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Informal General Affairs Council

Dublin, 3-4 September 2026

Balance of Expenditure in the 2028-2034 Multiannual Financial Framework

Presidency Steering Note

Context

On 16 July 2025, the European Commission proposed a €1,985 billion (current prices) or €1763 billion (2025 prices) 2028-2034 Multiannual Financial Framework (MFF). In a much-changed and streamlined structure, the expenditure was divided across four central Headings:

1. Heading 1: Economic, Social and Territorial Cohesion, Agriculture, Rural and Maritime Prosperity and Security
2. Heading 2: Competitiveness, Prosperity and Security
3. Heading 3: Global Europe
4. Heading 4: Administration

The expenditure areas under the new Heading 1 remain the largest area of the budget, albeit this share has shrunk compared to the current MFF. When excluding repayment of Next Generation EU debt, this Heading is close to half of the MFF. The share for Heading 2 makes up almost one third of the MFF, although notably competitiveness and security are further integrated across all Headings. There is a small increase in the share dedicated to external action, further enhanced by the Ukraine special instrument, and administration remains around 6% of the total MFF.

Following extensive negotiations by Member States over the last year, on 11 June 2026, the Cyprus Presidency put forward a revision of the 2028-2034 MFF Negotiating Box which included the first compromise proposal on figures. The new Negotiating Box reduced the European Commission's proposal by 2%, which brought the overall MFF package to €1,948 billion (current prices) or €1,730 billion (2025 prices).

Decreases were applied mostly on Headings 2 and 3, which had seen the largest increases in the Commission's proposal compared to the current MFF. While the figures in the Cyprus Presidency Negotiating Box are reductions to the Commission proposal, they still represent increases on overall expenditure levels in comparison with the current 2021-2027 MFF. The Cyprus revised Negotiating Box from June 2026 broadly maintains the shares between Headings.

The relative shares, and comparison to the current MFF, are set out in annex to aid consideration. Reactions from Leaders at the European Council confirmed that consensus is yet to be reached on the volume and the balance of expenditure priorities.

This exchange should contribute to support ongoing Council discussions, including in Coreper II, with a view to advancing agreement on the MFF. The Presidency is planning further discussions on volume and new Own Resources, including at the General Affairs Council on 22 September. In order to maintain momentum in negotiations, and with a view to securing agreement, Member States are strongly encouraged to approach answers pragmatically and with a commitment to compromise and consensus building, to assist the goal of reaching a unanimous agreement this year.

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Guiding Questions for Discussion

1. On the overarching MFF package, what balance should be struck across all four Headings?

2. Within each Heading, are there particular elements which should be prioritised and/or deprioritised?

Annex

The following table sets out the balance between Headings in the Negotiating Box put forward by the Cyprus Presidency, and the increases, by Heading, from the current MFF to the Cyprus Negotiating Box level.
Please note the table uses rounding for illustrative purposes, but percentages are based on unrounded figures.

Rounded to nearest billion	**2021-2027 MFF Allocations (in current prices)**	**CY Pres Negotiating Box Allocations (in current prices)**	**CY Pres Negotiating Box Allocations (in 2025 prices)**	**CY Pres Negotiating Box % of total volume**	**Increase from 2021-2027 MFF to CY Proposal**
Heading 1 (excluding NGEU repayment)	€798bn	€889bn	€793bn	45.6%	11%
NGEU repayment	€23bn	€168bn	€149bn	8.6%	640%
Heading 2	€221bn	€566bn	€502bn	29%	156%
Heading 3	€120bn	€207bn	€183bn	10.6%	72%
Heading 4	€85bn	€117bn	€104bn	6%	38%
TOTAL *(excluding special instruments)*	€1245bn	€1948bn	€1730bn		**Total increase: 56%**

Source: ST 10058/2026 (CY Negotiating Box Annex)