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NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council
Subject: Multiannual Financial Framework (MFF) 2028-2034: governance aspects

INTRODUCTION

1. On 16 July and 3 September 2025, the Commission presented a package of legislative proposals for the Multiannual Financial Framework (MFF) 2028-2034 with the aim to have an agile budget in order to align spending capacity with evolving policy priorities. Flexibility therefore is a key aspect of the proposed MFF together adequate predictability for long-term investments.
2. The proposal introduces a more streamlined structure, with a reduced number of headings and programmes. It also foresees enhanced flexibility within and between programmes through mechanisms such as reprogramming possibilities, financial buffers, special instruments and increased unallocated margins.

3. Furthermore, to maximise the effectiveness and efficiency of implementation, it will be important that governance arrangements take account of lessons learned from EU spending in the 2021-27 period. There are calls on avoiding additional administrative burden, as well as maximising the speed by which decisions are taken. At the same time, so far, there is broad support for a reinforced role of the Member States and the Council, which should be implemented in a manner that safeguards the institutional balance and the prerogatives and roles of the Union institutions under the Treaties, including the Commission's responsibility for budget implementation, in cooperation with Member States.

GOVERNANCE IN THE PROPOSALS

4. Under the National and Regional Partnership Plans, the main governance questions relate to the balance in roles between the Commission, the Member States and the Council, in particular on the adoption and amendment of the plans.
5. In addition, regarding the proposed EU Facility, Member States call for stronger Council involvement in selecting actions and determining financial allocations as well as a role for Member States in the implementation stage. Further requests relate to the need to clarify activation and mobilisation procedures to improve transparency and predictability for the use of the "emergency challenges and priorities cushion".
6. A common issue in the governance of the European Competitiveness Fund and the Global Europe Instrument is strategic steering. There are calls for clearer upstream involvement and decision-making by the Council and the Member States on priorities, programming and implementation, as well as predictable reporting and information flows. In addition, the governance dimension of the interplay between the European Competitiveness Fund and Horizon Europe is being discussed. Moreover, under the Global Europe Instrument, there is broad support for clarifying activation rules for flexibility mechanisms, including the emergency challenges and priorities cushion.

7. While it will be necessary to avoid creating new silos, preserve an integrated approach and maintain sufficient flexibility, there is broad support for clearer and reinforced governance arrangements spanning the full cycle from the preparation phase through to implementation without adding unnecessary administrative burden.

QUESTIONS FOR THE MINISTERS

8. Ministers are invited to reflect on the governance arrangements mainly under the three key financing instruments (National and Regional Partnership Plans, European Competitiveness Fund and Global Europe) needed to ensure transparency, accountability and effective implementation, while delivering efficiency and avoiding unnecessary administrative burden.

A modernised and more flexible EU budget needs an enhanced governance, whilst preserving interinstitutional balance.

- *How can governance arrangements provide adequate strategic steering by the Council, and political ownership by the Member States, while ensuring effective delivery and implementation safeguarding the necessary operational flexibility, and respecting the institutional framework?*
- *How can governance be designed to preserve speed, efficiency, transparency and accountability while avoiding any unnecessary additional administrative burden?*