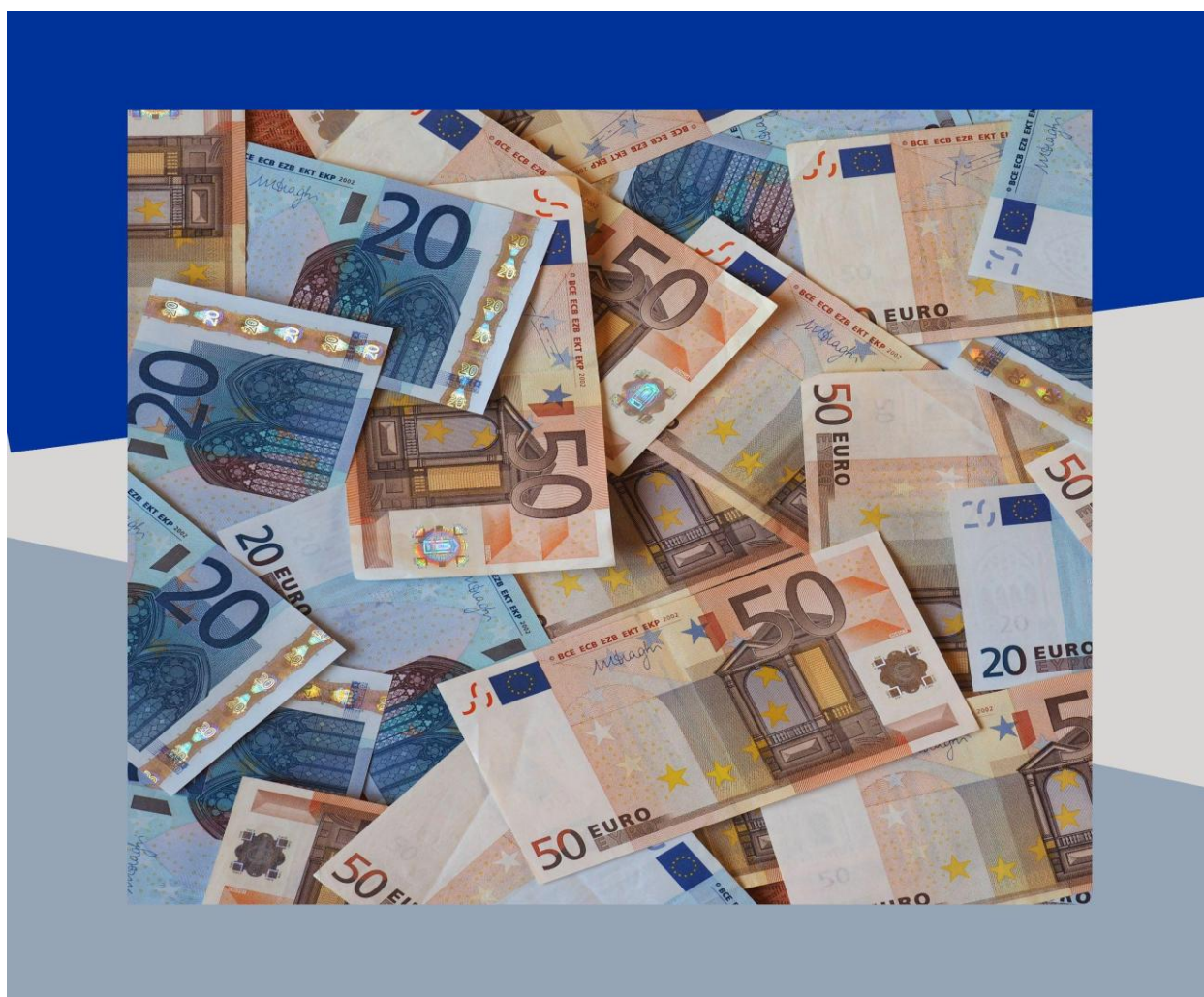


More Funding, More Green?

Unpacking the EU 2028–2034 Budget Proposal



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Analysis of the Alliance of Associations Polish Green Network

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On 16 July 2025, the European Commission presented a proposal of the future EU budget for 2028-2034. The draft amounts to a record €2 trillion and is intended to support the EU in overcoming the challenges and crises it faces. It also makes it clear that the green transition is no longer block's top priority.

The road to a new budget

Drawing up the so-called Multiannual Financial Framework (MFF) is one of the most important exercises carried out in the EU every seven years, during which a compromise is forged between the EU institutions and the Member States and their regions. However, the draft of the new MFF just presented departs significantly from the framework that has been known for years. This is due, among other things, to the challenges, both internal and external, that the EU is facing: the war beyond its eastern border, the declining competitiveness of the EU economy, the climate and social crises or the growing discontent with the EU's extensive bureaucracy.

To a large extent, the new MFF is to be built around new priorities outlined by the new EC after 2024 European elections: enhancing defence capabilities and resilience and increasing the EU's competitiveness. In addition, the growing drive of some Member States (especially 'frugal' ones such as the Netherlands or Sweden) towards centralisation and deregulation has resulted in calls for simplification in the structure and mechanisms of the EU budget - along the lines of the Recovery and Resilience Facility (RRF).

While the unprecedented threat to EU security, the turbulence of the EU economy or the excessive administrative burden hampering (not only business, but also CSOs) access to EU funds are challenges on which there is consensus in the European public debate, the growing attacks and disinformation surrounding the European Green Deal have pushed the EU's 'green agenda' into the background in the discourse around the MFF. While EU officials and member state leaders emphasised the need for the MFF to better respond to crises - including natural disasters, its source - the growing climate and biodiversity crisis - was not emphasised. Although, thanks in part to the efforts of CSOs and the Polish EU Presidency (first half of 2025), the fight against climate disinformation has become a priority for the EU, there is still a lack of widespread understanding that the ruthless attacks on the EU's green agenda are one front in the hybrid war against the Union and need to be actively countered.

The new, more conservative EU institutions that emerged after the 2024 European elections and the rise of right-wing populism in the Member States have also made the situation of NGOs and civil society much worse. Mechanisms for their support from the new EU budget have been called into question.

Although formal negotiations on the MFF will start now, after the publication of the legislative proposals by the European Commission, work in the institutions, Member States, regions or in expert and non-governmental circles has been going on for several years. The high-profile reports by Enrico Letta and Mario Draghi, but also the EC's communication on the assumptions of the new budget, indicated a desire for changes to the existing structure, including a possible reduction in the cohesion policy, a key to green and social transition. Bodies such as the European Committee of the Regions, the European Economic and Social Committee gave their opinions, positions were adopted by Member State governments¹ and NGOs presented their recommendations²

¹ Ministry of Funds and Regional Policy, [Fundusze Europejskie po 2027 r.](#), Web Service of the Republic of Poland gov.pl,

² See K. Mrozek, A. Piekarz, [Towards Green Cohesion. Polish Green Network's recommendations for the New Cohesion Policy within the 2028-2034 Multiannual Financial Framework](#), Alliance of Associations Polish Green Network, Warsaw, January 2025

and took part in the public consultation on the MFF assumptions, which took place in spring 2025. The opinions of the CoR, EESC and many CSO positions called for maintaining and strengthening cohesion policy.

The next MFF - Commission proposals

Large and with a new structure

The new MFF is supposed to be - in the EC's words - 'Simple, Strategic, Flexible'. **It is to amount to a record €2 trillion**, or 1.26% of the EU's gross national income (at 2025 prices). However, the funds available for investment will actually amount to just over 1.8 trillion, and €168 billion will be used to repay debt incurred for post-pandemic recovery and implemented as part of RRF (repayment of all debt is scheduled for 2028-2058). Poland is set to be the largest beneficiary of the new MFF - according to the Commission's calculations, it would receive €123.3 billion³ (although this amount includes part of the Social Climate Fund already programmed and is smaller than the current combined allocation from cohesion policy and the National Reconstruction Plan).

In order to ensure the financing of the MFF and at the same time not significantly increase Member States' contributions, the EC has proposed **new EU own resources**. Taxation of large corporations, levies on e-waste or tobacco products, revenues from the ETS or the European Green Deal's Carbon Border Adjustment Mechanism (CBAM), together with existing elements, are expected to bring in **€58.5 billion a year** into the EU's coffers.

The drive to simplify and unify the structure of the MFF is reflected in the EC's proposed budget structure. It is to be built around **four fundamental pillars** (headings):

1. Europe's Social Model and Quality of Life - €1 trillion.
2. Competitiveness, Prosperity and Security - €589.6 billion.
3. Global Europe and external, security and overseas territories policy - €215.2 billion.
4. Administration - 6% of the budget.

³ European Commission, [Member States allocation](#), 17.07.2025

In addition, a special budget reserve will provide support for Ukraine, which is struggling against Russian war of aggression.

Flexibility **in the budget** is to be enhanced by new combination of measures: the Flexibility Instrument (€2 billion per year) and the Crisis Mechanism (approximately €395 billion in loans).

The basis for agricultural and cohesion policy programming at Member State level (first pillar) will be the **National and Regional Partnership Plans (NRPPs)**. They are to be based on the principle of partnership and experience of multi-level governance and shared management, but it will be up to Member States to decide whether to have regional or rather sectoral chapters in the plans.

The European Social Fund has been retained (as part of NRPPs) and **social spending** is set to reach 14% of the MFF, which will also contribute to the development of green skills, crucial to the success of the green transition. While the new architecture of funds (NRPPs) is intended to support the **Just Transition** regions, there **is no continuation of the separate Just Transition Fund**, which is to be merged, together with the 14 existing funds, under the NRPP into a single national envelope pursuing the objectives of the renewed Cohesion Policy.

Result-oriented accounting is to be introduced in the NRPPs, with **a component of reforms** arising from the European Semester, national Nature Restoration Plans and National Energy and Climate Plans (NECP). Importantly, while disbursement of funds will depend on the achievement of agreed results, the EC has adopted the principle that regions will not be 'penalised' by withholding payments if reforms that do not depend on them have not been implemented (because, for example, they require legislative action at national level).

The least developed regions of the EU - those with a GDP of less than 75% of the EU average - are to be guaranteed no less than €218 billion from the EU budget envelope. Special support is also to be directed to border regions.

The second pillar of the MFF will be implemented at European level and its most important instrument will be the **European Competitiveness Fund**,

which will be closely linked to the research and development-supporting Horizon Europe programme.

The third pillar is the EU's external action '**Global Europe**'. Of the €200 billion envelope, €100 billion is to support the reconstruction of Ukraine and its integration into the EU.

A budget to meet climate and environmental challenges?

Spending on climate and environment is to reach 35% (against the current 30% for climate and 7.5-10% for biodiversity⁴), but the EC stipulates that this threshold will vary between programmes. The new MFF is therefore expected to provide more than €700 billion for the green transition, which however, as Euractiv⁵ notes, is less than the current €658 billion for climate and €113 billion for biodiversity, although the overall EU budget is expected to be larger than the current one. The methodology for monitoring spending and delivering results in the EU's six 'green priorities' (e.g. tackling climate change, climate change adaptation, the circular economy) is to be improved. Meanwhile, a component of the European Competitiveness Fund is to be 'Clean Transition and Industrial Decarbonisation' with an allocation of €67.4 billion.

On the other hand, the expert recommendation⁶ to create a dedicated Biodiversity Fund to provide stable funding for implementing the Nature Restoration Law (NRL) **was not included in the proposal.**

As much as €131 billion under the European Competitiveness Fund is to support investments in **defence, security and space activities**. The EC asserts that this is a fivefold increase compared to the current budget cycle. **However, the link between defence and nature is missing from** the Commission's proposal even though the public debate is getting louder about the

⁴ While the earmarking of 30% of climate spending applies to the entire budget, biodiversity funding is to be 7.5% in 2024 and 10% each in 2026-2027 - Recital 11 of the Common Provisions Regulation for Cohesion Policy 2021-2027 (2021/1060).

⁵ B. Machado, [Green groups see EU budget bill as death knell for environment funding](#), Euractiv.com, 16.07.2025

⁶ Cf. K. Mrozek, A. Piekarz, [Towards Green Cohesion](#) (...), op. cit. p. 25; and: [Unlocking funds for nature: How the next EU budget must deliver for biodiversity](#), WWF, July 2024.

indispensability of Nature Based Solutions (NBS) as a dual or even triple use: restoring biodiversity, increasing the resilience of local communities to climate change, and creating physical barriers to support national defence, examples being wetlands or forests. "The terrain fights too," said representatives from the Polish Ministry of Defence during a meeting about the East Shield programme (on 16 July 2025 at the Polish Climate and Environment Ministry), where the best ways to employ nature to enhance security were discussed.

The new budget **will maintain the 'do no significant harm' (DNSH) principle**, to be applied through a 'clarity, simplification and proportionality'⁷ approach. And climate proofing, which is currently used, will evolve into a new principle, 'Climate resilience by design', to ensure that investments take into account the need to provide protection against the devastating effects of climate change.

A budget for all Europeans?

The European partnership principle, legally binding in cohesion policy, is to be applied to the first pillar of the new budget, the NRPPs. This means extending it to agricultural policy, where, until now, there have been very limited requirements for stakeholder involvement. The solutions proposed in the draft regulation for the NRPP refer to the **European Code of Conduct on Partnership** (240/2014) and - compared to the regulations for the 2021-2027 MFF - **extend the definition of partners** to include, for example, youth organisations, and explicitly mention the requirement to involve organisations dealing with the environment, non-discrimination or human rights. **Monitoring committees** are to be established for each or several chapters of the NRPP⁸. Pillar II, the European Competitiveness Fund, does not introduce any solutions stemming from the Partnership Code, requiring only that the Fund's objectives be consulted with, inter alia, civil society.

⁷ European Commission, *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities*, [COM\(2025\) 545 final](#), 16.07.2025, Recital 5

⁸ European Commission, *Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509*, [COM\(2025\) 565 final](#), 16.07.2025, Article 6, Articles 54-56.

Contrary to earlier signals from the EC, **funding for CSO activities is to be increased** in the **new AgoraEU programme**, which combines the existing Citizens, Equality, Rights and Values (CERV) and Creative Europe programmes. Within it, the CERV stream should amount to €3.6 billion (up from €1.15 billion currently).

However, the LIFE programme, which has funded climate and environmental action for many years, including valuable projects by NGOs and local partnerships between citizens and authorities, is **not in the plans for the future budget**. Activities so far carried out under LIFE are partly to be included in the new European Competitiveness Fund and partly in the national envelopes - NRPPs (including support for NGO 'green projects').

Assessment of the MFF proposal

The assessment of the European Commission's proposal cannot be black-and-white. The presented package of regulations contains significant adjustments compared to the first proposals communicated by the EC in February, and even more so to the radical demands for centralisation and the introduction of an 'RRF logic' raised in public discourse over the last two years. The influence of the positions of Member States, European institutions such as the European Economic and Social Committee or the European Committee of the Regions, as well as civil society and other stakeholders taking part in the public consultation and conveying their positions to the EC is evident.

The explicit mention of the role of the partnership principle, shared management, multi-level governance, and territorial dimension in the future NRPPs should be welcomed. Also, national and regional plans are to be based on the European Semester's recommendations (including those covering the objectives of the European Green Deal). Furthermore, on the positive side, the new AgoraEU programme has more than doubled the allocation of the CERV programme supporting civil society and European values.

On the other hand, the MFF project shows that the green transition is not a top priority for the EU. "Crises do not wait, and so can't Europe", said Budget Commissioner Piotr Serafin⁹ in the European Parliament on 16 July, presenting the next MFF proposal. However, not once in his speech did he mention the climate crisis or the biodiversity crisis, and the closest he came was only to mention the need to increase resilience to natural disasters.

On a negative note, the EC's process of preparing and presenting the proposals for the new Multiannual Financial Framework took place behind closed doors. Apart from assurances that the public consultation "brought fresh perspective to this process,"¹⁰ it is unclear how specifically the inputs were analysed and addressed.

Of concern is the *de facto* abolition of the LIFE programme and the absorption of its elements into the European Competitiveness Fund (ECF). The ECF is likely to support large projects, whereas LIFE has so far funded a wide range of climate and biodiversity-related activities, including small, soft initiatives. Moving support for 'green' NGO activities from the EU level to the national level increases the risk of making them dependent on the political conjuncture in Member States.

It is also disappointing to see the 'dissolution' of the Just Transition Fund in the NRPP without providing dedicated, additional funding for Just Transition regions.

Merging of climate and environmental earmarking risks dominating this pot with 'business-attractive' energy initiatives at the expense of the environment. Together with the rejection of expert recommendations for creating a dedicated Biodiversity Fund to implement the NRL, this shows that the lessons of the 2021-2027 MFF, indicating the need to more robustly guarantee funding for biodiversity conservation and restoration, have not been learned.

⁹ [Opening remarks by Commissioner Serafin at the European Parliament during the presentation of the next long-term EU Budget](#), European Commission, 16.07.2025.

¹⁰ COMMISSION STAFF WORKING DOCUMENT Accompanying the document COMMUNICATION FROM THE COMMISSION (...), [SWD\(2025\) 571 final](#), p. 5.

The detailed arrangements for applying the DNSH principle will also require attention. Although the unification and simplification of the procedures for its application have been included, for example, in the recommendations of the Task Force on Horizontal Principles of the Polish Partnership Agreement Committee for 2021-2027¹¹, experts at the same time call for the unified principles to be accompanied by detailed sectoral guidelines¹². Also missing from the documents presented is an explicitly stated ban on funding any fossil fuel-based technologies.

Despite assurances of multi-level governance and partnership, it is worrying that the decision on the degree of decentralisation of the NRPPs is ceded to Member States. Moreover, the creation of 27 national envelopes may lead to an excessive 'nationalisation' of the MFF (as pointed out by MEP Siegfried Mureşan¹³), which will lose its ability to deliver long-term EU-wide priorities in favour of supporting the immediate needs of Member States.

Summary and next steps

The proposal presented by the EC is a record-sized EU budget for 2028-2034 in a completely refreshed and simplified structure. It is apparent that an attempt has been made to reconcile the new priorities related to defence, security, and competitiveness with the existing ones: cohesion, support for agriculture, research, and development, as well as strengthening connections between the continent's regions. The perception of the role of the MFF as a tool for building comprehensive resilience to military, economic or climate threats is more evident than before. Unfortunately, despite maintaining sizable allocations for climate and environment, the EC's proposal clearly shies away from a green narrative and the combination of climate and biodiversity in one basket risks marginalising the latter. Disappointing is the *de facto* limitation of the regions'

¹¹ [*Zasada nieczynienia poważnych szkód środowisku \(DNSH\) w funduszach polityki spójności na lata 2021-2027 – analiza i rekomendacje. Materiał podsumowujący prace Zespołu ds. DNSH w ramach Grupy Zadaniowej ds. Zasad Horyzontalnych KUP 2021-2027*](#), Warsaw 2024

¹² [*Creating a simpler and more focused EU budget: Operationalising the 'Do No Significant Harm' principle in the next MFF*](#), A joint statement by 29 organisations, 04.03.2025

¹³ European Parliament, [*Budget proposal 'simply not enough' to meet Europe's challenges, lead MEPs say*](#), press release, 17.07.2025

empowerment and the abandonment of the dedicated support for Just Transition regions launched only a few years ago in the form of a separate, additional financial envelope - the Just Transition Fund.

However, these proposals should not be attached to, but rather treated as a starting point for discussion. Already during the presentation of the principles of the MFF in the EP, many criticisms were made by MEPs, who will have an increasing influence on the shape of these proposals in the following months. Calls for change are also coming from Member States, who are strongly divided on the future of the budget, for example: 13 are in favour of increasing the budget and 7 against, 12 in favour of new own resources - 6 against, 19 are sceptical about combining CAP and cohesion policy in national envelopes, 13 would like to strengthen the reform dimension in the NRPPs - 9 would not, 15 oppose cuts in CAP and cohesion policy.¹⁴

Poland has not yet presented an official reaction to the EC's proposal. Undoubtedly, Warsaw has reasons to be satisfied: plans to increase the budget, introduce new own resources or a reform component in cohesion policy are in line with its position. Also on its mind are increased defence spending and support for border regions. On the other hand, Poland was not in favour of national envelopes containing agricultural policy. It also opposed the centralisation of the MFF, pointing to the good experience of shared management¹⁵. Therefore, together with other like-minded countries and social, economic, and civil society partners, it can become a leader in advocacy for a more decentralised MFF.

Areas that require active action by the European Parliament, Member States, CSOs and expert organisations include:

- Introduction of **solutions to ensure the subjectivity of the regions** in the programming and implementation of the NRPPs.
- Implementation of the ECoPP¹⁶ **recommendations on the role of partnerships** - including, in particular, high-quality participation of

¹⁴ J. Wulff Wold, N. J. Kurmayer, [Money talks: What the EU-27 want from the next budget](#), Euractiv.com, 14.07.2025

¹⁵ Ibid

¹⁶ The European Community of Practice on Partnership, [ECoPP Statement on the Future of the Partnership Principle](#), 04.2025

partners from outside the administration (CSOs, social and economic partners, academy) in the programming and implementation of the NRPPs and the European Competitiveness Fund; followed by increased capacity-building support.

- **Separation of climate and biodiversity earmarking** to avoid marginalising environmental investments by large industrial projects, e.g., in the energy area. **Increasing spending on climate and biodiversity to 50% of the budget.**
- Introduction of an explicit **ban on financing fossil fuel technologies and installations** in the package of regulations.
- **Guaranteeing minimum support** not only for the least developed regions, but also for **Just Transition regions**, preferably by maintaining the Just Transition Fund (as the ESF+ has been maintained).
- **Inclusion of climate adaptation and nature restoration investments, dual-use NBS projects in defence and security investments**, and a part of support for border regions.
- **Ensuring horizontal support for CSOs and citizens' initiatives**, not only through the AgoraEU programme, but also through the adoption of **funding rules in national envelopes** (NRPPs) allowing active use of European funds by CSOs (and other citizens' initiatives); and the **continuation of the LIFE programme** at the EU level.

This text is based on communications from the European Commission and draft legislation available on the [website of the new MFF 2028-2034](#) on 18.07.2025. Originally published in [Polish](#).

Cover graphic: CANVA