

PES Presidency Declaration **“An Ambitious Budget for Europe 2028-2034”** *Adopted by the PES Presidency on 15 October 2026*

The negotiations on the future **long-term EU Budget** are entering a crucial phase, with a view to being adopted by the end of this year. Called the **Multiannual Financial Framework (MFF)**, the budget for the period 2028-2034 will define Europe's capacity to act in an increasingly complex and unstable world. It is not a technical exercise; it is the political expression of the Union's ability to deliver on shared objectives, protect its citizens and uphold its values. This is why we want an **ambitious Budget for Europe 2028-2034** to finance EU public goods, to promote upward social, economic and territorial convergence, to uphold common policies and respond to emerging priorities.

The European Commission's proposed new **MFF architecture**, presented in July 2025, marks a profound shift in the governance and implementation of key EU policies. Unfortunately, in several regards, it does not adequately respond to citizens' needs nor to today's challenges. In this context, the PES reaffirms that:

- Transparency, accountability, economic, social and territorial cohesion, and the integrity of Treaty-based policies must be preserved in a new more agile, simple and responsive MFF.
- The proposed consolidation of around 44% of the MFF under a single fund, implemented through National and Regional Partnership Plans (NRPPs), risks undermining predictability, weakening the role of regions and local authorities and creating unnecessary competition between policies and beneficiaries. Modernisation is welcomed but should build on the strengths of Treaty-based policies, without harming cohesion policy, particularly by weakening its place-based and shared management principles.
- While the European Commission proposal envisages a reduction of funding for territorial and social cohesion and agricultural policies, spending priorities must reflect the emerging challenges of the Union and should not come at the expense of social progress and other long-term objectives.
- An ambitious Budget must be able to deliver on common European priorities, from health, innovation, the just and green transition to industrial competitiveness, with joint financing. This requires resilient, balanced and robust revenue streams to meet repayment obligations without jeopardising these priorities. Convergence on the introduction of new genuine own resources will be a key element of a balanced overall agreement.
- An ambitious Budget should also lay the foundations for a permanent, long-term EU investment capacity with real European solidarity. To this end, it should also provide for well-defined recourse to borrowing in specific cases, including when strengthening Europe's strategic autonomy and security, and responding to exceptional crises and without prejudice to Member States' responsibility for their respective national debt positions. Innovative proposals, particularly in relation to the development of European safe assets to deliver European public goods, should also be considered.



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The PES Presidency therefore decided to launch a PES MFF Working Group to define PES priorities, contribute to the ongoing political debate and strengthen our family in the negotiation.

Building on this work, the PES Presidency set out our vision through **10 priorities for an ambitious MFF**:

1. **Social Europe** as a common thread
2. **Cohesion** that works in every region and for every citizen
3. Affordable and sustainable **housing** and public **health** for all
4. Investing in the **environment** and **biodiversity**
5. Food security through a **resilient CAP** and **fisheries policy**
6. **Industrial and SMEs' strength, innovation and sustainable competitiveness**
7. A safer Union: **security, defence and crisis preparedness**
8. A **more engaged Europe in the world**
9. **Accountability, transparency and democratic control**
10. **Resilient financing for the next MFF**

1. Social Europe as a common thread

The **European Pillar of Social Rights** must guide the entire EU Budget ensuring that social objectives are fully integrated and that no one is left behind. The next MFF must ensure an appropriate level of spending for social policies, in line with growing social demands. Social policies must have adequate funding to support an inclusive and fair Europe. We will not accept a Budget that compromises social progress.

We call for:

- **A standalone and strong European Social Fund (ESF+)** with a budget line at the same level (EUR 124 billion in current prices) to support poverty reduction, social inclusion, homelessness, food aid and material deprivation, quality jobs, training, the just transition, social innovation, local employment and job guarantee schemes, and the capacity building of social partners, while ensuring synergies with cohesion policy instruments to address territorial disparities and local needs.
- **The European Child Guarantee** to receive at least €20 billion as a central pillar of the EU Anti-Poverty Strategy and strengthened support for the Youth Guarantee.
- Prioritisation of **EU funding for education, skills and lifelong learning**, and a reinforced **Erasmus+** program. The AgoraEU programme should support an inclusive, democratic, and pluralistic society grounded in the rule of law and cultural diversity.
- **Gender equality as a cross-cutting priority** across the EU Budget, ensured through systematic gender mainstreaming and gender impact assessments from design to evaluation, dedicated and earmarked funding for gender equality and women's rights across key programmes and strong accountability mechanisms.
- **Recognition of demographic change and population ageing** as key policy challenges, with dedicated EU funding to promote public services in rural and remote areas to fight depopulation, active ageing, lifelong learning, age-friendly workplaces, quality long-term care, and the social inclusion and participation of older persons.
- **Consistent social conditionality** across all EU-funded programmes, ensuring respect for quality employment and collective bargaining standards, and **reinforcing social dialogue**.

2. Cohesion that works in every region and for every citizen

We will fight to ensure Cohesion remains a strong, EU-wide tool for solidarity, upward convergence and shared prosperity. Cohesion policy is a cornerstone of European integration, promoting convergence and reducing development gaps: for every €1 invested, €1.30 additional EU GDP is generated. It is the best guarantee to close the economic, social and territorial gaps throughout the continent and in each Member State. The future Budget must encourage investments that drive a fair transformation of our economies, in particular towards climate neutrality, social justice, territorial cohesion and democratic ownership. The MFF must uphold the "right to stay".

We call for:

- **A strong, standalone cohesion policy** based on **multilevel governance**, a **place-based approach**, and **genuine partnership** to prevent policy centralisation. A cohesion policy ensuring binding safeguards for subsidiarity, with regional chapters established and regional and local authorities responsible for their management, embedded in the legal framework across design, programming, implementation and monitoring. Compliance with multilevel governance and subsidiarity with adequate safeguards to protect the role of regional and local authorities should be verified as a condition for the approval of the NRPPs.
- **Cohesion policy should be well resourced**, in line with growing needs, for the sake of balanced economic, social and territorial cohesion, countering the proposed cuts. Cohesion resources should serve cohesion objectives and not be diverted towards other priorities. Regional allocations of resources should be guaranteed within the framework of the next MFF, and funding for all the categories of regions ensured in a long-term, predictable perspective. In this regard, we support the stance of the European Parliament and the Committee of the Regions in favour of a robust Cohesion Policy. Moreover, EU cities and urban areas should be a key priority with a dedicated allocation.
- **Dedicated minimum allocation for outermost regions and northern sparsely populated areas**, based on Article 174 of the Treaty on the Functioning of the European Union (TFEU) and certain accession treaties, as well as support for rural regions and mountainous areas, islands, and other regions facing permanent natural, geographical or demographic constraints.
- **A specific focus for eastern border regions** as the frontline regions of European security and democratic resilience, supporting the strengthening of demographic resilience, public services, connectivity and economic opportunities in these regions.

3. Affordable and sustainable housing and public health for all

Access to **decent, affordable and sustainable housing and quality healthcare are fundamental rights**, not commodities. Every citizen must have access to these, and they must be core EU priorities. The EU should also ensure the prevention of speculation and strongly encourage investments in social and public housing.

We call for:

- **Clearly delineated and sufficient funding for housing**, including through the NRPPs and the EU Facility and by committing to the establishment of an investment window within the European Competitiveness Fund (ECF) to reflect the social dimension of competitiveness, including eligibility for housing investments, when appropriate. This should promote the development of sustainable, inclusive and resilient housing systems, while addressing the growing housing affordability crisis affecting young people and vulnerable households across Europe. An amendment to the statistical rules is called for, because including the debts of social housing operators in general government debt under EU statistical rules and the Excessive Deficit Procedure is unsustainable where liabilities are merely indirect and Member States' debt ratios are rising.
- **Ensuring a strong commitment to health** by guaranteeing sufficient resources for public health and resilience, while reinforcing prevention, preparedness and healthcare. A dedicated legislative framework establishing a **stand-alone EU4Health programme** should also be put forward by the European Commission, with a budget of EUR 10 billion (current prices). As a fallback measure, in the absence of such a programme, at least this amount should be earmarked within the ECF for EU4Health priorities.
- **Providing dedicated and sufficient resources** in the next MFF to advance **health digitalisation** and implement the **European Health Data Space (EHDS)**, fostering innovation, interoperability, and high-quality healthcare for all citizens.

4. Investing in the environment and biodiversity

Environmental commitments are vital to our planet and an opportunity for our economies. We need investments to attain our climate targets, close the biodiversity spending gap, protect water, and to address the triple planetary crisis of climate change, biodiversity loss, and

pollution. The green transition must not be diluted or delayed, and the EU Budget should match the scale of the climate and environmental crisis. The Commission's proposed 35% climate and environment cross-cutting MFF spending target must be upheld.

We call for:

- **Dedicated funding for LIFE Actions** at least at the same level of current Program financing with a dedicated **budgetary line** (EUR 3.39 billion in current prices), supporting climate adaptation, biodiversity protection and ecosystem restoration, and with an earmarking under the EU Facility.
- **Strengthening the “Do No Significant Harm” principle** by minimising exemptions and **reintroducing a biodiversity mainstreaming spending target** within the Performance Framework. **Climate resilience** should be embedded by design so that the Performance Framework is further specified to foresee that activities which are vulnerable to climate change undergo climate resilience checks.

5. Food security through a resilient CAP and fisheries policy

Sustainable food systems are essential to the health and strategic autonomy of our Union, and our CAP and fisheries policy must be in line with these aims. We reject any shift away from sustainability objectives and will fight to ensure that food and fisheries policies deliver both fairness for producers and long-term environmental responsibility.

We call for:

- **The Common Agricultural Policy (CAP) to remain a strong, standalone policy** without the weakening of its common character and as a powerful tool to deliver on sustainability and develop the sector. Its **two-pillar structure** must be preserved, ensuring food sovereignty, sustainable production, and farmers' income, while safeguarding dedicated funding for rural development to support rural communities, local services, infrastructure, innovation and generational renewal, and in complementarity with the cohesion policy framework. In particular, funding for social services in rural areas should also continue to be a field of action, recognising their essential role in strengthening social cohesion, improving quality of life, and enhancing the long-term vitality and resilience of rural communities. The future CAP should reach convergence in direct payment levels per hectare between Member States through fair, balanced and predictable measures, ensuring equitable support for farmers across the Union and strengthening the European reach of the policy.
- **CAP financing must meet the increasing needs of farmers and rural areas** and, while being modernised, must be adequately sustained, even as the Commission's proposal introduces cuts. Support should reflect inflation dynamics and better target young, new farmers who are actively and genuinely engaged in farming. Redistributive payments should prioritise the first hectares and incentivise small and medium farms and those in remote, naturally constrained, or disadvantaged areas. The future CAP must take into account the realities of the different Member States for the allocation of income support; this includes the application of mandatory capping and degressivity. Compliance with social, environmental, and biodiversity standards should be rewarded.
- **The common fisheries policy must be adequately funded with a ring-fenced allocation.** Dedicated financing should be provided to support the objectives of the European Ocean Act.

6. Industrial and SMEs' strength, innovation and sustainable competitiveness

We are committed to driving Europe's sustainable reindustrialisation, advancing decarbonisation, deploying clean technologies made in Europe, strengthening digital sovereignty, supporting SMEs and lowering energy costs; this is vital for our prosperity. EU policies must prevent a race to the bottom on labour and environmental standards.

We call for:

- **Reinforcing the decarbonisation window in the ECF** to fulfil the ambition of the Clean Industrial Deal.

- **Dedicated support for start-ups, SMEs and the social economy**, including by reserving in the ECF a specific percentage of the total financial allocation under each policy window for actions exclusively targeting SMEs and by launching SME-specific calls as appropriate.
- **Expanding investments in interconnectivity, renewables deployment, storage and electrification** to ensure energy independence, reduce strategic dependencies on authoritarian regimes and strengthen European energy sovereignty through investments in energy production in Europe and its Member states, as well as grids and storage. Moreover, the green transition should be sped up across sectors, fostering cross-border cooperation and integration, completing the Energy Union, and providing affordable, stable, and interconnected energy through the **Connecting Europe Facility for Energy**.
- **A larger ECF InvestEU fund** to maximise synergies between public and private investment in strategic technologies and projects.
- **Boosting investments in digital leadership** through strengthening support for sectors such as quantum technologies, AI, semiconductors, cybersecurity and digital skills in the ECF.
- **Reinforcing Horizon Europe**, with a strong enough contribution to meet the necessary 3% EU GDP target for R&I by 2030. It must be science-led, open and excellence-based, while enhancing geographical balance.
- **Strengthening regional innovation** and the application of convergence criteria to better support local industrial renewal and regional innovation ecosystems, while involving local and regional authorities and reinforcing the role of territorial indicators, particularly under the second heading of the MFF.
- **A strong Just Transition dimension** with a Just Transition Fund supporting territories and workers in the transition, as well as ensuring the objectives set out in the climate agenda go hand in hand with EU's industrial transformation.

7. A safer Union: security, defence and crisis preparedness

In an ever-changing global environment marked by geopolitical instability, war, trade disruptions, and climate change, the next MFF must ensure preparedness and response through an integrated approach to security, crisis management, cyber threats, hybrid attacks, and conflicts. We will push for a Union that is capable of protecting its citizens and acting decisively in times of crisis.

We call for:

- **Boosting security and defence by strengthening critical infrastructures and capabilities**, towards a **European defence union**, by deepening cooperation, preventing fragmentation and duplication, enhancing cybersecurity, countering Foreign Information Manipulation and Interference (FIMI), and strengthening means to address all forms of **hybrid threats**. The “Made in Europe” approach should guide defence-related ECF investments.
- **Further strengthening space policy**, with a predictable and dedicated allocation within the Resilience, Security, Defence Industry and Space window of the ECF, recognising its dual use nature and the necessity for technological progress and EU strategic autonomy, while ensuring clear visibility, predictability and continuity of civil space programmes within the ECF.
- **Increased funding for preparedness** to improve Europe's capacity to manage extreme weather events, cyber threats, health emergencies, hybrid attacks and conflicts.
- **Establishing a dedicated resource resilience sub-window** in the Competitiveness Fund allocating funding to climate, energy, and water-resilient infrastructure, including nature-based solutions.
- **Enhanced crisis response capacity** with substantial **built-in flexibility** and a **special instrument** to ensure the effective management of crises while guaranteeing democratic legitimacy. This would allow the MFF to better contribute to the broader crisis and inflation response mix, which should also include a European framework for addressing windfall profits, notably through windfall taxation, in times of crisis.

- **A second special instrument, the Solidarity Reserve for Natural Disasters**, with an allocation of EUR 4 billion per year (2025 constant prices), including via considering the mobilisation over and above the MFF ceilings to ensure solidarity support in the event of natural disasters.

8. A more engaged Europe in the world

The **EU must uphold multilateralism, human rights** and the **rules-based international order**, engaging with third countries to advance prosperity, peace, and sustainable development. It should prioritise humanitarian aid, support crisis-affected regions, and deepen global solidarity to address urgent challenges and reinforce its role as a responsible global actor.

We call for:

- **Robust, sustained and scalable support for Ukraine**, providing both financial and technical assistance to strengthen its right to independence, resilience, reconstruction, economic recovery, democratic institutions, and its path towards European Union integration. Ukraine support must be kept over and above MFF ceilings. In the event of continued war of aggression, its frontloading must be increased to provide additional support to Ukraine.
- **Mobilising and securing an EU facility for the reconstruction of Gaza.**
- **Accelerated progress towards EU enlargement** and the increasing of **pre-accession assistance**, with a focus on democratic governance and rule of law and including with a budget line for the Western Balkans.
- **Reinforced funding for Greenland** to respond to the geopolitical and security developments.
- **Strengthening the EU's commitment to vulnerable populations** worldwide by increasing funding for rapid, effective humanitarian responses, prioritising crisis and conflict-affected regions and **ensuring aid delivery** to remain principled, impartial, and aligned with international law.
- **Adequate and earmarked funding for asylum, legal migration and reception systems**, with measurable protection outcomes, in line with EU humanitarian and social commitments, while ensuring that **development assistance** remains poverty oriented.
- **Earmarked funding** within the GEI for **human rights, democracy and women's rights**, and the full implementation of the Women, Peace and Security Agenda.
- **The reinstating of the Official Development Assistance target at 93%** in the GEI.

9. Accountability, transparency and democratic control

As progressives, we are committed to a truly European MFF with transparency, multilevel governance, anti-fraud mechanisms and strong democratic oversight. We will ensure that EU funds are used effectively, in line with our values and serve our common priorities.

We call for:

- Expanding the **Rule of Law Conditionality Mechanism** to cover all breaches of EU fundamental values under Article 2 TEU.
- **A mid-term review clause**, while ensuring that any such revision does not lead to a reduction of pre-allocated national envelopes.
- **Adequate funding to sustain the ambition of the European Democracy Shield** for the protection of our institutions, their actors, free media, and active civic engagement.
- **Securing funding for CSO and NGOs**, which is crucial for the protection of human rights and environmental NGOs and fostering civic engagement.
- Reinforcing the **European Parliament's budgetary powers**, so that simplification does not undermine transparency or the capacity of the budgetary authority to exercise effective scrutiny and make well-informed decisions. Moreover, a more detailed **nomenclature** is essential for effective scrutiny.
- **Further empowering OLAF, EPPO and the Court of Auditors** in safeguarding the integrity of the MFF and protecting the Union's financial interests. An effective anti-fraud and anti-corruption architecture, together with strong governance frameworks, must ensure

accountability, oversight, and democratic scrutiny.

- **Strengthening coherence of EU governance and funding frameworks.** Greater clarity is needed regarding the interaction between the European Semester, the Competitiveness Coordination Tool and the future MFF. EU funding should advance common European priorities throughout its multilevel governance, including with Country-Specific Recommendations (CSRs) guiding the definition of priorities in the NRPPs. The NRPPs should contribute to the implementation of the European Pillar of Social Rights, strengthening upward social convergence. Beneficiaries should not face a suspension of payments on the grounds of macroeconomic conditionality.

10. Resilient financing for the next MFF

An ambitious EU Budget should be underpinned by resilient and sustainable revenue streams to finance European public goods, ensure the repayment of NextGenerationEU, and limit reliance on national budgets. This is an essential element of the overall budget agreement. To this end, we:

- **Call for convergence on the introduction of new genuine own resources** on the basis of the basket put forward by the European Commission in its proposal for a “*Council decision on the system of own resources*”.
- **Advance the European Parliament’s proposals for additional and balanced revenue streams.** In its adopted position, notably, the European Parliament puts forward a harmonised levy on online gambling, a European digital levy and a crypto-asset-based resource, as well as the exploration of contributions linked to ultra-high-net-worth individuals and speculative real estate transactions. Moreover, consider options such as a Financial Transaction Tax, a common EU approach to withholding taxes on dividends, interest and royalties paid to third countries and windfall profit contributions on energy companies.
- **Back additional financing capacity for the National and Regional Partnership Plans (NRPPs),** recognising the potential of instruments such as Catalyst Europe to contribute to strategic investments.
- **Support a European crisis-response mechanism** enabling the Union to act swiftly in the event of severe crises, based on additional headroom, as proposed by the European Commission.

Finally, **a more gradual phasing of NextGenerationEU repayments** could ease additional investment leeway, while containing long-term debt-servicing costs and preserving fiscal discipline.

Conclusion

We, as the PES family, want the EU next long-term Budget to be ambitious and uphold our social democratic values. Our message remains clear: it matters to **support the right priorities for citizens**, and **we cannot do more with less**. Our calls focus on the core tenets of our union’s strengths; social, housing, health, climate, agriculture, SMEs, industrial and security policies.