

2028–2034 MFF

The European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security: budget architecture, governance and accountability.

KEY FINDINGS

- **The NRPP proposal implies a structural redesign of the EU budget.** It consolidates a wide range of previously separate programmes into single national envelopes, marking a significant structural shift in the EU budget. It changes how priorities are determined and how trade-offs between policy areas are managed, while preserving overall predictability only in part.
- **A significant share of the NRPP envelope is not pre-allocated at the outset.** Instead, it is set apart for later allocation, including at the mid-term review, increasing competition between policy objectives within national plans.
- **In-built crisis flexibility shifts decision-making dynamics.** The proposed NRPP design allows funds to be reorientated towards crisis response and unforeseen needs over the MFF period, putting them into direct competition; a policy choice will need to be made on how to allocate these limited funds. Compared to the current framework, this use relies more heavily on executive procedures and entails a more limited role for the European Parliament.
- **Greater Member State discretion in priority-setting.** Beyond EU-level minimum allocations and horizontal targets, Member States gain significantly more room to shape the final allocation of resources. National programming choices therefore play a more decisive role in defining policy outcomes than under the 2021–2027 framework.
- **Ex post allocation of funds by policy area might vary widely.** Given the combination of minimum thresholds and flexibility, the final envelopes for key policy areas (notably agriculture, cohesion, social and environmental policies) cannot be determined ex ante. Different uses of flexibility lead to markedly different allocation scenarios, intensifying policy competition within national plans.
- **Conditionality applies to a larger volume of expenditure.** The integration of multiple policy areas within a single national plan significantly increases the share of EU spending potentially affected by conditionalities, including rule-of-law and Charter-related requirements.
- **Governance choices decrease parliamentary scrutiny.** The consolidation of programmes and reduction in budgetary nomenclature alter the conditions for ex-ante budgetary control and ex-post discharge. While legal accountability mechanisms remain, the capacity to track allocations and assess performance becomes more dependent on milestone design, transparency and Commission reporting.

Introduction

The European Commission's proposal for the 2028–2034 Multiannual Financial Framework (proposed MFF) introduces a major restructuring of EU spending under Heading 1. It establishes a new 'European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security' ('the Fund'). Under this **new architecture**, policies previously funded through separate programmes will be consolidated through **National and Regional Partnership Plans (NRPPs)**, with one plan per Member State. These plans bring together measures currently financed through different budgetary instruments, including the Common Agricultural Policy (CAP) and cohesion policy, the **Interreg** programme for cross-border cooperation, and a centrally managed **EU Facility**.

By bringing multiple funds into a single envelope, reducing budgetary nomenclature, and introducing a large unallocated flexibility component combined with milestone-based implementation, the NRPPs fundamentally alter how **EU spending is allocated, governed and controlled**. While the overall envelope for these policies is broadly stable in **constant prices** compared with the current MFF, the final distribution across major policy areas is no longer determined ex-ante and will depend on national policy choices and the use of flexibility over time therefore putting policies such as cohesion, agricultural and fisheries in direct competition.

Against this background, this briefing note aims to:

- clarify the **budgetary architecture** of the NRPPs, Interreg and the EU Facility and their relative weight in the next MFF;
- explain **allocation mechanisms**, including the role of minima, horizontal targets, and flexibility;
- provide an overview of the **funding available to each Member State** and compare the proposed amounts with those foreseen under the current MFF; and,
- outline the governance arrangements, highlighting potential **challenges for control, audit and discharge**, with particular attention to the implications for parliamentary scrutiny.

The briefing also examines two letters sent by Commission President von der Leyen in November 2025 and January 2026, which propose adjustments to the proposed MFF, notably through additional front-earmarking for CAP and rural areas from the currently unallocated portion of the NRPP envelope, originally reserved for the mid-term review. It is important to note that these letters do not have a legal basis and would need to be introduced through the ordinary legislative procedure to the regulation, to take effect. In the absence of an amended proposal, some elements could be retained in the overarching 2028–2034 MFF negotiating box of the European Council.

Throughout this briefing, all budgetary amounts are expressed in **constant 2025 prices**. This approach allows for more meaningful comparisons between figures relating to different programming periods¹ – the current and the proposed MFF. The amounts presented therefore **do not** correspond to the figures in current prices reported in the legislative proposals.

1. Changes in the budget: size, structure, and what sits inside the NRPPs

This section outlines how the proposed 2028–2034 MFF reorganises spending under Heading 1 and what this means in practice. It covers three core aspects:

- Overall structure of NRPP-related expenditure, alongside Interreg and the EU Facility.
- Internal allocation rules, earmarking and targets for NRPPs.
- Mechanisms governing the activation and use of resources, including flexibility, mid-term review, and complementary instruments.

¹ To compare amounts from different programming periods, we adjust them to 2025 constant using a fixed 2% annual deflator. However, since inflation was significantly higher in the post-COVID years, this adjustment underestimates real cost-of-living differences over time. Therefore, the 2021–2027 MFF budget figures in this briefing, expressed in 2025 constant should be treated as upper-bound estimates.

1.1 Funding policies under the NRPPS, Interreg and the EU Facility

Budgetary overview and scope

The proposed MFF would significantly reshape EU spending under Heading 1 by creating a single **European Fund for Economic, Territorial, Social Cohesion, Agriculture, Rural, Fisheries and Maritime Prosperity and Security**. Under this new structure, funding would be organised around three distinct but related components:

- i. Member States' National and Regional Partnership Plans (**NRPPs**);
- ii. European Territorial Cooperation (**Interreg**); and,
- iii. a new **EU Facility**.

The **NRPPs** sit at the centre of this proposed system. Each Member State would have one integrated national plan, implemented under shared management. That plan would bring together policy areas that are currently financed through separate funds.

Interreg would remain under shared management, but it would sit outside the NRPPs, even though it falls under the same budget heading. It would continue to operate through a single EU-level framework covering cross-border, transnational and interregional cooperation. In other words, Interreg would keep its territorial focus on cooperation, even as it is grouped within the new fund.

The proposal also creates a new **EU Facility**, which would operate predominantly under direct management by the European Commission. Its purpose would be to finance centrally delivered Union priorities, complementing the national plans. It would also act as an EU-level buffer for emerging or unforeseen needs, ensuring flexibility at the EU level.

A new Union-level loan instrument, **Catalyst Europe**, is proposed, alongside the NRPPs. It would sit outside the MFF and could increase the volume of the respective NRPP, if a Member State chooses to use it.

Table 1 presents a high-level comparison between the proposed 2028–2034 MFF architecture and the current 2021–2027 framework, aligning the main sectoral funds across the two periods. The allocation for only the NRPP national envelopes would decline by approximately 9.4 %, assuming the loan is not used, while Interreg would remain broadly stable. By contrast, the EU Facility would more than triple compared with the current MFF, reaching nearly EUR 64 billion in constant prices. This redistribution signals a **stronger emphasis on centrally managed Union actions, particularly in the area of migration**, as well as on larger budgetary tools designed to enhance **flexibility** and **crisis-response capacity** at EU level. The current **European Solidarity Reserve** would therefore be integrated into the EU Facility.

This reallocation across components also has implications for the **policy and conditionality framework** under Heading 1. In particular, the consolidation of instruments would be accompanied by reinforced horizontal conditionalities applying across the NRPP architecture.

The total allocation for NRPPs, Interreg and the EU Facility together amounts to EUR 771.3 billion, compared to EUR 800.1 billion under the current MFF (constant prices). **This represents a reduction of 3.6 %**. Beyond the overall size, the table highlights a **significant restructuring of spending within Heading 1**. In the proposed MFF, a dedicated minimum allocation is foreseen for less developed regions, that can be compared with the Cohesion Fund and the European Regional Development Fund, both of which have traditionally targeted these regions. At the same time, HOME-related funding increases substantially, reaching nearly two and a half times its current level, reflecting a strengthened emphasis on migration, border management and internal security.

Other sectoral instruments from the 2021–2027 MFF – including the European Agricultural Fund for Rural Development, the LIFE Programme ('Nature and biodiversity' strand), the Instrument for Emergency Support within the Union, and the European Social Fund+ – are no longer assigned distinct envelopes with mandatory earmarking under the proposed framework. Instead, they are integrated within the broader NRPP national envelopes without specific earmarking in the basic MFF Regulation. In practice, this means that funding for these policy areas will depend on national programming decisions and on the use of the flexibility embedded in the NRPP architecture (see Section 1.2).

Table 1: Simplified comparison between current MFF and proposed MFF for funding policies under NRPPs, Interreg and EU Facility (EUR billions, 2025 constant prices)

MFF 2028–2034, Programmes/Amounts				MFF 2021–2027, Amounts/Programmes	
NRP Plans	Earmarked	CAP income support (pillar I)	261.0	287.0	EAGF (shared mgt)
		Common Fisheries Policy	1.8	5.4	EMFAF (shared mgt)
		HOME Affairs	30.6	12.8	AMIF, BMVI, ISF (shared mgt)
		Less developed regions	194.7	269.5	CF, ERDF ²
				195.6	EAFRD, LIFE, ESI, ESF+
	Non-earmarked	Amount to be programmed in initial plans	109.0		
		Flexibility for crisis and mid-term review	101.2		
Total NRP Plans			698.0	770.3	
EU Facility	Union actions	56.3	20.8	EAGF (direct mgt), EMFAF (direct mgt), EaSI, Urban Initiative, Interregional Innovation, Home (direct mgt), Single market (food), European Solidarity Reserve, LIFE actions (strategic nature projects, strategic integrated projects and strategic action projects)	
	<i>Unity Safety Net</i>	5.6			
	<i>EU Solidarity</i>	17.9			
	<i>HOME actions</i>	22.5			
	<i>Other union actions</i>	10.3			
	Cushion - Emerging challenges/priorities	7.7			
Total EU Facility			64.0	20.8	
Interreg			9.0	9.0	
Total			771.3	800.1	

Source: Authors calculations

² The European Regional Development Fund is in large part allocated to less developed regions, while also covering regions in transition and more developed regions.

Conditionality

Conditions in the proposed MFF are twofold:

1) Respect for the rule of law and fundamental rights

These are mandatory legal horizontal conditions. NRPPs must demonstrate respect

- for EU law and fundamental rights ("**Charter horizontal condition**"), according to the EU Charter of Fundamental rights, and
- for rule of law ("rule of law horizontal condition"), according to the Rule of Law Conditionality Regulation (EU, Euratom) 2020/2092,

throughout plan preparation and implementation. Non-compliance may trigger suspension or reduction of EU funding. A **Commission Decision** – for the Charter horizontal condition – or a **Council decision** – for the rule of law horizontal condition, in line with Regulation (EU) 2020/2092, – can suspend or reduce EU funding where breaches of law affect or seriously risk affecting the sound financial management of the Union budget and take into consideration the **nature, duration, gravity** and **scope** of the (potential) impact. If the issue persists **beyond one year**, funds are proportionally **reduced**. The amounts suspended for more than **two years lapse** and would be transferred to the **flexibility instrument** and can be used for programmes implemented under direct or indirect management, in particular those contributing to supporting Europe's democracy, civil society, Union values or the fight against corruption in accordance with the Proposal for a Council Regulation for MFF 2028-2034 (COM (2025) 571 final).

In line with Regulation (EU) 2020/2092, the Commission is required to inform the European Parliament concerning procedures linked to the rule of law horizontal condition. This does not apply for the Charter horizontal condition. Under the proposed MFF, these mechanisms cover the whole NRPP, representing EUR 771.3 billion – **more than three times the amount** covered by the Common Provisions Regulations (EU) 2021/1060 in the current MFF. In practice, this Regulation represents a framework that has built-in *enabling conditions* for three structural funds (CF, ERDF, ESF+), equivalent to about EUR 200 billion, linked to rule of law.

2) Other principles and alignment with country-specific recommendations

This second category includes broader programme requirements and EU priorities:

- Compliance with principles such as **gender equality** and '**do no significant harm**' to the environment, in accordance with the Budget Tracking and Performance Framework Regulation 2025/0545 (COD).
- Alignment with **country-specific recommendations** identified through the **European Semester** and **the Rule of Law report**, particularly where NRPP measures intersect with structural reforms.

The latter requirements are essential for drafting the plans and ensure that they reflect EU priorities and structural challenges. They guide programme design and assessment rather than trigger automatic suspension of payments. They must be seen in a complementary manner to the legal conditions discussed in the previous section: these take effect during the drafting phase and especially during implementation as well as monitoring and reporting. Together, these horizontal conditions reinforce the integrity and strategic orientation of the NRPPs, protecting the EU budget while ensuring Member States' plans address both legal standards and broader policy objectives.

1.2 What sits inside the NRPP envelope and how allocation works

From programme-based envelopes to a single NRPP allocation framework

The proposed NRPPs bring together **existing instruments** that, in the 2021–2027 MFF, are financed through **separate, fixed programme envelopes** in areas such as cohesion, social policy, rural development, fisheries and migration, as pointed out in Table 2. Rather than assigning dedicated envelopes to each area, the NRPP Regulation sets **minimum allocations** for a limited number of components. **The final distribution of resources**

across policy areas will then depend on national programming choices and on the mobilisation of flexibility over the programming period, as discussed below.

Table 2: NRPPs Fund Comparison

Proposed MFF 2028-2034	Current MFF 2021-2027
National and Regional Partnership Plans	European Agricultural Guarantee Fund
	European Agricultural Fund for Rural Development
	European Regional Development Fund
	Cohesion Fund
	Just Transition Fund
	LIFE Programme – “Nature and biodiversity strand”
	European Maritime, Fisheries and Aquaculture Fund
	Asylum, Migration and Integration Fund
	Border Management and Visa Instrument
	Internal Security Fund
	Instrument for emergency support with the Union (ESI)
	European Social Fund+

Source: Authors based on NRPP Regulation

The proposed 2028–2034 MFF proposal sets minimum financial allocations for selected policy blocks at the EU level. These include:

- Less developed regions: **EUR 194.7 billion**;
- CAP income support (Pillar I – direct payments and market measures): **EUR 261.0 billion**;
- Common fisheries policy interventions: **EUR 1.8 billion**; and,
- Migration, border management and internal security strands under shared management: **EUR 30.6 billion**.

In addition, the proposal introduces a set of compulsory **horizontal targets**. Member States must allocate minimum 14 % of their NRP plans (excluding CAP income support and fisheries) to Union social objectives and at least 43% of the of whole NRPP envelope should contribute to **climate and environmental objectives**.

Furthermore, on 12 November 2025, during the Parliament's plenary session, the Commission President proposed an additional 10 % target for rural areas. Such horizontal targets are also applicable to the EU Facility, Interreg and loans under Catalyst EU, as discussed in greater detail below.

Taken together, the allocation framework combines minimum allocations, horizontal targets and conditionalities, while leaving a residual share of the national envelope open to Member State programming choices. Beyond the guaranteed minima, several policy areas – including agriculture beyond income support, cohesion, migration, social and climate policy and rural development – would effectively compete within a single national plan for the remaining resources.

Residual allocation and flexibility within NRPP national envelopes

The residual share of the NRPP envelopes is composed of two non-earmarked amounts: one that is to be programmed in the initial plan, and the other, a flexibility that is foreseen for crisis response and midterm review.

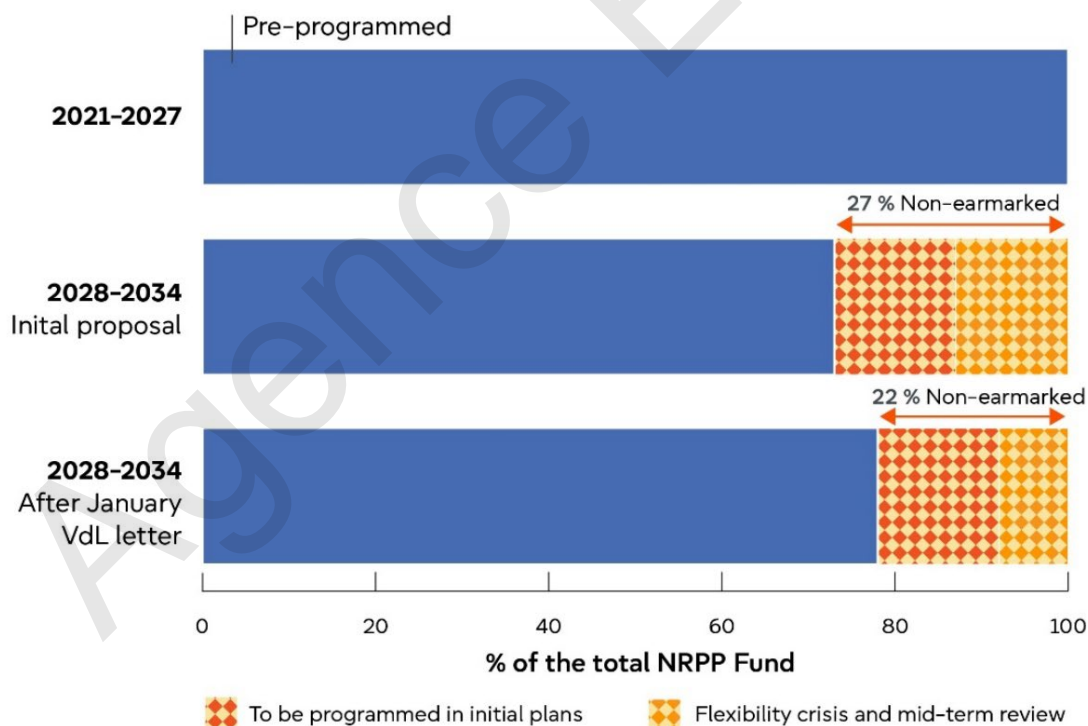
First, a significant share of each national envelope remains to be allocated at the time the initial plan is submitted, beyond the minimum allocations. This amount represents **14.1 % of the total NRPP envelope**. It allows Member States discretion in designing their plans, provided horizontal targets and conditionalities are respected. In Table 1, this corresponds to the non-earmarked amount, 'Amount to be programmed in the initial plans' (EUR 109.0 billion). **Second**, the Regulation establishes a **flexibility** that cannot be programmed in the initial plans. It is explicitly set aside for adjustments over time, notably in response to unforeseen events or evolving priorities. The reserve corresponds to 25.0 % of the initially non-allocated part of the NRPP envelope, equivalent to **13.1 % of the total NRPP envelope**. In Table 1, this corresponds to 'Flexibility - for crisis and mid-term review' (EUR 101.2 billion).

Figure 1 shows that the current MFF did not foresee any non-earmarked amounts, as everything was linked specifically to sectoral funds. Additionally, the figure aggregates these two amounts:

- Amount to be programmed in the initial plans; and
- Flexibility available for crisis and mid-term review;

Unless used for crisis situations, both may be deployed across all policy areas. Overall, non-earmarked allocations increase substantially under the proposed framework with respect to the current MFF which does not foresee any flexibility reserve, as everything must be linked to specific sectoral funds.

Figure 1: Pre-programmed amounts in the current and proposed MFF, considering the Commission President's January letter³



³ The Von der Leyen January letter proposes adjustments to the initial proposal through additional front-earmarking for CAP from the currently unallocated portion of the NRPP envelope, originally reserved for the mid-term review. Such adjustments would need to be introduced through the ordinary legislative procedure to the regulation, to take effect.

Access to the flexible amount for crisis and mid-term review is **phased over time** and subject to specific procedures:

- **One fifth (2028–2030): immediate crisis window.** This tranche may be mobilised early through ad hoc **crisis amendments** in response to unforeseen shocks (e.g. natural disasters, severe economic disturbances or other exceptional events). Unused amounts remain available for the mid-term review.
- **Three fifths: mid-term review pot.** This share is primarily reserved for the **mandatory mid – term review in 2031**, when Member States must submit revised plans reflecting updated priorities, updated milestones and targets for the second half of the MFF. Early mobilisation is possible only in **duly justified exceptional circumstances**.
- **One fifth (2031–2034): late-cycle crisis window.** Accessible from 2031 onwards for **crisis amendments in the second half of the MFF**. Amounts not mobilised for crises by 30 June 2033 may be used for other plan amendments.

Proposed frontloading in the context of the EU-Mercosur agreement

In January 2026, in context of EU-Mercosur trade agreement, the Commission President proposed advancing part of the flexibility instrument for the mid-term review. Member States could, on a voluntary basis, front-earmark **up to EUR 40.5 billion** (constant 2025 prices) – **equivalent to EUR 45.0 billion in current prices**, as referred in the letter. This corresponds to two thirds of the amount initially reserved for the mid-term review component of the flexibility instrument. Again, it is to be underlined, that at this stage these letters are without any legal basis and would need to be formally introduced via the ordinary legislative procedure. The resources could be programmed from the outset of the MFF to support farmers and/or rural areas in addition to the CAP component of the NRPPs. It is important to make clear that this proposal **does not modify the total of the NRPP envelope or the annual commitment profile**, however, it would increase ex ante earmarking and reduce the volume of resources available for reallocation at the mid-term review.

Illustrative simulation of final policy shares: CAP vs cohesion scenarios

As discussed above, the **NRPP Regulation sets minimum allocations for CAP income support and for less developed regions**, while leaving a substantial share of resources unallocated ex ante through the flexibility amounts. As a result, the effective size of CAP and cohesion-related spending will depend largely on Member States' programming choices and on how the flexibility is ultimately used.

Figure 2 shows the **potential implications for the relative shares of CAP and cohesion** policy. It presents two **possible scenarios** illustrating what could happen if the remaining flexibility is allocated either:

- **entirely to CAP**-related interventions; or
- **entirely to cohesion**-type interventions.

These cases define **upper and lower bounds for the potential shares of CAP (Pillar I and Pillar II) and cohesion spending** under the NRPP framework. The scenarios assume that:

- no resources are spent for crisis or emergencies;
- the financial envelopes for other policies remain unchanged; and
- full use of the front-earmarking option, resulting from the Commission President's letters, i.e. the maximum share of the mid-term review flexibility is mobilised upfront for agricultural and rural objectives.

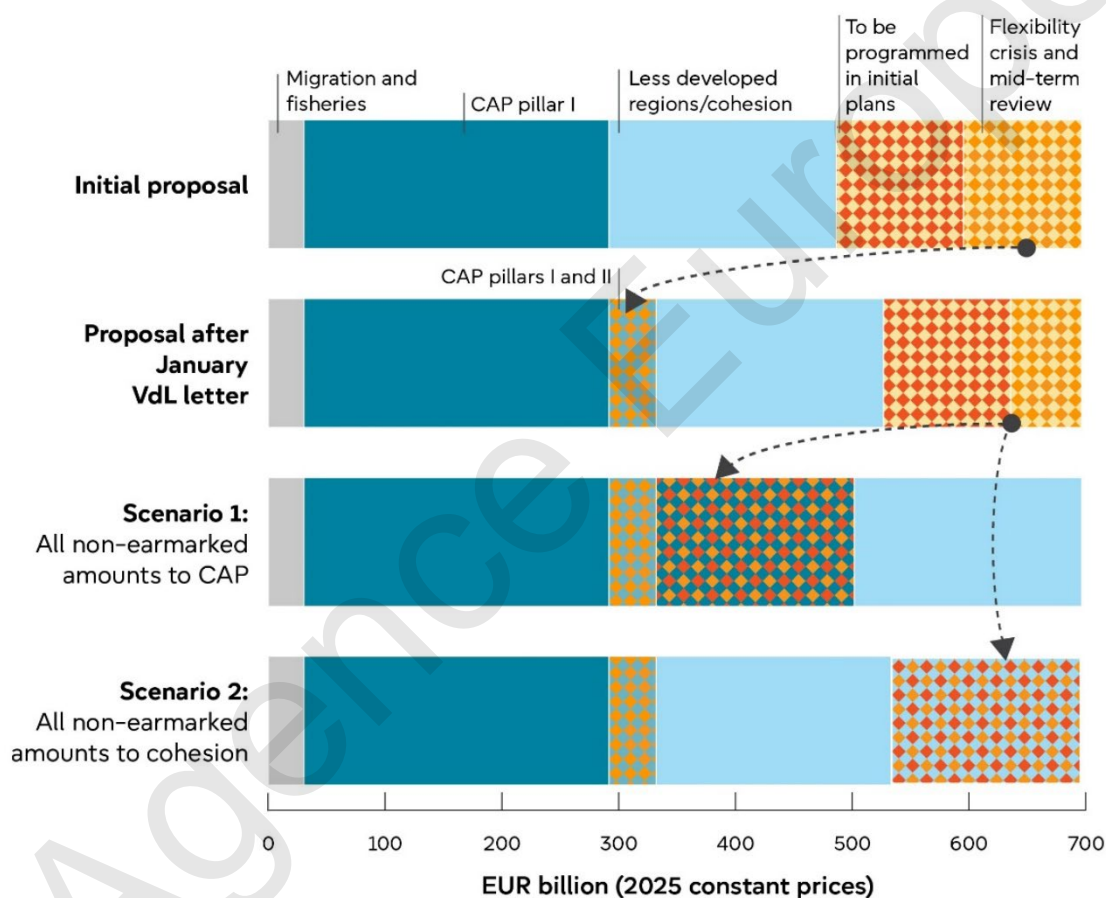
The first bar in Figure 2 shows the minimum earmarking for the main policy areas and their flexible amounts. The second bar shows the changes following the Commission President's letter of January 2026, additional earmarking for CAP pillars I and II, deducting it from the flexibility amount. The final two bars present two scenarios of **maximum allocations** to either **agriculture** (EUR 471.2 billion including additional front-earmarking of EUR 40.5 billion through the January letter of Commission President Von der Leyen) or **cohesion** (EUR 364.4 billion). These represent the highest possible allocations, assuming all other policy areas receive only their minimum earmarked funding.

To compare these scenarios with the current MFF, the proposed **CAP allocation** (EUR 287.0 billion) is – roughly **equivalent to the revised minimum earmarking** after the January 2026 letter (EUR 301.5 billion).

For cohesion spending, the proposed MFF sets a minimum of EUR 194.7 billion for less developed regions. By comparison, the current MFF allocates EUR 269.5 billion to the Cohesion Fund and the European Regional Development Fund, implying a reduction of 27.8 %. One can see that the maximum amounts, in the scenarios, for agriculture and cohesion in Figure 2 substantially exceed the allocations currently available. The earmarking for HOME funds nearly reached two and a half times (EUR 30.6 billion EUR) its allocation available under the previous proposal (EUR 12.8 billion).

This exercise highlights three structural features of the new design. First, depending on the use of flexibility Member States could increase either agriculture or cohesion-related spending, compared to the current MFF. Second, comparisons with the current MFF become less straightforward. **The same legal framework may yield materially different spending profiles** depending on national choices. Third, and most importantly, **the NRPP architecture places CAP and cohesion in direct competition** within a single national envelope. Additional flexibility directed to one policy area necessarily reduces the scope for the other, particularly in a context of declining real resources.

Figure 2: CAP and Cohesion allocation under different uses of the Flexibility



1.3 Complementary instruments: EU Facility, Interreg and loans

Beyond the NRPP national envelope the Fund includes several **complementary financing channels** to strengthen direct Union-level actions and crisis-response capacity. These are: (i) the **EU Facility**, (ii) the **Interreg** and (iii) the optional **Catalyst Europe loan** component.

EU Facility: Union actions, crisis situations and an EU-level budget cushion

From a budgetary perspective, the **EU Facility** serves two distinct functions:

- It retains a share of resources under direct Commission control, allowing the Commission to implement centrally managed actions in areas where **EU-level coordination or rapid intervention** is required.
- It establishes an **EU-wide shock absorber** not linked to individual Member States, strengthening crisis response and capacity for unforeseen needs within the MFF ceiling.

The EU Facility amounts to approximately EU 64.0 billion and is structured around **two building blocks**.

Table 3: EU Facility in current and proposed MFF

MFF 2028-2034	MFF 2021-2027
EU Facility (Union Actions & Cushion) EUR 64 billion	European Agricultural Guarantee Fund (direct mgt)
	European Maritime, Fisheries and Aquaculture Fund (direct mgt)
	Employment and Social Innovation (incl currently direct mgt ESF+)
	European Urban Initiative (currently direct mgt ERDF)
	Interregional Innovation Investments (currently direct mgt ERDF)
	Thematic Facilities in the Home Affairs Funds (direct mgt)
	Single Market Program – Food strand
	European Solidarity Fund
	LIFE actions (strategic nature projects, strategic integrated projects and strategic action projects)

Source: Authors based on NRPP Regulation

1) Union actions under direct management (EUR 56.3 billion)

This first building block, amounting to EUR 56.3 billion, finances centrally managed interventions, that are not pre-allocated to Member States. It includes an in-built crisis-response capacity, incorporating elements currently funded through the agricultural crisis reserve and the European Solidarity Reserve (EUSF). To ensure the availability of funds for potential year-end crisis situations, at least 25 % of the annual allocation must remain available for the last quarter of each year.

According to the proposed regulation and accompanying documentation, this block covers:

- the **agricultural reserve** for market crises;
- the **EU Solidarity Fund**, which provides support to Member States affected by major natural disasters;
- thematic **HOME** actions (migration, asylum, border management) implemented at Union level; and,
- **other centrally managed initiatives** linked to cohesion, territorial development, rural areas or sectoral support that are better delivered centrally.

In budgetary terms, these actions replace and regroup direct management components currently spread across multiple programmes and headings, including parts of the European Agricultural Guarantee Fund (agricultural reserve), European Maritime, Fisheries and Aquaculture Fund, Employment and Social Innovation actions

(currently under the European Social Fund+), the European Urban Initiative and Interregional Innovation Investments (currently under European Regional Development Fund), thematic facilities under the Home Affairs funds, the European Union Solidarity Fund and selected strands of the Single Market Programme and LIFE actions.

It should be noted that the inclusion of the European Union Solidarity Fund (EUSF) into the EU Facility modifies its **mobilisation logic**. Under the current MFF, EUSF is governed by Regulation (EU) 2012/2002 and requires a formal **budgetary procedure involving Parliament and the Council**. In fact, any mobilisation of the EUSF is currently subject to a dual budgetary authority decision – a mobilisation decision as provided for in Article 4 of the EUSF Regulation and a transfer decision to release funds from the special instrument.

In the proposal, the budgetary authority will decide on the annual amount for the EU Facility. However, if a transfer is needed to top-up the plans, the Council and the Parliament will only be involved in the decision-making process if the requested amount exceeds 10 % of the total EU Facility budget for that financial year and no mobilisation has been made yet. Even when approval is required, it will provide limited scrutiny and oversight. Given the competition between needs, the mobilisation of in-built flexibility may require a meaningful policy appraisal.

2) EU-level cushion for emerging challenges and priorities (EUR 7.7 billion)

The second block consists of a **non-pre-programmed Union level reserve** for emerging challenges and new priorities, totalling EUR 7.7 billion. This envelope **can be mobilised where needs** cannot be addressed through:

- reprogramming within NRPP national envelopes; or
- the standard Union actions envelope, including in-built crisis capacity.

This cushion functions as the top layer of the resilience architecture under Heading 1, sitting above the flexibility embedded in the NRPPs and above the ordinary Union actions budget.

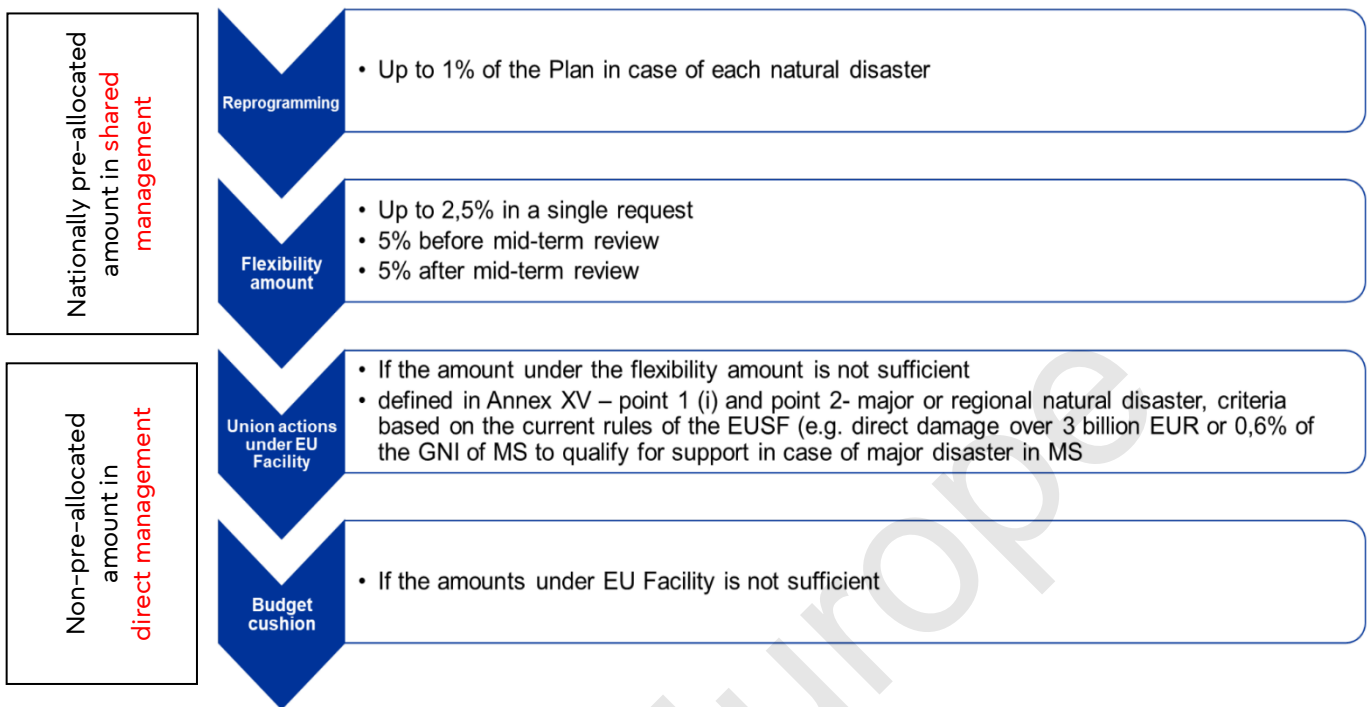
Figure 3 illustrates the **crisis-response cascade** embedded in the NRPP framework. Under the proposed Regulation, the sequence operates as follows:

- it starts with the reprogramming of funds in the Member States's **national NRPP allocation**
- this is followed by the mobilisation of the **flexibility amount**, also within the Member States's **national NRPP allocation**,
- the third step is the recourse to **Union action instruments under** direct management, such as the EU Solidarity Fund; and,
- as a **last resort** it foresees the mobilisation of the **EU-Facility cushion** for emerging challenges and priorities.

The first two steps of the cascade in Figure 3, refer to flexibility within the NRPP national envelope, the third (Union actions) and the fourth step (cushion) are situated at Union level under the EU Facility. Technically, the use of each successive layer is foreseen only once the preceding one has been exhausted. In practice, however, **the application of this cascade proves to be less clear-cut**. Indeed, Member States may argue that scope for reprogramming within the national envelope is constrained by prior commitments. In addition, the timing of the mid-term review could influence decisions on whether to reprogramme national resources or instead seek access to Union-level instruments.

This creates a degree of **operational uncertainty as regards to the practical functioning of the cascade mechanism** and highlights the need for a comprehensive assessment of the relevance, sequencing and size of each layer of the crisis-response architecture. In this context, a mobilisation decision accompanied by a transfer by decision, as the procedure is handled in the current MFF, is even more important. As Member states applications for EUSF support – which include financial and other information – would no longer be needed under the proposed MFF framework, the European Parliament would not be able to assess the whole picture. A comprehensive assessment of the relevance and amount of each step of the cascade would therefore be needed in the future.

Figure 3: NRPPs cascade mechanism for crises and unexpected events



Source: Authors based on European Commission, MFF 2028–2034 Fiche no. 7

Interreg

Interreg (European Territorial Cooperation) remains a distinct component within Heading 1 of the proposed MFF 2028–2034 and continues to be implemented under shared management. Unlike the NRPP national envelopes, which are organised around a single integrated national plan per Member State, Interreg is structured around **cooperation programmes covering cross-border, transnational and interregional territories**.

In line with the current regulatory framework, **Interreg supports joint actions between regions across internal and external EU borders**, addressing shared challenges such as economic development, connectivity, climate adaptation, risk prevention and institutional cooperation. It is designed to generate cross-border spillovers and EU added value that cannot be achieved through purely national interventions.

Under the proposed architecture, Interreg is kept outside the national plans but grouped within the same overarching fund. **Its financial allocation remains broadly stable** compared to the current MFF (in constant prices), preserving its territorial cooperation logic while aligning it budgetarily with the new, consolidated, Heading 1 structure.

Loans and the role of Catalyst Europe

In addition to grant financing under the national envelopes, the proposed MFF will be complemented by a **centrally managed loan instrument**, to be known as **Catalyst Europe**.

Catalyst Europe is envisaged as a Union-level lending facility with a maximum capacity of up to around EUR 133.7 billion over the period. Loans would be backed by the EU budget through provisioning and guarantees, and are additional to the NRPP national envelopes, remaining outside the MFF expenditure ceilings.

From a budgetary perspective, Catalyst Europe acts as a **complementary financing layer, rather than a substitute for grants**. Its role is to increase investment capacity and adjust the overall policy mix, without affecting the internal distribution of NRPP grant allocations. However, its uptake remains highly uncertain, as especially for wealthier Member States it would be cheaper to borrow money directly on the international capital market.

1.4 Horizontal targets: scope, functioning and implications

Scope and base for calculations

The proposed MFF introduces a set of **horizontal spending targets**, defined as minimum shares of expenditure that must contribute to specific Union objectives. These targets apply across the policy scope of Heading 1 and are expressed as **percentage requirements**, rather than as dedicated budget envelopes. They originate from different elements of the proposed framework. The **social target (14%)** is set out in the proposed Regulation as a binding programming requirement. The **climate and environmental target (43%)** stems from the performance framework, reflecting the Union's climate mainstreaming objectives. In addition, on 12 November 2025, during the European Parliament's plenary session, the Commission President proposed a **horizontal rural safeguard**, requiring that at least **10 % of the relevant expenditure base** benefits rural areas. At this stage, this rural target remains a **political proposal** and would need to be formally introduced into the Regulation.

The expenditure base of these targets differs across objectives but covers all instruments under the Fund.⁴ For what concerns the NRRP envelope, the **social and rural targets are calculated on a common basis**, excluding CAP income support (Pillar I) and fisheries spending. By contrast, the **climate and environmental target applies to the whole envelope**. Moreover, all horizontal targets apply to the whole expenditure foreseen under **the EU Facility, Interreg, and Catalyst EU loans**.

As a result, the size of the relevant base depends both on **Member States' programming choices and use of flexibility** as well as the take-up of **loans under Catalyst EU**. In particular, the uncertain take-up of Catalyst EU loans introduces an additional source of variability, as it depends on individual Member States' choices. Taken together, these features imply that both the **total amount of expenditure covered by the horizontal targets** and its **distribution across Member States** cannot be determined ex ante. This reflects (i) the dependence on national programming decisions, (ii) the inclusion of centrally managed instruments, and (iii) the uncertain uptake of demand-driven components. Finally, horizontal targets are **not mutually exclusive**: a single intervention may contribute simultaneously to several objectives.

An illustrative comparison of social spending under the current and proposed MFF

As an illustration, the implications of this architecture can be seen in the case of **social spending**. Under the proposed MFF, social expenditure is no longer supported through a **dedicated earmarked financial envelope** – as is currently the case with ESF+ – but through a **minimum horizontal target of 14%**. As discussed above, the relevant expenditure base excludes CAP income support (Pillar I) and fisheries spending, and depends on **Member States' programming choices** as well as on the **uptake of loans under Catalyst EU**.

To capture this uncertainty, the estimates presented in the annex consider two stylised scenarios: a **minimum CAP allocation scenario** (no non-earmarked amounts allocated to CAP pillar 1), which maximises the base for social spending, and a **maximum CAP allocation scenario** (all non-earmarked amounts allocated to CAP pillar 1), which reduces it. In addition, a full take-up of Catalyst EU loans is assumed at EU level, while recognising that their distribution across Member States cannot be determined ex ante.

The resulting estimates show a **range of possible mandatory minima** for social spending both within Member State envelopes – between **EUR 31.79 and EUR 55.55 billion** (Table 7) – and including the allocation under direct management and Catalyst EU – between **EUR 63.02 and EUR 86.78 billion** (Table 8)⁵. This illustrates how the shift from a fund-based architecture to a horizontal target introduces **greater variability and reduced ex-ante predictability** in both the volume and distribution of spending.

⁴ The only exception is the Social Climate Funds which is, however, not covered in this note.

⁵ It should also be noted that these estimates reflect only the mandatory minima implied by the Regulation; in practice, Member States may choose to allocate higher shares of their envelopes to social objectives.

This also makes direct comparisons with instruments such as ESF+ under the current MFF – where an earmarked envelope of **EUR 95.98 billion**⁶ is defined ex ante – more challenging, as the proposed framework no longer provides a clearly identifiable and pre-determined level of spending for social objectives.

2. Member State envelopes and access to NRPP funding

This section examines the distribution of the NRPP envelopes across Member States and policy areas and compares proposed allocations with those under the current MFF. It analyses the size and composition of national envelopes, their distribution across main spending blocks, and the implications of different uses of flexibility for ex post allocations.

While Member States will be responsible for preparing and submitting their plans – with an obligation to involve regional authorities and civil society in the drafting, implementation and monitoring – governance remains strongly centralised at the national level. This raises concerns on the exact role of **regional stakeholders**.

2.1 Overview of Member states' national envelopes

In aggregate terms, the total NRPP envelope is lower in constant prices than the combined funding available under the corresponding instruments in the 2021–2027 MFF. National envelopes, which are determined by general allocation formula, are therefore calculated within a more constrained overall budget and imply some redistribution of grant resources across Member States.

Indeed, **relative changes in national envelopes** (Table 4), expressed in constant prices, show **differentiated patterns across Member States**. Smaller and less affluent Member States tend to record **relative increases** compared with the current MFF, whereas wealthier Member States more often show **stable, or declining envelopes**. However, these variations should be interpreted with caution. Constant price comparisons are based on a 2.0 % deflator and therefore capture changes in allocation shares rather than **effective purchasing power at national level**. In a context of sustained inflationary pressures over recent years, relative increases in constant-price terms do not automatically imply higher real spending capacity. Overall, the distribution of NRPP national envelopes points to a small **rebalancing across Member States**, rather than a uniform expansion or contraction of funding. The final budgetary impact for each Member State will depend not only on the initial allocation, but also on the use of flexibility and programming choices across policy areas over the MFF period, as discussed below.

Table 4: National envelopes (EUR billions, constant prices)

Member States	MFF allocations 2021-2027	NRPP Allocations MFF 2028-2034	Percentage difference
Belgium	6.98	6.77	-3.0 %
Bulgaria	18.63	18.19	-2.0 %
Czechia	28.58	25.16	-12.0 %
Denmark	7.30	6.59	-10.0 %
Germany	64.64	57.30	-11.0 %
Estonia	5.45	5.62	3.0 %
Ireland	11.98	10.42	-13.0 %
Greece	41.98	41.38	-1.0 %
Spain	84.20	73.89	-12.0 %
France	85.49	75.28	-12.0 %
Croatia	14.13	14.18	0.0 %

⁶ Amounts in the table are approximated and might differ from actual ones due to rounding error. Moreover, reported figures for ESF in the current MFF were calculated based on Open Platform Data (which offers breakdown by Member State) and reflect existing financial commitments, which might present small differences with the respect to the actual ESF envelope.

Member States	MFF allocations 2021-2027	NRPP Allocations MFF 2028-2034	Percentage difference
Italy	82.45	72.39	-12.0 %
Cyprus	1.69	2.05	21.0 %
Latvia	7.97	8.03	1.0 %
Lithuania	12.29	12.22	-1.0 %
Luxembourg	0.42	0.53	27.0 %
Hungary	34.31	31.66	-8.0 %
Malta	1.13	1.16	3.0 %
Netherlands	7.43	7.04	-5.0 %
Austria	10.10	9.17	-9.0 %
Poland	107.06	102.14	-5.0 %
Portugal	32.98	28.99	-12.0 %
Romania	51.99	49.59	-5.0 %
Slovenia	5.21	4.55	-13.0 %
Slovakia	17.41	16.68	-4.0 %
Finland	8.38	8.38	0.0 %
Sweden	8.75	8.91	2.0 %
European Union	758.93	698.27	-8.0 %

Source: Authors based on NRPP Regulation

2.2 Policy envelopes and their (illustrative evolution) under alternative uses of flexibility

When broken down by policy area, the proposed NRPP national envelopes reveal a differentiated allocation pattern across spending domains. This section focuses on **agriculture and cohesion policy**, which together account for the largest share of NRPP funding and therefore largely shape the overall distribution of resources.

Both agriculture and cohesion policy are subject to minimum allocations. For many Member States – particularly larger ones – these minimum levels are **significantly below the allocations observed under the 2021–2027 MFF**. However, these thresholds are minimum amounts and **do not** represent final spending levels.

As noted above, the NRPP framework includes a **substantial flexibility amount** that Member States may allocate across policy areas by means of programming (in the initial plans or mid-term). This flexibility may be used to **top up the minimum earmarked amounts** for agriculture or cohesion, or alternatively to prioritise other objectives such as migration, environmental or social policies. The eventual distribution of spending may therefore diverge considerably from the baseline implied by minimum thresholds.

In line with figure 2 in section 1.2, table 5 presents an illustrative simulation of potential allocations for the two main policy areas – agriculture and cohesion – under alternative uses of flexibility. For each policy area, a **minimum allocation scenario** reflects the mandatory thresholds set out in the Regulation and adding the proposed amendments the Commission President's letters. A **maximum allocation scenario** is then constructed by assuming that, in addition to meeting its minimum requirement, the policy area receives the entire flexible share of the national envelope, with no portion of flexibility retained for other policy areas or emergency needs.

Table 5: Policy Areas (EUR billions, constant prices)

In EUR billions, constant prices	MFF 2028-2034		MFF 2021-2027	MFF 2028-2034		MFF 2021-2027
	Minimum agriculture	Maximum agriculture	Agriculture	Minimum cohesion	Maximum cohesion	Cohesion
Belgium	3.52	4.87	4.16	1.36	2.70	2.43
Bulgaria	6.69	11.62	8.07	5.74	10.67	10.21
Czechia	7.44	15.50	8.09	9.11	17.17	20.46
Denmark	4.72	5.46	6.74	0.70	1.45	0.30
Germany	31.87	42.02	43.61	11.55	21.70	18.75
Estonia	1.78	3.27	2.03	1.60	3.09	3.21
Ireland	7.58	8.77	10.81	1.33	2.52	0.95
Greece	15.52	26.12	19.45	12.01	22.61	20.93
Spain	36.90	52.88	46.34	17.96	33.94	35.50
France	48.02	59.52	66.95	13.16	24.65	16.39
Croatia	4.25	8.28	4.86	4.66	8.69	8.70
Italy	31.78	49.40	38.58	20.23	37.85	42.11
Cyprus	0.46	0.91	0.55	0.41	0.86	0.92
Latvia	2.81	4.90	3.33	2.45	4.54	4.37
Lithuania	4.63	7.61	5.59	3.51	6.50	6.21
Luxembourg	0.18	0.18	0.33	0.18	0.18	0.03
Hungary	10.46	20.02	12.22	11.19	20.74	21.82
Malta	0.16	0.46	0.18	0.43	0.72	0.78
Netherlands	4.72	5.46	5.69	0.83	1.57	1.21
Austria	6.12	7.17	8.80	1.20	2.25	1.00
Poland	29.72	62.57	31.93	37.71	70.56	74.06
Portugal	8.72	17.68	9.60	10.38	19.34	22.77
Romania	18.15	32.33	21.45	16.30	30.49	30.08
Slovenia	1.48	2.82	1.80	1.45	2.80	3.13
Slovakia	4.57	9.95	4.83	6.37	11.75	12.47
Finland	4.52	5.56	6.34	1.36	2.40	1.72
Sweden	4.73	5.88	6.49	1.48	2.62	1.66
European Union	301.50	471.21	378.81	194.68	364.39	362.18

Source: Authors based on NRPP Regulation

Also, interpreting the relative weight of different policy areas is further complicated by the nature of **horizontal targets**, notably those relating to rural areas, social objectives and environmental action. Unlike earmarked amounts, these targets do not correspond to **dedicated financial envelopes**. Rather, they define spending objectives that can be met across multiple interventions.

As a result, the same expenditure may contribute simultaneously to multiple targets. For example, if **Portugal were to finance a EUR 1 million project with environmental and social objectives implemented in a rural area**, that single amount would be reported in parallel under the rural, social and environmental targets.

2.3 Access to funds: plans, milestones, payments and amendments

Beyond the distribution of national envelopes, the proposed NRPP framework establishes a **specific access model** based on plans, milestones and subsequent payments.

The governance logic mirrors that of the Recovery and Resilience Facility (RRF). It replaces a traditional cost-based reimbursement model with a **performance-based** approach. Payments are not linked to declared expenditure, but to the satisfactory **achievement of milestones and targets**, defined by Member States in their NRPPs.

For each main policy area (chapter) of the plan, Member States define:

- **qualitative milestones** (e.g. adoption of reforms, establishment of institutions, legislative changes); and
- **quantitative targets** (e.g. number of beneficiaries, hectares restored, megawatts installed, people trained).

In preparing, implementing, monitoring and evaluating the NRPPs, **Member States are required to engage relevant authorities and stakeholders at national and regional level**, as well as stakeholder, in line with the partnership principle. While this is intended to support a multi-level governance and a bottom-up approach, overall responsibility remains concentrated at the national level.

Under the proposed regulation, NRPPs must be submitted to the Commission by **31 January 2028**. The Commission must assess compliance with the Regulation within four months of its submission. If the assessment is positive, the Commission submits a proposal for a **Council Implementing Decision (CID)**. The Council is then required to adopt the CID within four weeks of the Commission proposal.

The CID sets out:

- the **list of measures** included in the NRPP;
- the total EU financial contributions;
- any requested loan support; and
- the related **pre-financing**, where applicable.

Plans may be amended during the implementation period. Amendments follow the same assessment and approval procedure.

The Commission authorises payments only once the agreed milestones and targets have been satisfactorily fulfilled. Payments are formalised through a **financing decision under Article 110** of the Financial Regulation and remain subject to the annual maximum contribution for each Member State.

Each disbursement is directly linked to the achievement of a predefined result (milestones and targets defined in the NRPPs). This strengthens the incentive structure for delivery. At the same time, it **shifts part of the budgetary risk away from cost legality and regularity towards performance assessment and verification**.

This architecture runs counter to the European Parliament's call⁷ for a clearer MFF structure, stronger parliamentary accountability, and enhanced budgetary control over EU spending. The implications of this model for auditability, control and parliamentary scrutiny are examined in Section 3.

3. Accountability, audit and parliamentary scrutiny under the NRPPs

The NRPP architecture – combining broad national envelopes, horizontal targets, significant flexibility and a performance-based delivery model – raises interconnected challenges for **control, audit and accountability**. These challenges span three dimensions:

- **financial assurance** (legality and regularity of expenditure);
- **performance accountability** (whether spending delivers results and value for money); and,
- **institutional scrutiny**, notably the European Parliament's capacity to exercise effective budgetary oversight and discharge.

Many of these issues echo challenges identified under the Recovery and Resilience Facility (RRF). The following sections examine audit and control arrangements, implications for performance and discharge, and the evolving role of the European Parliament.

⁷ European Parliament resolution of 7 May 2025 on a revamped long-term budget for the Union in a changing world ([2024/2051\(INI\)](#)).

3.1 Control and audit challenges

A central feature of the proposed NRPP model is the shift from cost-based eligibility to milestone- and output-based payments. Disbursements are triggered by the achievement of agreed milestones and targets, rather than by reimbursement of verified eligible expenditure.

This model can accelerate implementation and simplify administration while strengthening the focus on results. However, it fundamentally changes the audit trail:

- Under traditional shared management (e.g. cohesion policy in past MFFs), auditors could trace EU funding to specific invoices and beneficiaries. This allowed systematic detection of ineligible expenditure, procurement errors, or breaches of state aid rules.
- Under a milestone-based model, once a milestone is assessed as achieved, the Commission generally does **not re-open the underlying costs**. Breaches of procurement, state aid, or eligibility rules may therefore **not automatically affect the payment**, unless they are deemed serious, systemic, or fraudulent.

This creates a **potential assurance gap**. The link between EU funding and specific expenditure items become less granular, making traditional irregularity detection more difficult. National audit authorities verify systems and milestone achievement, but these checks will become more qualitative and less standardised than cost-based controls, increasing the risk of uneven practices across Member States.

The milestone-based approach does not eliminate financial risks; it changes how they are identified and corrected. Experience with the RRF suggests that where payments are not tied to individual costs, compliance with procurement and state aid rules may receive less systematic attention. Breaches may therefore be detected late, or not at all, especially where national control systems are weak.

Moreover, the Commission's ability to apply financial corrections is narrower where payments are not cost-based, except in cases of fraud, corruption, conflict of interest, or serious systemic deficiencies. Under traditional shared management, ineligible expenditure can be recovered through corrections. Under an output-based model, recovery is more complex unless the milestone itself is invalidated. This may weaken deterrence for lower-level irregularities.

The risk of double funding is also heightened. Multiple EU instruments – cohesion funds, CAP and potentially Catalyst Europe loans may support related investments. When funding is not linked to specific cost items, ensuring that the same project or expenditure is not financed twice becomes more challenging.

3.2 Performance accountability and discharge risks

Beyond regularity, the NRPP framework raises **significant challenges for performance accountability**, directly affecting the European Parliament's role as discharge authority. As explained in section 3.1, under the proposed performance-based model, large volumes of expenditure may be deemed compliant primarily based on **milestone and target fulfilment**, rather than verification of costs incurred. This increases the importance of robust, **precise and stable performance definitions**.

A first risk concerns **milestone and target design**. If milestones are formulated in broad procedural terms – such as the "adoption of a strategy", the "entry into force of legislation", or "launch of a programme" – they may be formally fulfilled without delivering substantive policy change or measurable impact. Experience from the RRF shows that such milestones can trigger significant payments while offering limited assurance on effectiveness. For discharge purposes, this weakens Parliament's ability to assess whether spending meaningfully contributes to agreed objectives.

Second, heavy reliance on **output indicators** complicates value-for-money assessment. Indicators such as kilometres built, beneficiaries reached, or megawatts installed are verifiable, but they reveal little about **longer-term impacts**. Where result indicators are insufficiently harmonised, poorly defined or weakly linked to policy objectives, cross-country comparability becomes difficult and the scope for a meaningful performance assessment is reduced. In such cases, discharge risks becoming a largely formal exercise based on reported outputs rather than a substantive evaluation of effectiveness.

Third, flexibility and mid-term review mechanisms, while enhancing responsiveness, **may reduce transparency**. Frequent plan amendments, redefinition, replacement or postponement of targets and milestones can blur the link between the initially approved commitments and final implementation. Although amendments require Commission assessment and Council approval, the European Parliament has **no formal decision-making role**, limiting its oversight over evolving performance commitments.

Taken together, the effectiveness of the discharge procedure will depend heavily on the **clarity, robustness and transparency of performance information** provided by the Commission. Without precise milestones, meaningful result indicators and transparent documentation of amendments, the shift to performance-based financing risks weakening Parliament's capacity to assess economy, efficiency and effectiveness

3.3 Role of the European Parliament in scrutiny and discharge

In addition to the risks and challenges highlighted above, the NRPP architecture also has structural implications for the European Parliament's **ex ante scrutiny** and **ex post accountability role**. A key factor is the significant **simplification of budgetary nomenclature** proposed for the 2028–2034 MFF.

As illustrated in Table 6, the proposal drastically reduces the number of budget lines. The NRPPs are grouped under a **single title** with **two** chapters (one for NRPPs and Interreg, and one for the EU Facility) and, a limited number of articles and items. By contrast, in the current MFF, the same policy areas were implemented through multiple programmes across several titles, chapters and articles. Budgetary nomenclature is a central tool through which Parliament exercises control over priorities. And this reduction in budgetary granularity directly affects parliamentary scrutiny.

For the **NRPP national envelopes**, Parliament's ex ante influence over ex ante allocations is de facto limited. More importantly, the reduced granularity of the nomenclature constrains **ongoing scrutiny and budgetary control**. With expenditure authorised at the level of broad national envelopes and implemented through performance-based financing, Parliament has less visibility on how resources are distributed across policy objectives, territories and types of intervention.

These scrutiny constraints are reinforced by the **financing model** itself. Because payments are linked to the fulfilment of milestones and targets rather than to the reimbursement of eligible costs, the volume of granular financial information normally underpinning parliamentary oversight is reduced. As a consequence, while legality and regularity may be formally safeguarded, Parliament's ability to scrutinise the substantive orientation and policy composition of spending is weakened.

By contrast, the implications of **budgetary nomenclature and transfer rules are more pronounced for the EU Facility**. Here, Parliament retains its full role as part of the budgetary authority. However, the high level of aggregation in budget lines – combined with the Commission's ability to make **autonomous transfers under Article 30 of the Financial Regulation** – may limit Parliament's practical ability to steer and monitor the distribution of resources across Union actions, including, activation of instruments for Union instruments.

Overall, the principal challenge for parliamentary scrutiny under the proposed NRPP framework lies **not in the formal existence of budgetary powers, but in the practical ability to follow and assess spending over time**. For the NRPPs, the challenge stems from broad national envelopes and the performance-based financing model. For the EU Facility, it arises from reduced nomenclature and enhanced transfer flexibility.

Table 6: Comparison of budgetary nomenclature in the current and proposed MFF

Nomenclature		Proposed MFF	Current MFF
Title	Policy Area	1	10
Chapter	Program	2	17
Article	Policy Objective	9	55
Item	Specific Objective	8	56
Reference amounts in basic acts		6	16

Source: Authors calculations based on NRPP Regulation

4. Conclusions

The NRPP proposal architecture for the 2028–2034 Multiannual Financial Framework marks a significant reordering of how the European Union conceives, structures and governs its budget. At its centre are the **national NRPP envelopes**, which replace a constellation of separate funds with a single, integrated framework covering a wide range of policy areas. **Interreg** remains alongside them, continuing its long-standing role in supporting cross-border, transnational and interregional cooperation. Both strands rest on **shared management** between the Commission and the Member States, reinforcing a model in which national governments remain key actors in translating Union priorities into concrete actions. Alongside these, the **EU Facility**, largely under **direct management**, signals a different logic: one aimed at financing actions best delivered at EU level and providing an EU-wide cushion to respond collectively when new or unforeseen challenges arise.

The proposed architecture attempts to balance two long-standing and often competing demands: predictability and flexibility. The proposed Regulation embeds predictability through a series of earmarking mechanisms including **fixed minimum allocations** for specific policy areas – such as CAP and fisheries income support, HOME funds and less developed regions – and **horizontal spending targets** for social objectives (14.0 %) and environmental objectives (43.0 %). Additionally, Commission President Ursula von der Leyen suggested an additional horizontal target for rural areas (10.0 %) in her letter. Furthermore, the proposed Regulation reinforces **horizontal conditionalities**, notably respect for the Charter of Fundamental Rights and the rule of law, which apply both before funds are committed and throughout their implementation.

What distinguishes the NRPP most clearly from previous frameworks, however, is the introduction of a **substantial flexibility amount**. Unlike traditional pre-programmed funding, this envelope can be mobilised over time through specific procedures and windows, allowing Member States and the Commission to adapt national plans to crises and evolving priorities. The **two letters sent by Commission President** in November 2025 and January 2026, even if they do not have any legal basis at this stage and would officially need to be introduced as amendments to the regulation, further refine this balance, proposing adjustments to earmarking and flexibility that shift weight toward greater ex ante allocation certainty. Yet this design choice also has consequences: fixed minimum allocations and a shared flexibility pool place policy areas and emerging needs – including unforeseen crises – in direct competition. At the same time, Member States and the Commission retain substantial autonomy over final policy design, choices and strategic focus.

Finally, the analysis highlights the central role of **governance arrangements and budgetary nomenclature** in enabling effective budgetary scrutiny. The consolidation of programmes and budget lines has implications for Parliament's capacity to exercise ex ante oversight and ensure ex post accountability. In parallel, the comparison of national envelopes suggests a differentiated impact across Member States: in constant prices, wealthier countries face a relatively larger reduction in their financial allocation compared with the current MFF.

Taken together, these conclusions indicate that the NRPP is not simply a technical reconfiguration of funding instruments, but a structural shift with significant implications for policy competition, institutional balance and accountability within the European Union's budgetary framework.

Annex I: illustrative comparison of social spending under the current and proposed MFF

Table 7: Illustrative min and max mandatory social spending in the current and proposed MFF (EUR billions, constant 2025 prices)

Member State	Proposed MFF (2028-2034)		Current MFF (2021-2027)
	Min. Social Spending	Max. Social Spending	ESF+
Belgium	0.27	0.46	1.34
Bulgaria	0.92	1.61	2.66
Czechia	1.35	2.48	2.46
Denmark	0.16	0.26	0.12
Germany	2.14	3.56	6.64
Estonia	0.33	0.54	0.54
Ireland	0.23	0.40	0.51
Greece	2.14	3.62	5.63
Spain	2.94	5.18	11.43
France	2.21	3.82	6.74
Croatia	0.83	1.39	1.96
Italy	3.22	5.69	14.98
Cyprus	0.16	0.22	0.22
Latvia	0.44	0.73	0.69
Lithuania	0.65	1.06	1.15
Luxembourg	0.05	0.05	0.02
Hungary	1.63	2.97	5.31
Malta	0.10	0.14	0.13
Netherlands	0.22	0.32	0.42
Austria	0.28	0.43	0.41
Poland	5.54	10.14	12.96
Portugal	1.58	2.84	7.87
Romania	2.42	4.40	7.42
Slovenia	0.24	0.43	0.67
Slovakia	0.94	1.70	2.38
Finland	0.39	0.54	0.61
Sweden	0.42	0.59	0.71
Total EU	31.79	55.55	95.98

Source: Authors calculations based on NRPP Regulation

Table 8: Illustrative min and max mandatory social spending in the current and proposed MFF (EUR billions, constant 2025 prices)

Instrument and/or component	Proposed MFF (2028–2034)	Current MFF (2021–2027)
ESF+	-	95.98
Social spending in NRPP envelopes	[31.79–55.55]	-
Catalyst EU loans contributing to social objectives (full take-up assumed)	21.00	-
EU Facility – social spending	8.96	-
Interreg – social spending	1.27	-
Total EU social spending	[63.02–86.78]	95.98

Source: Authors calculations based on NRPP Regulation

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