



### **Statement by President von der Leyen on the next long-term EU budget**

Brussels, 16 July 2025

The College adopted the Commission's proposal for the next Multiannual Financial Framework: the budget for 2028-2034. It is a EUR 2 trillion budget for a new era. A budget that matches Europe's ambition, that confronts Europe's challenges, and that strengthens our independence. A budget that is larger, smarter and sharper. This is a budget that delivers for our citizens, our business, our partners, and our future.

The next MFF will be the most ambitious ever proposed. It is more strategic, more flexible, more transparent. We are investing more in our capacity to respond and more in our independence. Yet crucially, Member States' contributions to the EU budget will remain constant as we propose a step change in the own resources. I will outline 5 key areas.

First, investing in people, Member States and regions. The core here: the National and Regional Partnership Plans with EUR 865 billion, they are the foundation for investment and reform. At their heart remain cohesion and agriculture. They are the central pillars of European solidarity and investment in the European model. We are safeguarding EUR 300 billion for farmers' income support. This includes a doubled agricultural reserve, so our farmers' livelihoods are protected. In Cohesion we are safeguarding funding for less developed regions. Investment in less developed regions has a minimum of EUR 218 billion. On Fisheries, EUR 2 billion are ringfenced as a minimum. The National and Regional Partnership Plans will also provide the financial resources for social policies. Here, for the first time there is a target for social expenditure of 14% - so mainstreaming. And also for the first time, we will track social funding across the entire MFF. We are also tripling investment in migration and border management. Because Europe's borders are a shared responsibility. We are tripling the Solidarity Fund, so that we can act fast and decisively when disasters strike. So the purpose of the National and Regional Partnership Plans is that the one single plan Member States develop with European priorities integrates the different funds in a way that we can better manage it.

Today we often see that we have several overlapping funds that potentially fund the same objective but are different in timeline, criteria for eligibility, different in what they target – so it is very difficult to find in those different funds the right one for the purpose. And a lot of redundancy and overlapping is basically wasting potential that we cannot unlock for the regions and the Member States. And for the first time, the EU budget will back-up the possibility for Member States to invest more in the EU objectives with loans of up to EUR 150 billion that are backed by the European Union. We will call it Catalyst Europe. The loans are backed by the EU budget. We take the loans and hand them over to the Member States, those Member States who want for favourable conditions, boost for example, specific European priorities. You can invest it - for example in defence industry or energy infrastructure or strategic technologies and others. Catalyst Europe will give Member States additional means to invest in European objectives. It is the very first time that such an additional financing source is proposed.

Within the National and Regional Partnership Plans, we propose a simple and transparent allocation system. It builds on key principles like regional disparities, poverty risk, agricultural needs, or tensions at our borders. The Plans are tailor-made because the regions have different needs, and they know best how to implement European policies and priorities in their territories and communities. As our Member States, and specifically our regions, are very different, but we have the overarching European communities, this combination of having one single plan that is tailor made for the region or for the Member State, while there is European funding easily accessible and clear investments and reforms as a requirement is here an absolute novelty. The National and Regional Partnership Plans enable a more strategic allocation that reflects European priorities on the ground. Let me give you an example: housing. For housing today, it would be hard to find funding, but it is a huge topic all over the European Union. With one approach with the National and Regional Partnership Plan, the one

plan, you can take this cross-cutting topic and work on it within the plan, depending on the regional and national specificities of the Member States. The Plans put European priorities under one roof, are easier to align with local needs, simpler to manage for national and local authorities, and – crucially – are more powerful when combined.

A word on the respect for the rule of law, within the National and Regional Partnership Plans but also within the whole MFF that is being proposed: The respect for the rule of law is unconditional. The rule of law is a must for all funding from the EU budget. And with the next MFF we go further. The National and Regional Partnership Plans will make the rule of law and fundamental rights a condition for investment and a focus for reform. We will ensure responsible spending and full accountability with very strong safeguards, clear conditions, and the right incentives. This serves the citizens.

Another important topic for Citizens, especially the young – is Erasmus+ which is increased in this proposal by 50%. Then there is the topic of support to civil society, we will support civil society with different programmes. For example, both the National and Regional Partnerships and the Competitiveness Fund will support LIFE activities these are activities for the environment, biodiversity and circular economy.

In addition, the new AGORA-EU programme is building on Creative Europe and CERV – we are putting these as one and calling it AGORA - it will support media freedom, values, civil rights, democracy, and diversity.

As you know, the budget has this entity, then it has a second big block which is the Competitiveness Fund. Second, powering Europe's competitiveness. We propose a European Competitiveness Fund with close to EUR 410 billion, because it is crucial to back the strategic technologies of tomorrow. We really put an emphasis on this Competitiveness Fund, funding the strategic technologies that we need for the future market. This Competitiveness Fund includes a doubling of Horizon Europe, it is the most renowned scientific and research programme worldwide – we will double it.

We multiply by five our investment in digital to build a secure and innovative digital ecosystem. And we make major boosts in clean tech, the bioeconomy and decarbonisation with a six times increase of the funds from the EU budget, funding these topics. This is in addition to the climate spending target of 35% for the MFF serving the European Union's six environmental objectives. This amounts to around EUR 700 billion. The Competitiveness Fund is part of an agenda for European sovereignty which will enable us to secure supply chains, scale-up innovation, and lead the global race for clean and smart technology. It is basically the answer to the call made by Mario Draghi and Enrico Letta, who both said this is necessary. Here is the answer in our proposal: The call for a stronger industrial base, a more integrated Single Market, and a united Europe that plays to its strength.

Third, within the Competitiveness fund are the topics of Defence and Space, and I want to highlight that. We are proposing EUR 131 billion for the Defence and Space window within the Competitiveness Fund. That is five times what we have today. Because we know that security is a top concern for citizens and governments, and it will strengthen our industrial base and our capabilities. Besides the Competitiveness Fund are the Connecting Europe Facilities; we have them for transport and for energy. We are doubling the Connecting Europe Facility for transport and we are multiplying military mobility by ten – it is part of transport, so that our armed forces can move faster, better, and together. And very important, we are multiplying energy infrastructure spending by five. This reinforces energy independence and accelerates the clean transition. And we significantly increase investment in cybersecurity and dual-use infrastructure. This is about European defence, European connectivity, and European readiness.

We have looked at national and regional plans, we have looked at the Competitiveness fund. Now, as a fourth point, let us look at the third building pillar that is outside the European Union: Global Europe, an instrument with EUR 200 billion This is an increase of 75% to match our responsibilities on the global stage. This is for Global Gateway, humanitarian aid, strategic partnerships, all in one – and most crucially our support for enlargement. Enlargement is a key priority. It is not just a political objective; it is a strategic investment in Europe's stability and prosperity. That is why we are opening the full toolbox of Global Europe to candidate countries – not only technical assistance but also support for reforms and investments, backed by resources. On top of this, we are setting aside EUR 100 billion for Ukraine. We have the Ukraine Facility for reconstruction, which was initially with the mid-term review filled with EUR 50 billion. We are suggesting EUR 100 billion to fill up again the Ukraine Facility to support recovery, resilience, and their path to EU membership. And for accession

itself – as for all accessions in the past: There is a specific revision clause in the MFF that says that if there is an accession of a candidate country, there will be a revision of the MFF. Which is logical, because we will have to negotiate depending on the size of the country joining the European Union; We have to negotiate in the accession treaty the phase-in of Cohesion payment and for agricultural payments, for example, for this country but also the phase-in of contribution of that accession country to the European Union. This has to be negotiated and discussed, and therefore the promise and the obligation in the financial regulation that, with an accession, there will be a revision of the MFF. It worked in the past accessions, and it will work now

Fifth point, a budget built for resilience and agility. This is the topic of crisis.

We have witnessed crisis since the beginning of my mandate – it started with the Covid19, then we had a heavy energy crisis, then the Russian war in Ukraine. And each time, it was extremely difficult to react fast and with the financial firepower that was necessary. Because, as you know, our budget today is designed in a way that 90 % of the resources are fixed. This budget has been designed in 2018-2019, but we live today with this 90% fixed. What we did then is that we tried to use the Article 122, which is suboptimal, it is not the best instrument to have for such severe crises. This is why we are creating a dedicated crisis mechanism with a firepower of up to almost EUR 400 billion. Because crises are no longer the exception, they are the norm, and we have learnt the lesson. I want to be very clear: our expenditure is not for expenses, it is the possibility – with strong safeguards – to access this additional funding in case the unknown crisis hits. It is something we have as a possibility, but not to be used for normal times – it is only for crises times with a clear mechanism on how to trigger it and how to safeguard it

Finally, all of this has to be financed, and this is my sixth and final point: New Own Resources. Today, we are proposing new sources of revenue for the EU budget. The goal is simple: We have to repay our shared recovery borrowing, so NextGenerationEU has to be repaid, and we must meet our modern priorities. And – most importantly – we want to keep national contributions stable. There are only two ways to finance the European budget; either national contributions or own resources to the European budget. And therefore, if we want to keep the national contributions of the Member States stable, there is a need to have New Own Resources to pay back NextGenerationEU and to finance the additional modernisation of the budget.

To conclude: This is a budget for the realities of today, as well as the challenges of tomorrow. A budget that equips us to act on our political choices, in a very fastmoving world. We want greater flexibility. Not everything should be decided once for 7 years, so also today we cannot foresee how the years 2033 or 2034 will look like. Therefore we want less rigidity in this budget, and therefore the big funds that give us more flexibility and room to act. Greater flexibility means more room also for the annual budget decision, where Parliament and Council play a vital role. Today we have presented our proposal and now we continue the work, with the European Parliament, Member States, with citizens and businesses.

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