Council of the European Union

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NOTE

From:	General Secretariat of the Council
To:	Delegations
Subject:	Special meeting of the European Council (26 and 27 November 2026) – Draft conclusions

Delegations will find attached the draft conclusions prepared by the President of the European Council, in close cooperation with the President of the Commission.

I. HORIZONTAL

1. The next Multiannual Financial Framework (MFF) will cover the seven years from 2028 to 2034. The budget will enable the European Union to respond to current and future challenges and to fulfil its political priorities. It covers new and established policies in an effort to ensure the EU's long-term security and prosperity. Europe's needs are many: we must take responsibility for our own security, including through stronger defence capabilities, the protection of our borders and values, and migration management. We must also boost our competitiveness and clean transition efforts. At the same time, established policies stemming from Treaty obligations including economic, social and territorial cohesion and the Common Agricultural Policy (CAP) remain crucial to our communities and citizens. Our commitment to Ukraine is central to our overall ambitions, as is our continued leadership on humanitarian and development assistance.

2. The Multiannual Financial Framework for the period 2028 to 2034 will have the following structure:

   i) Heading 1: Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security

   ii) Heading 2: Competitiveness, prosperity and security

   iii) Heading 3: Global Europe

   iv) Heading 4: Administration.

A simpler and more efficient budget structure is necessary to respond efficiently and effectively at times of geopolitical and economic uncertainty. The grouping of expenditure under four Headings is designed to reflect the European Union's political priorities and provide the necessary flexibility between allocated resources. The reduction in the number of programmes further aims to ensure coherence and promote synergies. The overall framework will reflect the European Union's wider simplification efforts and should lead to a reduction in the administrative burden for beneficiaries, managing authorities and auditing bodies.

3. In order to foster investment and successfully transform Europe's economy, it is critical to streamline and accelerate planning and permitting procedures. In this regard, the European Council invites the Commission to present, in the first half of 2027, the announced legislative proposal to prioritise and accelerate permitting procedures for investments in the areas of decarbonisation, energy, digitalisation, artificial intelligence, defence and housing, including those funded by the European Competitiveness Fund and the National and Regional Partnership Plans.

4. The MFF will offer opportunities for support to all external border regions of the European Union, including regions bordering Russia, Belarus or Ukraine, or located at the Black Sea, with the aim of enhancing Europe's evolving defence readiness and critical capabilities, preparedness, resilience and security as well as addressing challenges in their economies, social and territorial development and connectivity.

5. The maximum total figure for expenditure for the European Union for the period 2028-2034 is EUR 1 582 516 million in commitment appropriations and EUR 1 553 665 million in payment appropriations. The breakdown of the amounts of the annual ceilings on commitment appropriations by Heading is described below. The same figures are also set out in the table contained in ST 16196/26 which equally sets out the annual ceilings of payment appropriations. Unless otherwise specified, all figures are expressed using constant 2025 prices.

6. There will be automatic annual technical adjustments for inflation using a deflator of 2 %. Where the average annual inflation rate over the three-year period comprising years n-1, n and n+1 is below 1 % or above 3 %, the adjustment for year n+1 will be modified by 50 % of the difference between that three-year average inflation rate and the 2 % reference rate.

7. The MFF will be revised in the event of a revision of the Treaties, the reunification of Cyprus, or the accession of new Member States to the European Union.

8. The Commission shall present a proposal for the post-2034 MFF before 1 July 2032.

9. These conclusions are without prejudice to the specific character of the security and defence policy of certain Member States and take into account the security and defence interests of all Member States, in accordance with the Treaties.

Simplification

10. The MFF will follow a simplified and streamlined structure with the aim of reducing rigidity and administrative burden for authorities and beneficiaries. This new structure should mitigate overlapping objectives between programmes and provide simplified access to funding opportunities and budget information for applicants and beneficiaries, while also ensuring coherence and promoting synergies between programmes.

11. The RAL (reste à liquider) is an inevitable by-product of multiannual programming and differentiated appropriations. However, the RAL is expected to reach EUR 317 000 million (current prices) by the end of the financial framework for 2021-2027, leading to payments from the current MFF constituting a significant amount of overall payments in the first years of the next MFF. To ensure a predictable level and profile, as well as an orderly progression of payments and increase in the responsiveness of the EU budget, several measures are taken, such as: simplifying implementation, setting appropriate pre-financing rates, payment and de-commitment rules, and timely adoption of the sectoral legislation for the MFF 2028-2034.

12. In the event of the adoption of rules or plans under shared management after 30 November 2028, the amounts corresponding to allocations not used in 2028, except for commitments for pre-financing, will be transferred in equal proportions to each of the years 2029 to 2032, with a corresponding adjustment to the MFF ceilings.

13. Following the principle of budgetary unity all items of EU expenditure will, as a rule, be included in the MFF. However, given their specificities, some instruments will be placed outside the MFF ceilings in commitment and payment appropriations or will constitute off-budget items.

Flexibility

14. The European Union must have the capacity to respond to exceptional circumstances and changing priorities, whether internal or external. At the same time, the need for flexibility must be weighed against the need for predictability for long-term investments as well as the principles of budgetary discipline and transparency of EU expenditure, whilst also respecting the binding character of the MFF ceilings.

15. In line with the capacity to respond to evolving needs and reprioritising funds, the MFF should facilitate possible redeployments and reprogramming within and across programmes. Any possible deviation from the indicative financial envelope for multiannual programmes shall not be more than 20 % of the amount for the entire duration of the programme. This does not apply to appropriations pre-allocated per Member State.

16. Appropriate margins will be set within each Heading. Within certain programmes, unallocated amounts and cushions will be established. In an ever-evolving environment, resources for response to crises such as natural disasters should also be part of inbuilt flexibility within certain programmes without undermining their primary objectives.

17. The Single Margin Instrument (SMI) will comprise the following.

i) As of 2029, the margins left available below the MFF ceilings for commitment appropriations for the year n-1 are to be made available over and above the MFF ceilings for commitment appropriations in the framework of the budgetary procedure (Global Margin for Commitments).

ii) As of 2029, as part of the technical adjustment, the Commission can adjust the payment ceiling for the years 2029-2034 upwards by an amount equivalent to the difference between the executed payments and the MFF payment ceiling for the year n-1 (Global Margin for Payments). Any upward adjustment shall be fully offset by the corresponding reduction of the payment ceiling for the year n-1. The overall adjustments in the years 2032-2034 shall not exceed EUR 100 000 million as compared to the original payment ceiling.

iii) As a last resort to react to unforeseen circumstances, amounts can be made available over and above the MFF ceilings for commitment or payment appropriations, provided that they are fully offset against the margins in one or more MFF Headings for the current or future financial years or against the margin below the payment ceiling (Contingency Margin). The amounts thus offset shall not be further mobilised in the context of the MFF.

The total amount mobilised under the Global Margin for Commitments and the Contingency Margin in any given year will not exceed 0.04 % of EU GNI in commitments and 0.03 % of EU GNI in payments, and will be consistent with the own resources ceiling.

18. The Flexibility Instrument shall finance specific unforeseen expenditure that could not be financed within the limits of the ceilings available for one or more Headings. Appropriations will be over and above the MFF ceilings for commitment and payment appropriations. The Flexibility Instrument's annual fixed amount will be set at EUR 2 000 million. Each year, as of 2029, the annual fixed amount available for the Flexibility Instrument will be increased by an amount equivalent to decommitments of appropriations made during year n-2. The mobilisation of the Flexibility Instrument will be decided by the European Parliament and the Council in the framework of the annual budgetary procedure.

    The unused portion of the annual amount of the Flexibility Instrument may be used up to year n+2. Any portion of the annual amount from year n which is not used by year n+2 will lapse.

Governance

19. The necessary degree of overall flexibility should be underpinned by robust governance and appropriate involvement of Member States and relevant institutions, in particular the Council, in the planning and adjustment of activities and priorities as well as in the implementation of the budget. This shall ensure that the EU budget is closely aligned with the European Union's priorities across spending programmes.

20. Member States shall be closely involved, in a timely manner, in setting priorities and deciding on work programmes within spending programmes in the appropriate fora, including where relevant, through appropriate comitology procedures, in particular through their involvement in the examination procedure, while avoiding unnecessary administrative burden. The Council will be involved, as appropriate, through strategic discussions. Each institution will act within the limits of the powers conferred on it in the Treaties. Delegated acts shall be limited to non-essential elements of the respective legislative acts.

21. The duration of the MFF sectoral programmes should, as a rule, be aligned with the timeframe of the MFF 2028-2034.

Impact and performance

22. The role of the EU budget in supporting the effective implementation of EU-wide policy objectives should be further enhanced. A horizontal expenditure tracking and performance framework for the EU budget shall be established to reflect the results and reform progress achieved by EU spending and to measure the effect of the EU budget to inform future policy decisions. A horizontal performance framework should also contribute to limiting the administrative burden associated with the implementation of the EU budget for authorities and beneficiaries.

23. The budget should provide substantial leverage to increase the impact of EU spending. This includes a sufficient degree of co-financing across programmes. In addition, in line with the overall effort of consolidation, financial instruments and budgetary guarantees should be streamlined further, notably through the financial toolbox of the European Competitiveness Fund and through Global Europe leveraging the budget to mobilise private investments. While recognising the opportunities presented by this type of funding, financial liabilities arising from financial instruments, budgetary guarantees and financial assistance need to be closely monitored.

24. EU programmes and instruments should contribute in a just, socially-balanced, fair and cost-effective manner, to reaching the long-term commitments of the Paris Agreement and to promoting environmental and biodiversity protection. As part of the efforts to deliver results on these priorities, at least 35 % of the EU budget expenditure, excluding defence and security-related spending, should support climate and environmental objectives. This should be underpinned by an efficient, proportional and transparent methodology. The budget should further ensure that EU expenditure is consistent with Paris Agreement objectives, the ‘do no significant harm’ principle, the European Union’s climate target of reducing emissions by at least 55 % by 2030, and the objective of reaching climate neutrality at the latest by 2050, while limiting administrative burdens for authorities and beneficiaries.

25. The ‘do no significant’ harm principle will be applied transparently and proportionally, where feasible and appropriate, in full consistency with the Regulation on the Performance Framework. A guidance on the principle’s streamlined application should be adopted by means of an implementing act under the examination procedure, following close consultation with the Member States. The guidance should identify policy areas or intervention fields that are deemed compliant with no further assessment. For this guidance, it should be considered that support subject to the farm stewardship conditions is compliant with the ‘do no significant harm’ principle. Moreover, this guidance will identify cases where the application of the ‘do no significant harm’ principle may not be feasible or appropriate, such as crisis situations, geostrategic imperatives or other reasons of overriding public interest. In this respect, it is not feasible or appropriate to apply this principle in relation to migration and border management as well as defence and security, including military mobility.

26. In order to protect the sound implementation of the EU budget and the financial interests of the Union, the MFF shall include strong safeguards to ensure respect of the rule of law and the effective application of the Charter of Fundamental Rights, in full respect of the principles of objectivity, non-discrimination and equal treatment of Member States, and which safeguards will be applied fairly, impartially and in a fact-based manner, ensuring due process.

27. A solid and efficient audit and control system will ensure the legality and reliability of payments, avoiding duplication of responsibilities, and will take into account the principle of proportionality.

II. HEADING 1 – ECONOMIC, SOCIAL AND TERRITORIAL COHESION, AGRICULTURE, RURAL AND MARITIME PROSPERITY AND SECURITY

28. The objective of this Heading is to deliver EU added value by fostering cohesion, upwards convergence, economic growth, competitiveness, quality employment, resilience and security by supporting investments and reforms for an inclusive, sustainable, prosperous, autonomous and secure Europe. Expenditure under this Heading will aim to reduce economic, social and territorial disparities, foster the attractiveness and development of rural areas and support resilient, competitive and sustainable EU agricultural and fisheries sectors, as well as boost the blue economy, invest in people, reinforce the European Union's defence capabilities, bolster security and migration management and protect the European Union's external borders, while ensuring the good functioning of the Single Market across the European Union. This Heading will also cover the repayment of NextGenerationEU (NGEU).

29. Farming and fisheries are strategic sectors for the European Union, ensuring safe, high-quality food for the European Union and playing a key role in global food security. Stabilising farmers' incomes, attracting a future generation of farmers, guaranteeing food security within the European Union and supporting the transition towards an economically, environmentally and socially resilient, sustainable and market-oriented agricultural sector with a level playing field remain fundamental priorities for the Common Agricultural Policy financed by the EU budget. In the same spirit, the EU budget will continue to finance a resilient Common Fisheries Policy (CFP).

30. Promoting the overall harmonious development of the European Union and reducing disparities by supporting a strengthening of its economic, social and territorial cohesion remain the cornerstone of cohesion policy. The EU budget will continue to provide financing for investments and structural adjustments in all categories of regions, according to their specific challenges, with particular attention paid to less developed regions. Regions bordering Russia or Belarus, which are affected by persistent security threats, face specific challenges.

31. Coordinated action at EU level in relation to effective control of external borders is essential to ensure more efficient migration management and a high level of internal security in the European Union while safeguarding the principle of free movement of persons and goods within the European Union. The EU budget will continue to support the strengthening of internal security, including against security crises and hybrid threats caused by evolving geopolitical challenges, and the implementation, strengthening and development of the common migration and asylum policy and of European integrated border management and European visa policy. Synergies with external policy will be ensured to address the external dimension of migration.

32. The level of commitments for this Heading will not exceed EUR 898 288 million.

HEADING 1 - ECONOMIC, SOCIAL AND TERRITORIAL COHESION, AGRICULTURE, RURAL AND MARITIME PROSPERITY AND SECURITY (million euro, 2025 prices)						
2028	2029	2030	2031	2032	2033	2034
X	X	X	X	X	X	X

European Fund for Economic, Social and Territorial Cohesion, Agriculture and Rural, Fisheries and Maritime, Prosperity and Security

33. The European Fund for Economic, Social and Territorial Cohesion, Agriculture and Rural, Fisheries and Maritime, Prosperity and Security will be established to contribute to the following policy objectives:

    – to support the implementation of cohesion policy by reducing regional imbalances in the European Union and the backwardness of the least favoured regions, and by promoting European territorial cooperation, including by supporting projects in the fields of environment and trans-European networks;

    – to support the implementation of cohesion policy by enhancing quality employment, training, education and skills and social inclusion and by contributing to a socially fair transition towards climate neutrality;

    – to support the implementation of the Common Agricultural Policy of the European Union;

    – to support the implementation of the Common Fisheries Policy of the European Union;

    – to protect and strengthen fundamental rights, democracy and the rule of law and to uphold Union values;

    – to support the implementation of policies relating to asylum, migration and integration, as well as border management and visa policy, and internal security.

34. The Fund will mainly be delivered through nationally pre-allocated financial envelopes and implemented under shared management.

35. The financial envelope under the European Fund for Economic, Social and Territorial Cohesion, Agriculture and Rural, Fisheries and Maritime, Prosperity and Security will amount to a total of EUR 740 612 million and will be allocated as follows:

    i) EUR 697 544 million to the National and Regional Partnership Plans, of which:

        a) at least EUR 195 024 million for less developed regions;

        b) at least EUR 261 012 million for Common Agricultural Policy income support ('minimum amount for CAP income support interventions');

        c) at least EUR 3 550 million for Common Fisheries Policy interventions ('minimum amount for CFP interventions');

        d) at least EUR 30 608 million for migration, border and visa management and internal security measures;

    ii) EUR 7 970 million to the Interreg Plan;

    iii) EUR 35 098 million to the EU Facility.

    Up to 0.5 % of the global amount will be allocated to technical assistance at the initiative of the Commission.

36. At least 14 % of the global amount under the Fund, including the National and Regional Partnership Plans, excluding the minimum amounts for CAP income support interventions and for CFP interventions and financing under the Social Climate Fund, will be dedicated to meeting the European Union's social objectives.

37. At least 10 % of the global amount under the National and Regional Partnership Plans, excluding the minimum amounts for CAP and CFP interventions and financing under the Social Climate Fund, will be dedicated to CAP interventions.

38. Furthermore, the National and Regional Partnership Plans are expected to contribute 43 % of the global amount, excluding spending on defence and security as well as on migration, border and visa management and internal security, for meeting the European Union's climate and environmental objectives.

National and Regional Partnership Plans

39. Member States will prepare National and Regional Partnership Plans to support the general objectives and, taking into account the specific challenges and needs of the Member State concerned and its regions, to contribute to the six specific objectives and to the relevant specific objectives under each subparagraph of the Fund. The Plans will set out reforms, investments and other interventions that contribute to addressing all or a significant subset of the relevant country-specific recommendations under the European Semester within the scope of the specific objectives of the Fund, the Rule of Law Report, the CAP national recommendations, the Digital Decade recommendations, National Energy and Climate Plans and relevant documents and strategies in the area of home affairs. The assessment of the Plans will also take into account the financial allocation as well as the scope and scale of the country specific challenges of the Member State concerned, the principles of proportionality and equal treatment and whether the relevant country-specific recommendations are addressed in other national plans or documents adopted at EU level.

40. The National and Regional Partnership Plans will be prepared and implemented in accordance with the principles of partnership and multi-level governance including national, regional and local authorities, and in accordance with Member States' institutional, legal and financial frameworks. To this end, the design of the Plans must reflect the collaboration with regional and other public authorities and safeguard the role of the regions.

41. The National and Regional Partnership Plans will be divided into chapters. Member States may include national and sectoral as well as regional and territorial chapters or a combination of these, ensuring multi-stakeholder involvement. A Member State may include multiple regional and territorial chapters. The National and Regional Partnership Plans may include chapters on the CAP to contribute to the specific identity of the CAP.

42. In their programming, Member States will ensure appropriate investment for cohesion policy measures in all categories of regions, taking into account current investment levels. If the allocation to transition regions and more developed regions is lower than 75 % of the current investment level, Member States will provide a justification based on objective criteria.

43. The Plans will be assessed by the Commission within four months of submission and then approved by the Council. Amendments to the Plans, other than minor amendments or corrections, will be assessed by the Commission within two months of submission of the amended Plan and then approved by the Council.

44. Member States may set up managing authorities at regional level in accordance with their institutional and legal frameworks, ensuring the direct involvement of regional authorities in the management and implementation of the Plans. Regional managing authorities may negotiate and interact directly with the Commission. Where a Member State identifies more than one managing authority, it will appoint one or more authorities assuming the coordinating function to ensure a coherent implementation of the plan. The tasks of the coordinating function may be entrusted to one or more authorities, while ensuring that each task is entrusted to only one authority. To the extent possible, to ensure continuity and cost-effectiveness, Member States should build upon existing governance structures and institutions.

45. The disbursement of payments will be based on the fulfilment of the relevant milestones and targets or relevant outputs. Auditing will be conducted applying the single audit principle.

46. A flexibility amount corresponding to 25 % of the amount allocated to Member States under the National and Regional Partnership Plans will be made available for programming as follows:

    i) 5 % to address urgent and specific needs in response to a crisis situation before the mid-term review. Any remaining amount will be programmed during the mid-term review for evolving needs;

    ii) 15 % following the mid-term review to cater for evolving needs;

    iii) 5 % to address urgent and specific needs in response to a crisis situation after the mid-term review as of 2031. Any remaining amount will be available for programming under the plan after June 2033.

    The flexibility amount will not take into account the financial contribution to the Interreg Plan and the minimum amount for CAP income support interventions.

47. Member States may use up to two thirds of the amount available for the mid-term review to finance CAP interventions or measures for rural areas as of 1 January 2028.

48. In the event of a crisis, Member States may request to amend their National and Regional Partnership Plans to respond to the crisis. In their request for amendment, Member States should identify reprogramming needs, where possible, under their National and Regional Partnership Plans with a view to addressing the impact of the crisis on existing measures.

For natural disasters and health crises above the thresholds for EU Solidarity action, Member States may also request support from EU Solidarity action under the EU Facility, subject to the availability of funding. Any amount received from the EU Facility should at least be matched by an equivalent amount from the Plan's flexibility amount for crises, subject to the availability of funding.

For natural disasters and health crises below the thresholds for EU Solidarity action, and for all other crises, including crisis payments to farmers and crises in the area of home affairs, Member States may programme their flexibility amount to address the impacts of the crisis. For the stabilisation of agricultural markets, financial support will be provided from the Unity Safety Net action of the EU Facility. For crises in the area of home affairs, Member States may also receive financial support from the home affairs action of the EU Facility.

Member States will submit only one request for amendment of the Plan, summarising funding needs from all sources, and the Commission will adopt one financing decision related to this request for amendment.

49. In the event of the late adoption of the Fund and the associated framework, appropriate measures should be taken to ensure income support to farmers from and including the year 2028.

Social and affordable housing

50. Member States will in particular focus their efforts on measures promoting social and affordable housing to prevent and reduce housing exclusion, especially in areas under housing stress, including through contributions to the European Competitiveness Fund (ECF) InvestEU Instrument or national promotional banks and institutions to scale up national investments. To effectively prevent and reduce housing exclusion, in particular in those areas affected by housing stress**,** a share of the resources under Union actions of the EU Facility will be used to provide a guarantee under the new ECF InvestEU Instrument for investments in social and affordable housing, complementing interventions under the National and Regional Partnership Plans.

Social Climate Fund

51. Social Climate Plans under the Social Climate Fund may be integrated as separate chapters of the National and Regional Partnership Plans as of 2028. Member States may transfer amounts from their 2026 and 2027 allocations under the Social Climate Fund to their National and Regional Partnership Plan.

Catalyst Europe

52. An amount of EUR 134 000 million in loan support will be available to Member States to be implemented as part of their National and Regional Partnership Plans. The request for loan support will be linked to additional reforms, investments and other interventions. Member States will indicate by31 January 2028 their preliminary intention to request loan support.

53. Loan support will be distributed based on the principles of equal treatment, solidarity, proportionality and transparency. The share of loan support for the three biggest recipients will not be higher than 60 % of the total amount available for support.

EU Facility

54. An EU Facility will be established to increase flexibility and enable the EU budget to more effectively address unforeseen crises, as well as finance interventions complementing and reinforcing the National and Regional Partnership Plans. The EU Facility, implemented under shared, direct or indirect management, will consist of:

    i) EUR 32 438 million for Union actions, including for a Unity Safety Net to respond to market disturbances, stabilise agricultural markets and mitigate the impact on farmers and fishers caused by natural disasters, for actions related to migration, border management and internal security, for environmental, nature and climate actions, for Solidarity Actions in case of natural disasters and for other Union actions. At least EUR 8 032 million will be dedicated to Solidarity Actions, EUR 3 920 million to the Unity Safety Net, and EUR 10 094 million to the home affairs actions.

    ii) EUR 2 660 million for emerging challenges and priorities and crisis cushion.

55. Unused funding related to the Unity Safety Net and Solidarity Actions in case of natural disasters will be carried over to the following year and may be used until 2034.

Budgetary commitments

56. The budgetary commitments (in current prices) of each National and Regional Partnership Plan will be made in annual instalments as follows:

    i) 15.8 % in 2028

    ii) 15.5 % in 2029

    iii) 15.1 % in 2030

    iv) 14.8 % in 2031

    v) 14.4 % in 2032

    vi) 12.8 % in 2033

    vii) 11.6 % in 2034.

Categories of regions

57. For the National and Regional Partnership Plans, regions at NUTS level 2 are classified based on each region's Purchasing Power Standards (PPS), calculated using EU data for the period 2021-2023, as follows:

    i) less developed regions, whose GDP per capita is less than 75 % of the average GDP per capita of the European Union;

    ii) transition regions, whose GDP per capita is between 75 % and 100 % of the average GDP per capita of the European Union;

    iii) more developed regions, whose GDP per capita is above 100 % of the average GDP per capita of the European Union.

Support under the Common Agricultural Policy

58. The EU budget will continue to provide income support to farmers and support sustainable farming and food production, as part of the Common Agricultural Policy, delivering on the objectives set out in the Treaties, including by providing a fair standard of living for the agricultural community.

59. In order to maintain the prominent status of the Common Agricultural Policy for the European agricultural sector, the CAP Regulation will lay out certain provisions specific to the Common Agricultural Policy. The CAP Regulation will ensure a strong and integrated Common Agricultural Policy under the National and Regional Partnership Plans.

60. The planned average aid per hectare for area-based income support from Common Agricultural Policy interventions will not be, in current prices, less than EUR 90 and not more than EUR 240 for each Member State. Member States with an average size of farms below three hectares may provide an average aid per hectare above EUR 240.

61. A degressive scale for total annual area-based income support may be introduced in accordance with the following:

    i) for the part of area-based income support between EUR 100 000 and 125 000, the annual amount will be reduced by 15 %;

    ii) for the part of area-based income support between EUR 125 000 and 150 000, the annual amount will be reduced by 25 %;

    iii) for the part of area-based income support above EUR 150 000, the annual amount will be reduced by 50 %.

    Member States may introduce additional points on a degressive scale below EUR 100 000.

62. Capping of total annual area-based income support for large beneficiaries will be introduced at the level of EUR 300 000.

63. Before applying capping and degressivity, Member States may exclude higher area-based income support for young farmers (‘young farmer top-up’).

64. The amount resulting from degressivity and capping in a Member State will remain part of the amount available for that Member State’s minimum amount for CAP income support interventions, excluding support for sectoral interventions, for which the 100 % Union co-financing rate may continue to apply.

Horizontal conditions

65. Horizontal conditions will be introduced to ensure respect of the rule of law and compliance with the Charter of Fundamental Rights, in full respect of the principles of objectivity, non-discrimination and equal treatment of Member States. Member States will put in place and maintain effective mechanisms to ensure the compliance of the measures supported by their Plans with the relevant provisions of the Charter of Fundamental Rights of the European Union and the respect of the principles of the rule of law throughout the implementation of the Fund. The Council will be involved as appropriate in the implementation of horizontal conditions.

Allocation methodology for the National and Regional Partnership Plans

66. The financial allocation for Member States under the National and Regional Partnership Plans will be determined using a general key and a home affairs key, to which the contribution from the Social Climate Fund allocation for the relevant period will be added if Member States integrate their Social Climate Plan into their National and Regional Partnership Plan. Member States may, at the time of submission of their initial plan, or with any request for amendment, request on a voluntary basis to reallocate up to 10 % of the amount stemming from the home affairs key to measures under the general allocation key, excluding measures covered by the minimum amounts for CAP income support and CFP interventions. This request will be accompanied by a justification based on objective criteria.

General allocation key

67. The general key will be determined for each Member State as follows.

i) The average of the Member State's share of the total EU population (2024) and the Member State's share of the total EU population at risk of poverty or social exclusion in rural areas (2024).

ii) The average will be multiplied by the squared value of the inverse relative GNI per capita in each Member State compared to the EU average, measured in PPS (2023), after incorporating the following adjustments.

a) A Regional Prosperity Gap is calculated for all NUTS level 3 regions which have a GDP per capita, measured in PPS (2021-2023), below 75 % of the EU average. The difference between the region's relative GDP per capita and the 75 % EU average will be multiplied by the region's population (2022) and divided by the total population of the Member State (2022).

b) An Agricultural Prosperity Gap is calculated by taking into account the gap between direct payments, at the 2027 level, per potentially eligible hectare (2022) and the 90 % of the EU average for each Member State. This will be multiplied by the potentially eligible hectares in the Member State (2022) and expressed in relation to the direct payments, at the 2027 level, for the Member State.

The general key as determined above will be normalised to 100 %. A cap and safety net normalised to 100 % will be applied iteratively until no Member State's allocation share is lower than 80 % or higher than 105 % of its 2021-2027 allocation share of relevant pre-allocated funds under shared management.

Additional allocation provisions

68. An additional amount of EUR 5 203 million will be made available to Member States benefiting from the Cohesion Fund in the 2021-2027 MFF, to be distributed in accordance with their absolute distance between the 2028-2034 allocations as calculated under the general key and 94 % of their 2021-2027 allocations, with a cap at EUR 1 500 million per Member State. This additional amount will be dedicated to financing measures outside those covered by the minimum amounts for CAP income support and CFP interventions.

69. A further additional amount of EUR 1 771 million will be made available to Member States for Common Fisheries Policy interventions.

70. Funding will continue to be provided for the outermost regions identified in Article 349 TFEU and for the northern sparsely populated areas fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession. To this end, an additional special allocation corresponding to an aid intensity of EUR 40 per inhabitant per year will be allocated to the Member States where the outermost NUTS level 2 regions and the northern sparsely populated NUTS level 2 regions are located. That allocation will be distributed to Member States in a manner proportional to the total population of those regions.

Home affairs key

71. The home affairs key will be determined as follows:

i) 45 % for border management, with 90 % of the Member State's share of total EU sea borders and EU external land borders with neighbouring countries in continental Europe other than EU countries, Schengen countries and EFTA countries, and 10 % of the Member State's share of the EU total uniform visas applied for short stays (2024). Member States with a direct external border with Russia or Belarus will have a factor of 1.25 for those specific borders under the external borders.

ii) 35 % for migration, integration and asylum, based on the average of:

– the Member State's share of the total asylum applicants in the European Union (2022-2024);

– the Member State's share of the total number of first instance positive decisions on asylum applications in the European Union (2022-2024);

– the Member State's share of the total number of beneficiaries of temporary protection in the European Union from non-EU countries (2022-2024); and

– the Member State's share of the total number of third country nationals returned following an order to leave (2022-2024).

iii) 20 % for internal security, with normalising 40 % of the Member State's share of the EU population (2024), 45 % of the Member State's inverted GNI per capita measured in PPS (2023) compared to the EU average, and 15 % of the Member State's share of the EU's surface area.

72. An amount of up to EUR 400 million for the Special Transit Scheme will be allocated under Lithuania's Plan for integrated border management and for the common policy on visas.

Minimum amount for less developed regions within the National and Regional Partnership Plans

73. Member States will allocate a minimum amount to less developed regions, which will be determined by multiplying the population living in less developed regions (2021-2023) as a share of the Member State's total population (2021-2023) by the pre-allocated envelope for the National and Regional Partnership Plans, excluding the minimum amounts for CAP income support and CFP interventions.

    A factor of 1.16 will be applied if a Member State's GNI per capita, measured in PPS (2021-2023), is below 75 % of the EU average.

    A cap and safety net for less developed regions will be applied for all Member States, with the amount allocated to less developed regions not lower than 90 % or higher than 112.5 % of the 2021-2027 latest adopted allocations (June 2025) for less developed regions.

Minimum amounts for CAP income support interventions and CFP interventions in the Plans

74. The minimum amount for CAP income support interventions per Member State will be based on the allocations for the Common Agricultural Policy in 2027. The minimum amounts for the CFP interventions will be based on the allocations under the European Maritime, Fisheries and Aquaculture Fund for the period 2021-2027.

Allocation methodology for Interreg

75. For Interreg, the allocation to Member States will be determined as follows:

    i) 45.8 % based on the total population of all NUTS level 3 border regions and of other NUTS level 3 regions of which at least half of the regional population lives within 25 kilometres of the borders (2021);

    ii) 30.5 % based on the population living within 25 kilometres of the borders (2021);

    iii) 20 % based on the total population (2022-2024);

    iv) 3.7 % based on the population of outermost regions (2022-2024).

76. The share of cross-border cooperation corresponds to the sum of the weighting of criteria (i) and (ii). The share of the transnational cooperation corresponds to the weighting of criterion (iii). The share of the outermost regions' cooperation corresponds to the weighting of criterion (iv).

Pre-financing and co-financing

77. The Commission will pay pre-financing based on the support allocated to the National and Regional Partnership Plans. The pre-financing will be paid as follows.

i) 2028: 4 %. If implementing decisions are not adopted by the Council by 30 November 2028, this pre-financing will be added to the amount for 2029 and 2030.

ii) 2029: 3 %.

iii) 2030: 3 %.

For outermost regions and Interreg, the pre-financing will be paid as follows:

i) 2028: 4 %,

ii) 2029: 4 %,

iii) 2030: 4 %,

or in full in the year of approval of the Interreg Plan chapter.

78. The Union co-financing rate for the National and Regional Partnership Plans will not be higher than:

i) 85 % for less developed regions, and outermost regions,

ii) 60 % for transition regions,

iii) 40 % for more developed regions.

Where it is not possible to determine the proportion of implementation in a given category of region, the Union co-financing rate will be calculated by using the population-weighted average of the applicable contribution rates of the region.

Member States composed of a single region which has changed category compared to the 2021-2027 MFF from transition region to more developed region may choose to apply a Union co-financing rate of 60 %.

79. The Union co-financing rate for Interreg will not be higher than 80 %. For outermost regions and cross-border cooperation at external borders, the co-financing rate will not be higher than 85 %.

80. For interventions related to the Common Agricultural Policy, the Union co-financing rate will not be higher than the following.

i) 100 % for the following measures: degressive area-based income support, coupled income support, crop-specific payment for cotton and support for small farmers. These interventions can only be financed from the minimum amount for CAP income support interventions or the amount which is up to two thirds of the amount available for the mid-term review when used to finance CAP interventions.

ii) 100 % for specific supply arrangements and measures to assist local agricultural products in outermost regions, to be financed by the Member State concerned from its financial allocation resulting from the general key.

iii) 85 % for other interventions in outermost regions.

iv) 70 % for other measures for agriculture financed within the minimum amount for CAP income support interventions.

v) 70 % for EU school scheme interventions.

vi) 70 % for sectors under the Common Organisation of the Markets.

For CAP interventions related to LEADER, support for knowledge sharing, territorial and local cooperation, crisis payments for farmers and interventions in smaller Aegean islands, as well as financing from outside the minimum amount for CAP income support interventions, Member States may apply CAP co-financing rates or standard Union co-financing rates.

81. For Common Agricultural Policy interventions, the maximum support rate will be:

i) 75 % for investments for farmers and forest holders, except for investments targeting young farmers where it will be 85 % and for non-productive green investments where it will be 100 %;

ii) 75 % for sectoral interventions, with the possibility for Member States to increase it to:

– up to 95 % for interventions linked to generational renewal, research and innovation, risk management or environment and climate, and for producer organisations implementing operational programmes for the first time;

– 100 % for interventions to compensate producers for loss of revenue or for interventions concerning market withdrawals for free distribution which do not exceed 5 % of the volume of the production marketed by a producer organisation;

iii) 70 % for risk management tools.

82. For Common Fisheries Policy interventions, the maximum support rate will be up to 100 % with possible differentiated rates for specific categories of intervention.

83. For interventions under the Common Fisheries Policy, the Union co-financing for the compensation for additional costs in the outermost regions will be 100 %.

84. For interventions in the area of home affairs related to resettlement and humanitarian admission, transfer of applicants for international protection, operating costs to be covered by ETIAS revenue and costs relating to the special transit scheme, as well as financial contributions from the Annual Solidarity Pool, the Union co-financing will be 100 %. For other interventions in the area of home affairs, the baseline for Union co-financing will not be higher than 75 %.

Decommitment rules

85. With the exception of some Common Agricultural Policy interventions, the Commission will automatically decommit any portion of a budget commitment for a National and Regional Partnership Plan and the Interreg Plan chapter that has not been used for pre-financing or for which a payment application has not been submitted by 31 December of the second year following that of the budget commitment.

86. Any decommitments as a result of non-fulfilment of the Charter and Rule of Law horizontal conditions for one year may be made available again by the budgetary authority for use under other EU instruments or programmes implemented in direct or indirect management, in particular those supporting Europe's democracy, civil society, Union values or the fight against corruption.

Support to the Turkish Cypriot community

87. This Heading will also finance support to the Turkish Cypriot community. The indicative financial envelope allocated to the programme will be EUR 389 million.

Support for the PEACE PLUS programme

88. A total of EUR 150 million will be allocated to the PEACE PLUS programme in support of peace and reconciliation and the continuation of North-South cross-border cooperation.

Repayment of NextGenerationEU

89. The repayment of funds borrowed on the capital markets to address the consequences of the COVID-19 crisis (NGEU), comprising the payment of principal, interest payments as well as associated costs, will be financed under this Heading. The repayment will start in 2028 to ensure a steady and predictable reduction in liabilities until 31 December 2058. The total amount for 2028-2034 will be EUR 140 411 million used exclusively to cover repayments, interest payments and associated costs. Cost overruns or savings on interest payments and associated costs will reduce or increase the amount for payment of principal, respectively, ensuring a fixed annual amount for NGEU financing.

European Border and Coast Guard Agency

90. In order to support the shared responsibility of securing the external borders while safeguarding the free movement of persons within the European Union, the actions under home affairs will be complemented by the actions carried out by a reinforced European Border and Coast Guard Agency (Frontex) with an allocation of EUR 6 991 million.

III. HEADING 2 – COMPETITIVENESS, PROSPERITY AND SECURITY

91. Competitiveness, prosperity and security correspond to EU priorities and actions which provide significant added value for all Member States across the European Union. The initiatives under this Heading should contribute to bolstering European competitiveness in technologies, including dual-use, and strategic sectors to supporting collaborative research, to scaling up innovation, industrial and infrastructure deployment and manufacturing, in support of projects and companies, including small and medium-sized enterprises (SMEs), as well as to crowding in private, institutional and national investments. Furthermore, this Heading will contribute to civil protection and health emergency preparedness and response, to supporting and funding skills, education, solidarity, culture, media, democracy and European values, as well as to supporting the functioning of the Single Market.

92. The level of commitments for this Heading will not exceed EUR 437 683 million:

HEADING 2 – COMPETITIVENESS, PROSPERITY AND SECURITY (million euros, 2025 prices)						
2028	2029	2030	2031	2032	2033	2034
X	X	X	X	X	X	X

European Competitiveness Fund

93. A European Competitiveness Fund will be established to bolster European competitiveness, notably in strategic sectors and technologies along the investment journey, based on open, competitive and fair award procedures. With a commitment to excellence at its centre, the ECF will ensure equal opportunities to access funding, enhance business development, and strengthen collaboration and capacity building to unlock the innovation potential across the European Union. Particular attention will be paid to SMEs and small midcaps across Member States.

94. In the current geopolitical context, particular attention will be given within the ECF to strategic initiatives and projects of European added value, such as GOVSATCOM, IRIS^2, Galileo, Copernicus and Earth Observation Governmental Services, as well as to further investments in artificial intelligence, quantum and other critical and emerging technologies. This should contribute to strengthening the European Union's technological leadership, industrial capacity and strategic autonomy, while supporting the development and deployment of cutting-edge technologies and innovation, so that the European Union remains competitive and resilient.

95. The indicative financial envelope for the implementation of the ECF for the period 2028-2034 will be EUR 160 963 million. The financial envelope will indicatively be allocated as follows:

i) EUR 7 567 million to general objectives

ii) EUR 20 184 million to the clean transition and industrial decarbonisation

iii) EUR 15 703 million to health, biotechnology, agriculture and bioeconomy

iv) EUR 39 654 million to digital leadership

v) EUR 77 855 million to resilience and security, defence industry and space.

96. Together, the ECF, Horizon Europe and the Innovation Fund, which represent a package of over EUR 380 000 million in current prices, will provide coherent support to the European Union's competitiveness throughout the investment journey. The ECF may support Important Projects of Common European Interest (IPCEIs), conditional on national co-funding, and follow-on projects based on results from IPCEIs, conditional on significant private investments.

97. An ECF InvestEU Instrument will serve as a horizontal delivery tool for EU internal policies to address market failures or suboptimal investment situations through budgetary guarantees and financial instruments. The ECF InvestEU Instrument will be implemented by partners in an open architecture, drawing on the expertise of all implementing partners, including National Promotional Banks, while acknowledging the special role of the European Investment Bank Group (EIB Group), where at least 50 % of the minimum EU guarantee under the EU compartment will be granted to the EIB Group and at least 25 % will be granted to other implementing partners. The ECF InvestEU Instrument may provide support under other EU programmes in accordance with the objectives set out in those programmes. The maximum amount of the budgetary guarantee under the EU compartment of the ECF InvestEU Instrument will be EUR 75 000 million (in current prices).

98. The minimum amount of EU support from the ECF delivered through the ECF InvestEU Instrument will be EUR 14 790 million (in current prices). The contributions from the policy windows that will be used to increase the minimum amount of EU support from the ECF delivered through the ECF InvestEU Instrument will be at least 5 % of their combined allocations.

99. From 1 January 2028, revenues, repayments and recoveries from financial instruments funded by the ECF and the ECF InvestEU's predecessors, and surpluses from budgetary guarantees established in internal policies until the end of 2027, will be used to provide EU support under the ECF InvestEU Instrument.

100. It is essential that European funding contributes to the uptake of strategic technologies developed in the European Union. In this regard, the award procedures may set out eligibility conditions to ensure the competitiveness of the European Union, including the protection of the economic interests and autonomy of the European Union, where necessary and appropriate through preferential conditions such as restrictions or incentives for EU entities, while limiting distortion of the Single Market.

The ECF support for defence industry policy will be open to the participation of members of the European Free Trade Association which are members of the European Economic Area, Ukraine, the UK and Canada. In addition, third countries with which the European Union enters into a Security and Defence Partnership covering the participation in the ECF support for defence industry policy may also participate under specific conditions, including a fair balance between contributions and benefits, and provided such countries do not contravene the security and defence interests of the European Union and its Member States, set out in a separate agreement in accordance with the procedures under Article 218 TFEU.

101. The ECF will in exceptional and duly justified cases include the possibility of accelerated support for projects of imperative public interest or critical time sensitivity, which could not otherwise be effectively implemented under the normal rules, and which will benefit from certain additions, exceptions, and derogations from applicable law during the award procedure or during the implementation of the supported activities.

102. The ECF will support a strong European Defence Technological and Industrial Base to ensure the European Union's ability to respond to emerging security challenges, including by supporting the Ukrainian defence technological and industrial base.

Horizon Europe

103. Horizon Europe shall be tightly connected to the ECF by placing research and innovation at the heart of the European Union's economy and investment strategy. Support for research, development and innovation across all pillars of Horizon Europe will be based on excellence. At the same time, the participation gap and the innovation divide must continue to be addressed. To this end, Horizon Europe, guided by the principle of excellence, will enhance research and innovation capacity in widening and transition countries through pillar IV (European Research Area).

104. From 2030 onwards, capacity-building measures will be restricted to those widening and transition countries that have increased their nominal expenditure of public investment in research and development which includes public investment in research and development in the area of security and defence in the latest known year compared to the year prior to it.

105. Transition countries will also have access to capacity-building measures in pillar IV, with differentiated modalities compared to widening countries, such as lower EU funding rates.

106. The indicative financial envelope for Horizon Europe for the period 2028-2034 will be EUR 140 000 million, of which:

    i) EUR 35 263 million for Excellent Science;

    ii) EUR 60 700 million for Competitiveness and Society;

    iii) EUR 31 028 million for Innovation;

    iv) EUR 13 009 million for the European Research Area, of which 4 310 million for widening participation.

Connecting Europe Facility

107. The Connecting Europe Facility aims to accelerate investment in the field of trans-European networks for transport and energy, including for military mobility, by leveraging funding from both the public and the private sectors and facilitating cross-border cooperation in the field of energy, particularly renewables. Investments in military mobility will focus on the four EU priority military mobility corridors, including along the EU military mobility corridors of critical importance in eastern external borders regions and in the Black Sea region.

108. The indicative financial envelope for the implementation of the Connecting Europe Facility for the period 2028-2034 will be EUR 61 859 million, of which:

    i) EUR 40 610 million for transport and military mobility, of which EUR 13 961 million for military mobility;

    ii) EUR 21 249 million for energy.

109. The maximum Union co-financing should be as follows:

    i) 50 % for studies needed to prepare project implementation;

    ii) 50 % for works related to the transport sector, which will be increased to 75 % for Member States with a GNI per capita of less than 90 % of the EU average;

    iii) 50 % for works relating to the energy sector;

    iv) 75 % for actions in the energy sector contributing to the development of projects of common interest including those projects with a view to ending energy isolation and eliminating interconnection bottlenecks, to promoting energy efficiency and the protection and resilience of energy infrastructure, and to ensuring security of supply, including through storage;

    v) 60 % for works in the transport and energy sectors undertaken in outermost regions.

Civil protection and health emergency preparedness and response

110. The new Union Civil Protection Mechanism and Union support for health emergency preparedness and response will provide support for preventing, preparing for and responding to all kinds of natural and human-induced disasters, including cross-border threats to health, that may occur inside or outside the European Union. The indicative financial envelope allocated to the programme will be EUR 6 148 million.

Education, culture, democracy and European values

111. Erasmus+ will support high-quality education and training and will provide learning and mobility opportunities for young people, apprentices, students and teachers. Erasmus+ will also support the participation of young people in solidarity activities and cooperation in the field of sport. The indicative financial envelope allocated to the programme will be EUR 34 713 million, with indicative allocations respectively for education and training, for youth and for sport.

112. AgoraEU will bring together support for democracy, culture, media and civil society. The indicative financial envelope allocated to the programme will be EUR 5 324 million, with indicative allocations respectively for culture, for media, and for democracy, citizens, equality, rights, and values.

Euratom research and nuclear safety

113. This Heading will continue to support the Research and Training Programme of the European Atomic Energy Community with an indicative financial envelope of EUR 7 786 million, of which EUR 4 941 million will contribute to the ITER project.

114. The Instrument for Nuclear Safety Cooperation and Decommissioning will have an indicative financial envelope of EUR 818 million. Support for the decommissioning of the Ignalina nuclear power plant in Lithuania will continue with an indicative financial envelope of EUR 604 million and with a maximum Union co-financing rate of 86 %.

Other programmes

115. This Heading will also provide funding for the Justice programme with an indicative financial envelope of EUR 496 million, the Pericles V programme with an indicative financial envelope of EUR 7 million and a Single Market and Customs Programme encompassing the functioning of the Single Market, Customs Union, Taxation and Anti-Fraud with an indicative financial envelope of EUR 4 431 million.

IV. HEADING 3 – GLOBAL EUROPE

116. This Heading finances the European Union's external action, notably international partnerships, including development cooperation, humanitarian aid and assistance for candidate countries and potential candidates preparing for accession to the European Union. The financing of external action will be simpler, more focused, and more flexible, while preserving the predictability of EU support. It will uphold and promote the Union's values and strategic interests while promoting mutually beneficial partnerships. It will ensure proper implementation of the European Union's international commitments, including the Sustainable Development Goals and the Paris Agreement, as well as the external dimension of migration and continued unwavering support for Ukraine.

117. The level of commitments for this Heading will not exceed EUR 150 138 million:

HEADING 3 – GLOBAL EUROPE (million euros, 2025 prices)						
2028	2029	2030	2031	2032	2033	2034
X	X	X	X	X	X	X

Global Europe Instrument

118. The Global Europe Instrument will serve a wide range of EU policies, including support for candidate countries and potential candidates in their preparation for future membership of the European Union, actions related to neighbourhood policy, international partnerships including development cooperation, humanitarian aid, support for Ukraine, and the external aspects of other EU policies. The Global Europe Instrument will enable the European Union, in cooperation with Member States, to respond comprehensively to irregular migration and forced displacement in a way that is coherent with the global approach to migration and complementary to the internal dimension of EU migration policy. Support under the Instrument will be fostered through a broad array of tools, ensuring synergies with the ECF and coherence with the implementation of the Global Gateway strategy.

119. The Global Europe Instrument will primarily be implemented through geographic programmable actions, complemented where relevant by non-programmable actions. The programmable actions will represent at least 70 % of the expenditure under the Instrument. The non-programmable actions will include humanitarian aid actions in accordance with the Humanitarian Aid Regulation, macro-financial assistance, actions addressing crisis, peace and foreign policy needs, resilience, and competitiveness.

120. The Global Europe Instrument will have an indicative financial envelope of EUR 142 183 million. The financial envelope will indicatively be allocated as follows:

i) EUR 30 927 million to the Enlargement and Europe pillar

ii) EUR 30 754 million to the Middle East, North Africa and the Gulf pillar

iii) EUR 43 360 million to the Sub-Saharan Africa pillar

iv) EUR 12 213 million to the Asia and the Pacific pillar

v) EUR 6 549 million to the Americas and the Caribbean pillar

vi) EUR 8 446 million to the Global pillar

vii) EUR 9 934 million to an emerging challenges and priorities cushion.

At least 90 % of expenditure under the Instrument shall fulfil the criteria for Official Development Assistance, including sustained and focused support for least developed countries. Expenditure for support for Ukraine should be excluded from this target.

Out of the total indicative financial envelope of the Instrument, an indicative EUR 25 000 million (in current prices) should be dedicated to humanitarian aid.

Out of the total indicative financial envelope of the Instrument, an indicative 10 % should be dedicated to actions supporting the external dimension of migration, including the root causes of migration.

121. The Council will play a central role throughout the planning and implementation of the Instrument, including providing *ex ante* strategic and political steering, overseeing the mobilisation of assistance for emerging challenges and priorities and monitoring implementation and performance.

122. The Instrument should enable the provision of support up to a maximum amount of EUR 80 000 million (in current prices) in the form of budgetary guarantees, Euratom loans, loans in the form of macro-financial assistance, and policy-based loans notably to partner countries implementing performance-based plans. Policy-based loans will be made available through implementing acts. An indicative amount of EUR 15 270 million (in current prices) will be allocated to the EIB.

123. Unused commitment and payment appropriations under this Instrument will be automatically carried over to the following financial year.

124. Any portion of a budgetary commitment for an action which, by 31 December of the fifth year following the budgetary commitment, has not been used for pre-financing or making interim payments, or for which no certified statement of expenditure or any payment request has been submitted, will be decommitted.

Support for Ukraine

125. The European Union will continue to provide financial support to Ukraine for its accession process and longer-term reconstruction. For the 2028-2034 period, a Ukraine Reserve shall provide support of up to EUR 88 869 million in the form of:

    i) provisioning of budgetary guarantees and support other than loans financed from a Ukraine Reserve over and above the MFF ceilings, with an annual ceiling of EUR 13 500 million;

    ii) loan support guaranteed by the headroom.

    The European Union may provide support to Ukraine in the form of a budgetary guarantee up to EUR 42 658 million. An indicative minimum amount of EUR 12 000 million will be allocated to the EIB.

126. In addition to this new support provided to Ukraine for the period 2028-2034, the European Union may provide a borrowing cost subsidy over and above the MFF ceilings.

127. Additional funding for Ukraine may be prioritised from the Enlargement and Europe and Global pillars and from the emerging challenges and priorities cushion for support in the form of humanitarian assistance and other duly targeted activities, while preserving the predictability of support for other partners.

128. The Council will continue to be closely involved in the governance of support for Ukraine.

External action outside the Global Europe Instrument

129. This Heading will also finance indicative financial allocations of EUR 2 864 million for Common Foreign and Security Policy, EUR 1 069 million for sustainable fisheries partnership agreements and regional fisheries management organisations, and EUR 887 million for the Overseas Countries and Territories, including Greenland.

European Peace Facility

130. The European Peace Facility will continue to operate as an off-budget instrument to finance actions in the field of security and defence for the 2028-2034 period. The financial ceiling for the Facility will be EUR 27 104 million and it will be financed through contributions from Member States based on a GNI contribution key.

V. HEADING 4 – ADMINISTRATION

131. A highly professional European public administration, recruited on the broadest possible geographical basis, plays a crucial role in supporting the European Union deliver on its priorities and implement policies and programmes of common European interest. At the same time, simplification efforts across policy areas, including through omnibus packages and the streamlining of the MFF structure, as well as the introduction of new technologies, including artificial intelligence, should lead to reduced administrative burdens and corresponding savings. Recognising the shifting demands on the European public administration in light of evolving priorities, it remains crucial to continuously improve its flexibility, efficiency, transparency and effectiveness.

132. Commitment appropriations for this Heading, amounting to EUR 96 407 million, which consists of administrative expenditure of the institutions and European schools and pensions, will not exceed:

HEADING 4 – ADMINISTRATION (million euros, 2025 prices)						
2028	2029	2030	2031	2032	2033	2034
X	X	X	X	X	X	X

133. The ceilings for this Heading will be set in such a way as to avoid excessive margins and, considering reprioritisation and efficiency gains that will need to be achieved, to reflect stabilised staffing at the current level for all institutions, expected salary adjustments, career progression and pension costs, and other relevant assumptions. The expenditure on pensions included under the ceiling for Heading 4 will be calculated excluding the staff contributions to the relevant scheme.

134. The principle of budgetary discipline should apply to all institutions, to further monitor and manage administrative spending. All EU institutions, bodies, offices and agencies are invited to conduct regular reviews of their administrative spending to underpin the management of shifting demands. They will all contribute to ensuring the realisation of efficiency gains in a balanced manner, taking into account their respective size, including through the optimisation of staff resources by focusing on key areas and discontinuing lower-priority tasks. Deepening interinstitutional cooperation offers an opportunity to strengthen the effective functioning of the European Union while generating economies of scale and savings. In this regard, the European Parliament, the Council and the Commission will work together towards the establishment of synergies and are invited to propose initiatives to deepen interinstitutional cooperation, such as in the areas of information technologies, cybersecurity, procurement and buildings, as well as to explore further cooperation in the areas of translation and interpretation. Additionally, the large-scale review of the Commission represents a critical opportunity and could serve as a pilot to be implemented by all institutions, bodies, offices and agencies.

135. Programme support expenditure should continue to be linked to the operational expenditure within the respective programme envelopes or policy area, while ensuring transparent, continuous, regular and comprehensive monitoring and reporting across all Headings.

136. The EU contribution to decentralised agencies and other bodies should continue to be financed from the policy Headings related to their purpose. The European Council invites the Commission to carry out an in-depth review of the tasks entrusted to decentralised agencies, in particular where their mandates may overlap and, as appropriate, to propose amendments, with a view to simplifying and rationalising their setup and, where relevant, propose mergers and closures.

VI. REVENUE

137. The own resources arrangements should be guided by the overall objectives of simplicity, transparency and equity, including fair burden-sharing. The total amount of own resources allocated to the EU budget to cover annual appropriations for payments shall not exceed 1.75 % of the sum of all Member States' GNIs. The total amount of annual appropriations for commitments shall not exceed 1.81 % of the sum of all Member States' GNIs. An orderly ratio between appropriations for commitments and payments will be maintained.

138. The amounts of the own resources ceilings continue to be temporarily increased by 0.6 percentage points of the sum of all Member States' GNIs resulting from borrowing related to the NGEU, until all these liabilities have ceased to exist, and until 31 December 2058 at the latest.

p.m. sustainable financing for Ukraine

139. The expenditure ceilings of the MFF are binding, and the headroom shall only be activated in extraordinary events. If proposing new instruments or activating existing instruments that benefit from a guarantee by the headroom, the Commission will provide, together with the proposal, a detailed forecast of the impact on the use of the headroom.

140. In the event of a severe crisis, severe hardship or serious threat thereof affecting the European Union or its Member States in the period 2028-2034, the Council in accordance with Article 311, fourth paragraph, TFEU, may decide by qualified majority, after obtaining the consent of the European Parliament, and taking into account any possible guidance by the European Council, to authorise the Commission to extraordinarily borrow funds on the capital markets for loans to Member States for the sole purpose of addressing the consequences of such situations. The sum of the funds borrowed will not exceed EUR 350 000 million for the period 2028-2034. The amounts of the own resources ceilings shall be temporarily increased by 0.25 percentage points for the sole purpose of covering all of the Union's liabilities resulting from the borrowing for such loans until all such liabilities have ceased to exist.

141. The new system of own resources of the European Union will enter into force on the first day of the first month following receipt of the notification of the completion of the procedures for its adoption by the last Member State. All its elements will apply retroactively from 1 January 2028. However, the digital services own resource will apply from 1 January of the first year following the year in which the relevant provisions of the Directive on the Common System of a Digital Services Tax on Revenues Resulting from the Provision of Certain Digital Services are applicable. Member States will proceed with the approval of the new Own Resources Decision as soon as possible, in accordance with their national constitutional requirements.

Traditional own resources

142. From 1 January 2028, Member States shall retain, by way of collection costs, 10 % of the amounts collected by them. [The revenue from a Union handling fee will be made available to the Union as traditional own resources as of 1 January 2028.]

VAT-based own resource

143. The VAT-based own resource will apply a call rate of 0.30 %. The capping of the VAT base will be [discontinued] OR [maintained].

Plastic-based own resource

144. The own resource based on non-recycled plastic packaging waste shall apply a call rate of EUR 1.25 per kilogram adjusted annually to inflation. The annual lump sum reductions will be [discontinued] OR [maintained].

New own resources

145. New own resources will be introduced composed of the following:

i) An annual contribution corresponding to 3 % of the annual net turnover from online advertising, online intermediation/marketplace services and monetisation of user data for companies exceeding an EU annual turnover threshold for digital activities of EUR 50 million as well as a global annual turnover threshold of EUR 750 million. To this end, the European Council calls on the Council to resume work on the Directive on the Common System of a Digital Services Tax on Revenues Resulting from the Provision of Certain Digital Services with a view to a swift agreement in 2027.

ii) A national contribution calculated on the amounts of manufactured tobacco and amounts of tobacco related products released for consumption multiplied by the minimum rate applicable to each Member State with a call rate of 15 % for all Member States.

To mitigate the regressive impact, the call rate will be phased in for Member States whose estimated annual average payment over 2028-2034 as a share in the total is higher than 150 % of their GNI share average 2028-2034, starting with a call rate of 5 % in 2028-2030, increasing to 10 % in 2031-2033 until reaching the applicable full call rate of 15 % in 2034. Therefore, the European Council underlines the importance of finalising the work on the recast of the Tobacco Taxation Directive and the related amendments to the Directive on general arrangements for excise duty in order for the rules to be applicable by 1 January 2028.

iii) A national contribution calculated on the weight of non-collected electrical and electronic equipment with a call rate of EUR 2.25 per kilogram adjusted annually to inflation.

The Own Resources Decision should empower the Council to change the method to calculate the weight of e-waste not collected in a Member State in a given year, following the revision of the Waste Electrical and Electronic Equipment (WEEE) Directive, in the implementing measures for the system of own resources (IMSOR).

iv) Revenues from the Emissions Trading System 1 (ETS) with a call rate of 30 %.

To account for the gradual progress of decarbonisation, the call rate will be phased in for Member States that are eligible for the Modernisation Fund 2021-2030 with an annual increase of 5 percentage points beginning with a call rate of 0 % in 2028 until reaching the applicable full call rate of 30 % in 2034.

v) Revenues from the Carbon Border Adjustment Mechanism (CBAM) with a call rate of 100 %.

146. The European Union will continue to work towards new own resources based on crypto assets. To this end, the Commission will put forward a proposal for the necessary underlying sectoral legislation in 2028, building on the reporting obligations and automatic exchange of information framework established by the Directive on Administrative Cooperation (DAC8).

GNI-based own resource

147. The application of a uniform call rate to the sum of the GNI of each Member State in the light of the total of all other revenue remains unchanged. GNI corrections will be [discontinued] OR [maintained].

Other revenue

148. The European Council takes note of the Commission's proposal to assign proceeds from the 2 GHz selection procedure to the ECF. Moreover, revenues related to the rights of use for the radio spectrum frequency band of upper 6 GHz, used for 6G services, will enter the EU budget as other revenue, which will reduce national contributions. To this end, the Commission will reflect the proposal in the relevant sectoral legislation by the first half of 2028. Upon their expiration and a new selection procedure or renewal, the revenues from other frequencies already monetised by Member States will enter the EU budget as other revenue.