as cohesion policy, agricultural subsidies, and social inclusion while placing greater emphasis on European Public Goods (EPGs), including security, technological innovation, migration management, and sustainability.

The budget for the MFF 2021-2027 stands at approximately €1.2 trillion, equating to roughly 1% of the EU's gross national income (GNI). Given the growing financial demands, the European Commission has indicated that a more substantial budget, potentially ranging between **€1.8 trillion and €2.2 trillion**, may be required for the 2028-2034 period. The main drivers behind this increase include enhancing European competitiveness through increased investment in research and development, strengthening security and defence mechanisms, and prioritizing climate resilience and sustainability initiatives. Migration management and improving border security will also be crucial in this budget cycle, as the EU faces ongoing challenges due to instability in neighbouring regions. Furthermore, financial sustainability will remain a fundamental issue, particularly with the repayment obligations associated with the NextGenerationEU recovery fund. To address this, new revenue sources such as carbon border taxes and financial transaction levies are under consideration. The evolving economic landscape, including inflationary pressures and the need for technological advancement, necessitates a forward-thinking financial strategy that can adapt to uncertainties while securing long-term EU stability.

The shift from program-based to policy-based funding allocations is intended **to align financial resources with strategic priorities**. Reducing administrative complexities is a key goal, with a proposed single rulebook for EU funds designed to enhance efficiency and transparency. The enforcement of conditionality mechanisms, inspired by the Recovery and Resilience Facility, will ensure that structural reforms are implemented within Member States. Additionally, diversifying funding sources beyond Member State contributions will provide a more stable financial framework, also incorporating new revenue streams. Strategic investment in artificial intelligence, clean energy, and advanced manufacturing will play a central role in bolstering Europe's competitive edge against global economic powers. Furthermore, the role of green finance will be critical, with substantial allocations expected for climate mitigation, sustainability-driven industries, and the acceleration of the EU Green Deal objectives.

The EU's new budget must tackle a number of issues. First, the EU continues to fall behind global competitors such as the United States and China in terms of **Research & Development** spending. Public funding in R&D is distributed across multiple sectors, reducing the impact of specific projects. To offset this, the EU intends to increase its investment capacity through a new European Competitiveness Fund. Second, rising geopolitical tensions require more **investments in defence sector**. The EU's defence technological and industrial base remains fragmented, with national defence expenditures duplicated. The proposed budget aims to optimize spending and increase joint defence programs. Third, **climate change** remains a top priority, with extreme weather occurrences costing the European Union billions of euros each year. The upcoming MFF is expected to provide significant money for climate resilience, sustainability projects, and digital transformation in order to strengthen European sovereignty in important technical industries. Fourth, Europe continues to face migration issues, compounded by instability in neighbouring regions. The new MFF seeks to improve external border management while also ensuring that financial mechanisms support equitable and effective **asylum policies**. Finally, the NextGenerationEU recovery fund was crucial in **epidemic recovery**, but repayment requirements beginning in 2028 will put additional strain on EU funds.

The **European Commission is conducting consultations** to gather input from Member States, regional authorities, and stakeholders on key areas such as cohesion policy, economic convergence, Common Agricultural Policy, home affairs, trans-European networks, EU's global engagement, and civil protection. The process ensures that diverse viewpoints are incorporated into the final framework, resulting in a budget that reflects the EU's strategic aspirations. Financial institutions, the business sector, and research groups will provide valuable input for a forward-thinking investment strategy. Encouraging cross-sector collaboration will lead to a more integrated financial system

aligned with Europe's long-term economic and sustainability goals. The consultations also reflect the growing demand for transparency and accountability in EU financial management.

This consultation is part of the overall public consultation exercise on the next MFF, related public consultations open for feedback can be found here:

[EU's next long-term budget \(MFF\) EU funding for competitiveness,](#)

[EU's next long-term budget \(MFF\) EU funding for external action,](#)

[EU's next long-term budget \(MFF\) - EU funding for cross-border education, training and solidarity, youth, media, culture, and creative sectors, values, and civil society,](#)

[EU's next long-term budget \(MFF\) - EU funding for civil protection, preparedness and response to crises,](#)

[EU's next long-term budget \(MFF\) - EU funding for the single market, and cooperation between national authorities,](#)

[EU's next long-term budget \(MFF\) - performance of the EU budget.](#)

A turning point in European fiscal policy is represented by the EU's 2028–2034 MFF. In order to respond to new challenges while upholding fundamental EU values, the new framework prioritizes strategic investment, improves financial flexibility, and strengthens economic resilience. Positioning the **EU as a global leader in innovation, sustainability, and security** is the goal of the European Competitiveness Fund and policy-driven funding mechanisms. As discussions carry on, maintaining budgetary sustainability, encouraging unity, and simplifying financial tools will be essential in determining the future of the European economy.

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