

The Next EU Funding Period (2028-2034) – Challenges & Opportunities

- *Overview of the MFF*
- *Opportunities for cities*
- *Advocacy and lobby*

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What is the MFF?

The Multiannual Financial Framework (MFF) is the EU's spending plan that defines EU investments and its priorities.

- Proposed budget: €1.763 trillion (2025 prices) \approx 1.26% of the EU Gross National Income (GNI)

- Focus: competitiveness, resilience, cohesion, green & digital transitions and defence.

Trends

The new MFF responds to an unprecedented combination of **pressures and expectations**.

EU must also cover €25 billion/year in debt repayments.

Addressing **trends**: the energy transition, defence investment, rebuilding Ukraine or social inequalities.

MFF aims to introduce more flexibility and faster responses.

Ref: [Jacques Delors Centre, "Ripe for Reform" \(2025\)](#)

The Numbers

 MFF 2028–2034 (in 2025 prices):

- Total: €1,763bn (1.26% of EU GNI)
- Excluding *NextGenerationEU* debt repayments: €1,614bn **(1.15%)**
- Additional €410bn via new EU own resources

>> Priorities — increased spending on defence, innovation, and green infrastructure, with reduced shares for agriculture and cohesion.

Ref: [European Commission MFF Communication, July 2025](#)

Structural Changes

The proposal simplifies EU spending by reducing budget headings from 7 to 4:

1. Partnership Plans – Cohesion, CAP, Social, Migration
2. Competitiveness & Security – Horizon, industrial policy, defence
3. External Action – Neighbourhood, enlargement, humanitarian aid
4. Administration – EU institutions

A key innovation is the introduction of **National and Regional Partnership Plans (NRPPs)**, integrating 14 existing programmes to streamline procedures and improve flexibility.

Budget Priorities

- ▲ Horizon Europe: up 74% → €155bn for R&I
- ▲ Defence & Security: up 4× → €116bn
- ▲ Energy & Transport (CEF): up 125% to €72bn
- ▼ CAP & Cohesion: real-term cuts of 10–15%
- ◆ 25% of allocations under NRPPs held as flexible reserves for crisis response


>> The largest structural reorientation since the Delors reforms in 1988, prioritising joint European goods — energy autonomy, competitiveness, and defence readiness.

Horizon Europe & Competitiveness Fund

- 💡 Horizon Europe: €155bn – supports research & innovation
- 🚀 European Competitiveness Fund (ECF): €207bn across 4 windows:
 - Clean transition & decarbonisation
 - Digital leadership
 - Health, biotech & bioeconomy
 - Defence & space

Ensuring cities are formally involved as innovation hubs and implementation partners, aligning EU research with local priorities.

Ukraine, Enlargement & External Action

 Global Europe Instrument (GEI): €200bn for neighbourhood, development & humanitarian aid

Ukraine Facility: €100bn (2028–2034) for recovery, EU integration, and reconstruction

Europe's geopolitical role with focus enlargement, stability, and values-based diplomacy.

Rule of Law & Local Access

The Rule of Law Conditionality Regulation could suspend funding if national governments breach EU standards.

! Cities risk being at risk of losing funds due to national non-compliance

 UBC calls for direct access clauses for cities in such cases — ensuring that cities do not suffer from central-level misconduct.

National & Regional Partnership Plans (NRPPs)

Each Member State will adopt one National and Regional Partnership Plan, addressing:

- *Cohesion & agriculture*
- *Climate & energy*
- *Migration & social inclusion*
- *Innovation & skills*

Funds will be linked to reforms and allocations will depend on meeting milestones and targets.

⚠ Urban involvement is not guaranteed — no mandatory urban chapters, risk for limited access for the cities.

Risks of Centralisation

NRPPs could lead to re-centralisation of funds at national level.

- 🚫 No mandatory urban chapters in NRPPs
- 🚫 Conditionality rules could block city access due to national issues
- 🚫 Lack of earmarked envelopes for urban priorities

***Several organisations propose a 15% earmark for urban areas and structured multi-level governance to ensure local impact.

UBC Policy Positions regarding MFF

The Union of the Baltic Cities (UBC)

1. Direct access to EU funds for municipalities, bypassing national level.
2. Permanent EU–City dialogue through the Urban Agenda.
3. Dedicated support for Ukrainian cities on recovery and accession.
4. Recognition of the Baltic Sea Region as a driver of innovation and security.
5. Simplified access and technical support for small and medium-sized cities.

Advocacy Positions for Cities

Cities should mobilize around key messages:

- Introduce mandatory urban chapters in NRPPs
- Earmark funding for cohesion, climate, housing, and social inclusion
- Ensure direct access in rule-of-law cases
- Strengthen city roles in Competitiveness Fund & Horizon
- Promote urban-led pilots on decarbonisation, circular economy, and inclusion

Next steps?

Where We Are (Nov 2025):

- EC proposal published the core legislative proposal (16 July 2025)
- EC presented second package of sectoral legislative proposals and the legal framework (3 Sept 2025)
- Parliament & EU Council negotiating positions in progress
- Trialogues expected in Q1–Q2 2026
- Final MFF agreement by late 2026 → implementation in 2028

Key Advocacy Moments Ahead:

- Influence European Parliament (Budget & REGI Committee)
- Mobilize national governments in Council negotiations
- Push Commission (DG REGIO/BUDG) for urban clauses in NRPPs
- Shape implementation guidelines (urban access)
- Use Committee of the Regions & EU Urban Forum 2026

Conclusion - Cities at the Heart of Europe!

Cities are where the European project becomes tangible — through schools, energy grids, innovation hubs, and climate action.

If we aim for more resilient, competitive, and democratic Europe, the 2028–2034 **MFF must empower cities directly.**

Thank you.