

EU budget 2028-2034



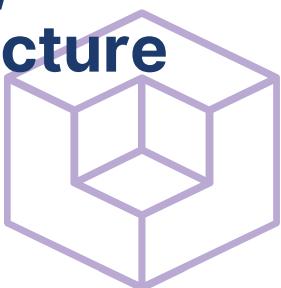
MAIN CHANGES, CHALLENGES AND OPPORTUNITIES FOR LOCAL AND REGIONAL GOVERNMENTS

Budget overview



- Total budget: **€1.982 trillion** (up from €1.2 trillion).
- Equivalent to **1.26% of Gross National Income (GNI)** (excluding NGEU: €1.816 trillion, 1.15%).
- Reinforced **flexibility reserves**
 - 25% of national allocations unprogrammed.

New structure



+ Integrated tracking
and performance system:
harmonised indicators +
single funding portal.

HEADING 1

Resilience, cohesion and
economic governance

Single National Plan
including Home funds
and EU envelope

CAP + Cohesion

NextGenerationEU
+ EU Facility

HEADING 2

Strengthening
competitiveness, strategic
autonomy and values

European
Competitiveness Fund

Including Horizon Europe
+ Connecting Europe
Facility (CEF) + Erasmus

HEADING 3

Global Europe

Strategic Funding
approach

HEADING 4

European public
administration

Shift in priorities



- **Increased:** Defence, industry, competitiveness, Erasmus and other EU dimension programmes.
- **Decreased:** Common Agricultural Policy (CAP) and Cohesion (historic pillars, shared management).
- **Migration and Security:** New European Fund and Facility (Asylum, Migration and Integration Fund (AMIF), Integrated Border Management Fund (IBMF), Internal Security Fund (ISF)).

Ukraine and EU neighbours



Positive aspects



- Treated as **candidate for membership and key partner in recovery**.
- **€100bn loan** outside EU budget (protects other priorities).
- **€43.2bn** (≈21% of Global Europe instrument) dedicated to EU neighborhood and enlargement policies.

SIMPLIFICATION:

- **One single rulebook:** harmonised and common rules across multiple EU funding programmes — including Cohesion Funds and the European Competitiveness Fund (ECF) — to simplify, streamline, and clarify how EU funds are accessed, managed, and disbursed.
- **Single audit principle:** unified control mechanisms across funds to ensure consistency and reduce the administrative burden.
- **One gateway to funding:** a single access point for applicants, replacing multiple programme-specific entry points.

MORE FUNDING:

- Increased funding for Horizon, Erasmus+ and AgoraEU (CERV, Culture).
- Solidarity incentives to support **migration** and **humanitarian** admission efforts.
- Flexible cushion fund under **Global Europe**: a financial reserve to respond flexibly to unforeseen needs.
- More responsive **Instrument for Pre-accession Assistance** (Phase III) IPA III: enhanced flexibility to better tailor EU financial and technical support for countries on the path to joining the EU.

Negative aspects



- The combined share of the **CAP and Cohesion Policy drops from two-thirds to just 44% of the EU budget**, with Cohesion Policy accounting for approximately 23%.
- Merging funds also creates competition at national level between the CAP, Cohesion Policy, and funds for internal security and border management. **This raises the risk that powerful economic and industrial sectors will lobby nationally to capture most of the resources, leaving little for local and regional economic, social, and territorial development.**
- **Expanded eligibility for Cohesion funds:** large companies are now eligible to access cohesion funding — previously limited to small and medium-sized enterprises (SMEs) — potentially reducing resources from local and regional governments (LRGs).
- **Dynamic budget:** flexibility reduces predictability for long term projects.

Possible risks for LRGs



- Centralisation of decision-making with the introduction of the **National and Regional Partnership Plans (NRPP)**.
- LRGs are not formally recognised as level of governments, but treated as **partners**— same as NGOs /SMEs.
- **No safeguards** for LRGs funding: there are no mechanisms ensuring that LRGs continue to receive funding if member states fail to deliver on reforms expected.
- **Earmark for less developed regions:** many regions and towns fall outside this category.
- **Less funding for ESF+ :** risks for long-term inclusion actions.
- **Competitiveness fund:** no specific budget allocation for environment and biodiversity (former LIFE), and no dedicated chapter for youth in ERASMUS +.
- **Global Europe:** no earmarking for decentralised cooperation, and no dedicated budget line for local and regional governments — putting their access at risk.
- LRGs are absent in **enlargement and neighbourhood** frameworks.

CEMR key asks



1. ENSURING EFFECTIVE MULTILEVEL GOVERNANCE AND MEANINGFUL PARTNERSHIP BY:

- Introducing a permanent multilevel governance platform in the National and Regional Partnership Plans (NRPPs).
- Reforming the European Semester to integrate multilevel governance.
- Ensuring Local and Regional Governments (LRGs) are included in the European Competitiveness Fund (ECF) Stakeholder Board.
- Aligning priorities and funding across EU funds and instruments.
- Strengthening LRGs' role in the implementation and governance of the Global Gateway and improve EU Delegations' engagement with them.

2. PUTTING COHESION AT THE HEART OF THE NEXT EUROPEAN BUDGET BY

- Making regional and territorial chapters of the NRPPs mandatory.
- Increasing the budget allocation for "The Fund".
- Creating a dedicated 30% earmarking for sustainable territorial development, of which 15% dedicated to urban development.
- Establishing a safeguarding mechanism for LRGs in the NRPPs
- Strengthening ESF+ (European Social Fund) for cohesion, youth and inclusion.

3. STRENGTHENING TERRITORIAL IMPACT IN THE COMPETITIVENESS AND CONNECTIVITY PROGRAMMES BY:

- Including biodiversity conservation and nature restoration as ECF priorities.
- Better access to EU direct funds for cities and municipalities.
- Including urban mobility as strategic priority of the Connecting Europe Facility (CEF) programme.

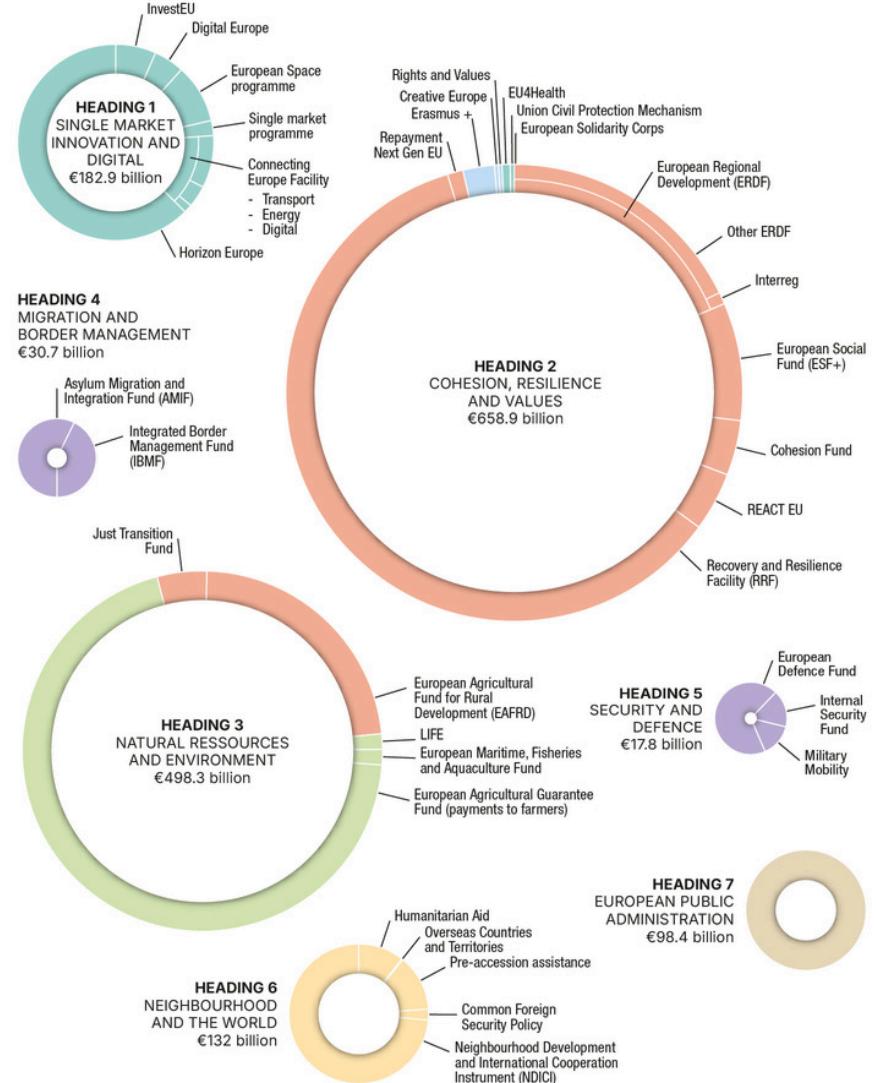
4. REINFORCING DEMOCRACY BY:

- Empowering citizens, protecting officials, building subnational capacities, and integrating Global Citizenship Education for inclusive, resilient governance.

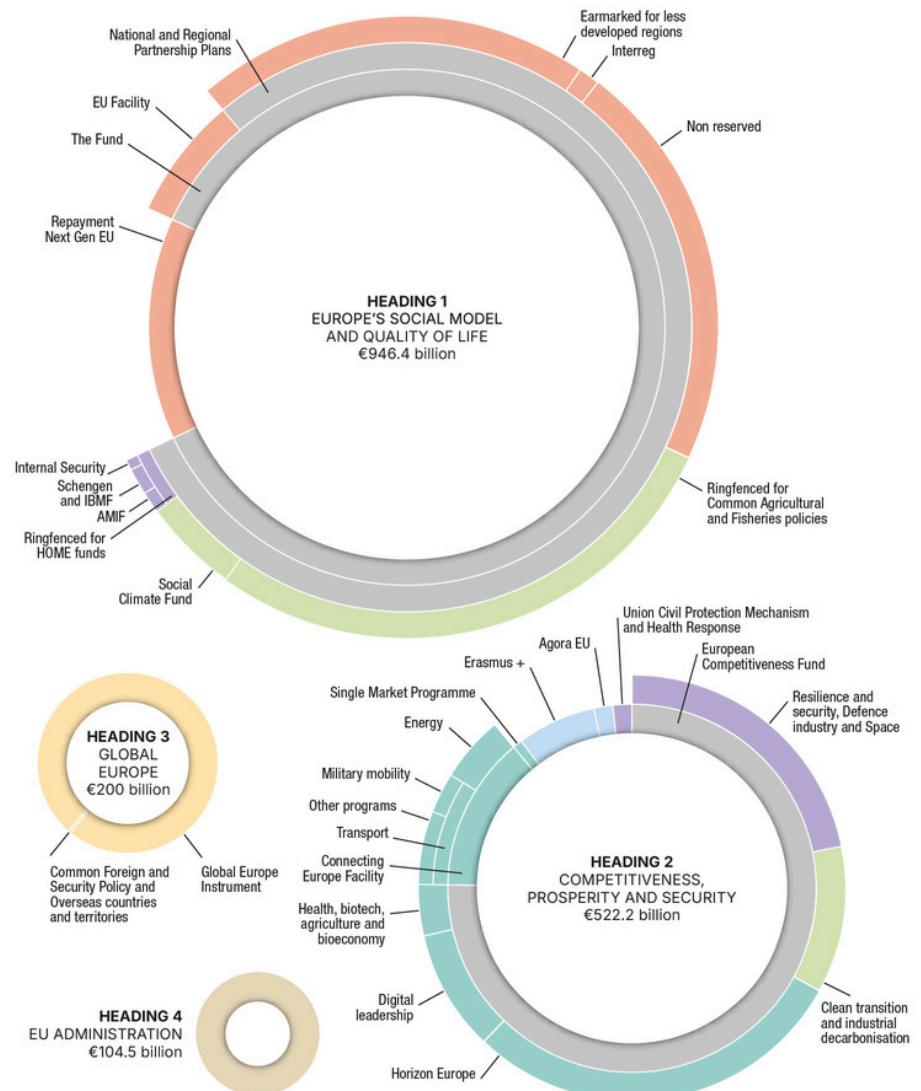
5. ENHANCING SUPPORT FOR LRGs IN EU ENLARGEMENT PROCESS AND ACCESSION OF CANDIDATE COUNTRIES BY:

- Involving LRGs in the co-design and implementation of the enlargement process, backed by stronger capacity-building and trainings for local administrations.

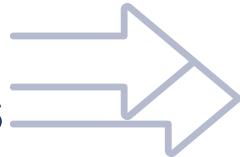
2021-2027 MFF



2028-2034 MFF



Tentative timeline for EU budget negotiations





More information:

Federica Bordelot
Director of Policy and Impact

federica.bordelot@ccre-cemr.org



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