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The EU's multiannual financial framework for 2028-2034: Where do negotiations stand?

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The European Council meets in Brussels on 18 and 19 June 2026. On the agenda is the next multiannual financial framework (MFF), which will set spending ceilings for EU programmes over the 2028-2034 period. Nearly a year after the European Commission presented a far-reaching reform, the Heads of State or Government of the 27 Member States will for the first time have the opportunity to discuss preliminary figures for the future framework. Technical as they may be, these negotiations carry profound implications for the EU's future: in agreeing on the budgetary architecture, leaders define the Union's broad political

priorities and the concrete measures to implement them. This blog post examines the issues at stake and assesses where negotiations stand across the three pillars of the next MFF: historic EU policies (including the CAP), competitiveness and external action.

New governance contested in Council and Parliament on the first pillar

Under the European Commission's proposal, the shared-management funds that finance [cohesion policy](#) and the Common Agricultural Policy (CAP), among others, are merged into a Single Fund. The CAP does keep a pre-allocated minimum budget and a separate regulation, unlike cohesion policy, but the merger still reshapes its governance by opening up the decision-making process ([IDDRI, 2025a](#)). This new architecture has been central to the negotiations of recent months within the agricultural bodies of the Council of the EU and the Parliament (the AGRIFISH Council and COMAGRI respectively).

Between September and December 2025, MEPs first rejected the draft Single Fund regulation outright, threatening to vote against the next multiannual financial framework (MFF).¹ Matters then seemed to ease, thanks to concessions granted by the European executive in November. Yet it was only in January 2026, seven months after the Commission formally presented its proposals, that rapporteurs were appointed for the various MFF regulations and legislative work could begin. In the Council, negotiations got under way more quickly. Although some Member States were opposed, others, Germany among them, were making MFF modernization a sine qua non for any agreement. By December 2025, this had produced a first "negotiating box", a preliminary version of the European Council conclusions setting out the content of the MFF. It marked the acceptance of the new structure proposed by the Commission, despite some objections within the AGRIFISH Council.

The second phase, from January to June 2026, might be described as a counter-offensive. The agricultural bodies in Parliament and Council no longer oppose the Commission's proposal head-on, but are working to blunt the scope of change as far as they can. Parliament is calling for a larger, ring-fenced CAP budget and, like the Council, for some of the articles in the cross-cutting Single Fund regulation to be brought back into the CAP regulation. This would let the agricultural bodies in both institutions regain control over the negotiation of those articles. While the European budget is not the only instrument for meeting the EU's investment needs (which Mario Draghi estimated at 800 billion euros), for the modest sums on the table to deliver genuine added value, they will need to be channelled towards strategic value chains; yet, at this stage, there is still no common framework to determine those priorities.

The European Competitiveness Fund: shared governance, diverse priorities

The principle of the European Competitiveness Fund (ECF) ([IDDRI, 2025b](#)) enjoys broad support in both Council and Parliament, though views differ over its purpose and how it should operate.

The main innovation the Commission has put on the table is to bring together, under a single fund and shared governance, a wide range of programmes spanning defence, digital, health, and the green transition. Discussions in the European Parliament have centred on how to define competitiveness, the definition that will ultimately steer the fund. Two visions are at odds: one built around resilience and autonomy, the other around productivity. Despite the emphasis Mario Draghi placed on decarbonization in his 2024 [report](#), only €26 billion of the ECF's €234 billion goes to clean transition and industrial decarbonization, with a further €41 billion from the Innovation Fund.² That figure could shrink further still: the Cypriot Presidency of the Council has [proposed](#) cutting the ECF's overall budget by

around 4%. While the EU budget is not the only instrument for meeting the Union's investment needs (which Mario Draghi put at €800 billion), the aim is to generate leverage to unlock private and Member State investment.

Beyond the fund's purpose and the scale of its ambitions, a key point of discussion has been how the money should be allocated, and by what criteria and process. Under the proposal on the table, the Commission is responsible for drawing up the fund's "work programmes", which are broken down by theme for each strand of action (defence, digital, health, the green transition) and are to be set through delegated acts. Member States and Parliament have voiced concerns about the role each would have in shaping these programmes, about the transparency of the process, and about how much flexibility there would be to adapt the programmes should crises arise. Differences have also surfaced among Member States over how the money should be distributed. Some, such as France, Germany and the Netherlands, favour criteria that reward excellence, meaning innovation and cutting-edge technology; others, such as Romania and Poland, want funding allocated on geographic criteria.

Finally, the debates have also raised the question of how to weigh the funding of innovation against the deployment of technologies. A consensus seems to be forming in favour of deployment, the aim being to fund technologies that are already mature, or nearly so, and to close the investment gap that opens up when European industry moves to scale. InvestEU³ is intended to provide leverage to trigger private and Member States investment by offering guarantees and has broad backing from Member States and Parliament. However, the details of how it would work still need clarifying: how funds will be allocated to it, and how it might dovetail with the National and Regional Partnership Plans.

Global Europe: the challenge of European coherence on the world stage

As for the European Union's external action, the new architecture proposes a single instrument, Global Europe (GE), with a substantially increased budget of around €200 billion. The aim is to turn GE from a mere development tool into a genuine instrument of foreign, economic and security policy. While neither Council nor Parliament appears to contest the merger of the earlier instruments or GE's broad geostrategic thrust, views nonetheless differ over its priorities, its financial resources and its monitoring mechanisms.

Global Europe straddles multiple agendas, all of them designated European priorities: development, the economy, trade, migration, the environment and security. How far these priorities actually cohere, and how they are meant to fit together across the international, European and national levels, has scarcely been thought through, and competing interests pull in different directions. Member States tend to fall in behind Ursula von der Leyen's stated ambition to strengthen the EU's geopolitical standing and put the emphasis on investment. The Global Gateway initiative, first conceived as a response to China's Belt and Road Initiative ([IDDRI, 2019](#)), has thus become the central strategy around which development, trade and investment priorities are meant to be organized, drawing in an ever-wider range of actors. The [European Parliament's report](#) warns, however, that development objectives and the priorities of partner countries could be lost from view if the compass points solely towards European geopolitical and economic interests, bringing with it more [tied aid](#) and a "European preference" that remains too vaguely defined. At a time when much is expected of Europe's ability to assert itself internationally, not least in the wake of the American withdrawal, these negotiations ought to be the moment to equip GE with a clear sense of direction and a shared way of reaching decisions, one that can anticipate the trade-offs likely to arise. Otherwise, GE risks being reduced to the MFF's adjustment variable.

By proposing both a larger budget and greater flexibility over how funds and decisions are managed, the Commission has pulled off a double win. Financially, it shifts responsibility onto Member States by asking them to

contribute in line with the EU's collective ambitions. Yet these are the very same Member States that have made deep cuts to their official development assistance ([IDDRI, 2025c](#)) and that are pressing for a better return on their contributions to the EU budget. Politically, by calling for more flexibility, the Commission is seeking to keep its own room for manoeuvre over the management of funds and priorities. This is precisely what Member States and Parliament are contesting: they are calling for a fuller discussion of accountability and for tighter control of spending, so as to make the EU's operations beyond its borders more transparent.

A level of ambition that remains to be determined

The major issues at stake in each of these three pillars follow their own distinct logics, shaped by the history of the programmes brought together within each fund, by the actors negotiating them, and by the sectors and geographical areas they cover. In every case, however, governance questions are central, and beneath them lies the question of ambition. The regulations are less detailed and leave considerable room for manoeuvre to Member States in the first pillar and to the Commission in the second and third, which poses a risk to social and environmental ambition ([IDDRI, 2025d](#)). This matters all the more because the three pillars cannot be thought of in isolation. The EU's capacity to deliver its reindustrialization and economic security (pillar 2), for instance, has to rest on regional planning within the EU (pillar 1) and depends on its ability to stay relevant to non-EU countries by building durable, balanced partnerships with them (pillar 3). Legislators still have eighteen months to amend the Commission's proposals and settle on the level of shared ambition they want, along with the measures to deliver it.

1

The multiannual financial framework is adopted unanimously by the Council of the EU. Parliament may approve or reject it but cannot amend it. The other MFF regulations (on the CAP, the Competitiveness Fund, and so on) follow the ordinary legislative procedure, meaning that the Council and Parliament are co-legislators.

2

The Innovation Fund, set up in 2020, is financed by revenue from the EU Emissions Trading System.

3

Under the MFF proposal, InvestEU builds on the existing InvestEU fund managed by the European Investment Bank, which was already in place under the 2021-2027 MFF.

