

MFF NEGOTIATING BOX: WHERE THE CUTS FALL AND WHY IT MATTERS

Key message. The Irish Council Presidency proposes cutting the EU's 2028–2034 budget by 8%, or €159 billion in current prices. Almost eight in every ten euros of that cut come from the headings that prepare Europe for the future: the industrial and energy transition, external action and the EU's own capacity. It also halves the money the EU uses to respond to natural disasters. Leaders discuss the proposal on 15–16 October, and the European Parliament has already said it will not approve it as it stands.

Explainer: what the MFF is and who decides

The Multiannual Financial Framework (MFF) sets how much the EU can spend over seven years and in which broad areas. Annual budgets move within that ceiling. The Commission makes the proposal, but the MFF is adopted unanimously by the 27 governments and also needs the consent of the European Parliament, which can veto it. The "negotiating box" is the compromise draft prepared by the rotating Council Presidency, currently Ireland, to bring positions closer. It is not final, but it sets the terms of the debate: what is left out of the box rarely makes it into the final deal.

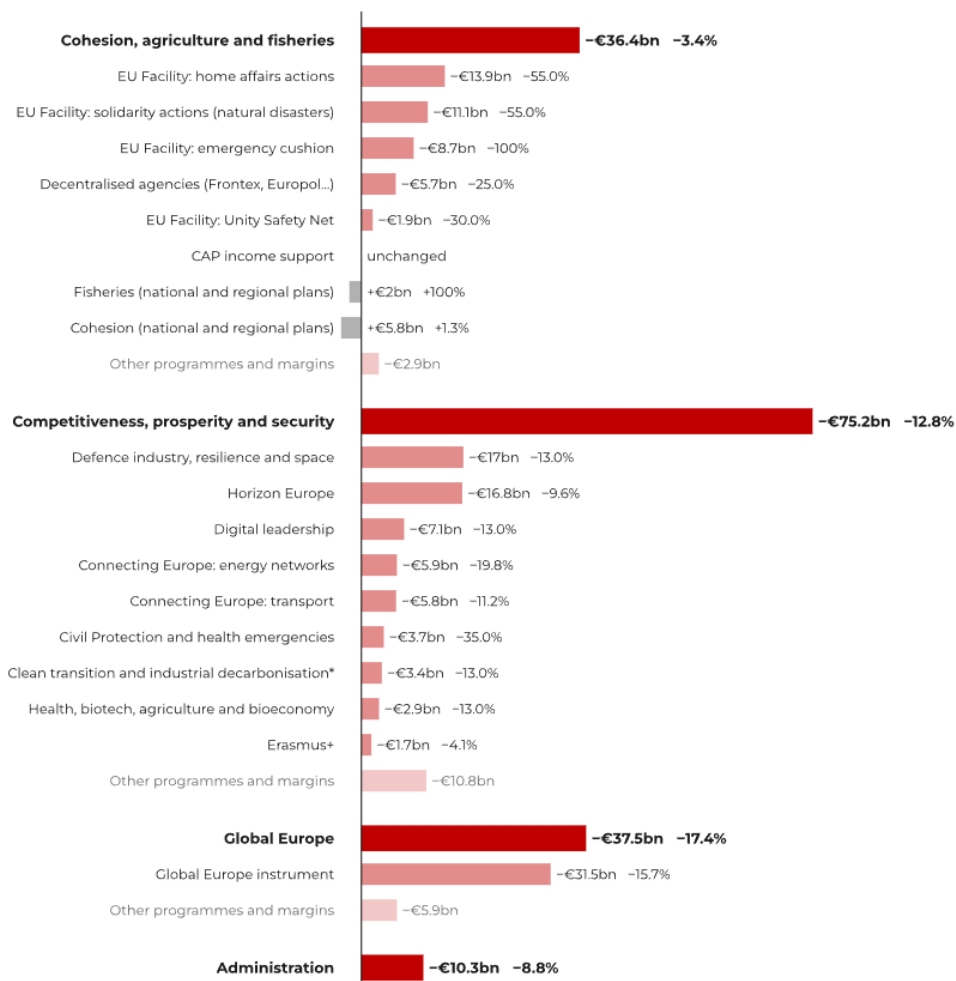
What is proposed

[The negotiating box presented on 10 October](#) sets the budget at €1.622 trillion in 2025 prices, around €1.825 trillion in current prices. The cut against the Commission proposal is €159 billion in current prices, a significant increase from the box Cyprus presented in June.

Once inflation and the repayment of NextGenerationEU are taken into account, the budget loses 10% of its real value compared with the current one. It would stand at 1.02% of gross national income, against 1.14% for the current framework when it was agreed ([see Annex 1](#) for impact on each policy objectives of the MFF).

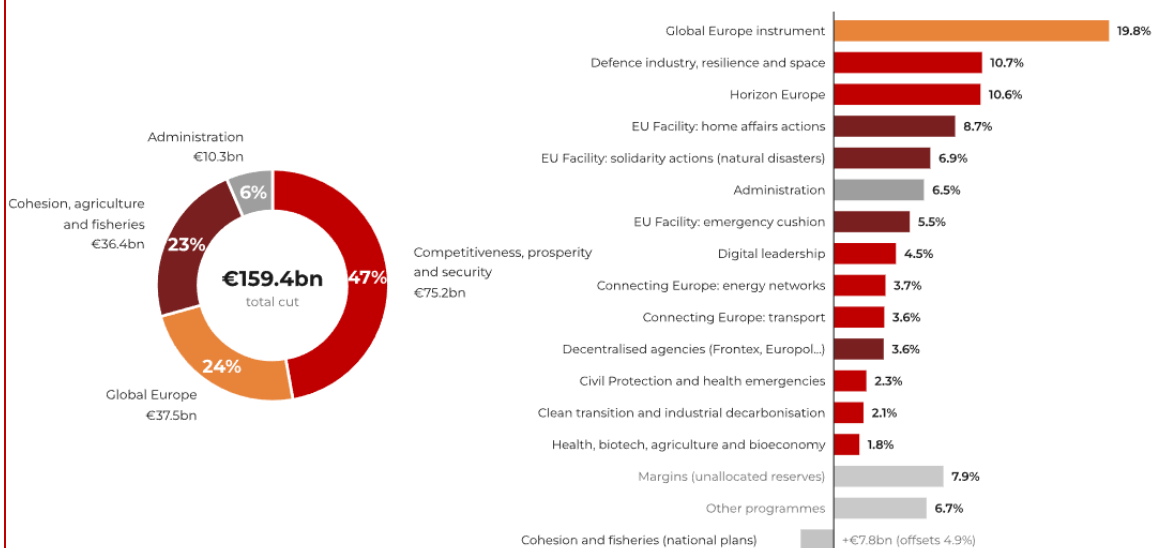
Competitiveness and external action take most of the cut; the national plans grow

Change against the Commission proposal, 2028–2034, € billion in current prices. Total cut: –€159.4bn (–8.0%).



Half the cut falls on competitiveness; one euro in five comes from Global Europe

Share of the €159.4bn cut in the Irish negotiating box, against the Commission proposal, 2028–2034, current prices. Left: by heading. Right: by programme, coloured by heading.



The main cuts

- **Competitiveness heading (-12,8%).** Competitiveness heading (-12.8%). This is the heading where climate spending loses most. The European Competitiveness Fund falls by 12%, its budget-funded clean transition and industrial decarbonisation line by 13%, and Horizon Europe by 10%. In the same heading, the Connecting Europe Facility for energy networks loses 20%, and the Civil Protection Mechanism, which also funds health emergency preparedness, loses 35%. The fund finances industrial decarbonisation, reducing fossil fuel dependence, cross-border energy and transport networks, and innovation. The Commission plans for up to 43% of it to go to climate and environment, so cutting it means cutting the energy transition.
- **Global Europe (-17%).** This is the deepest cut in proportional terms. It hits humanitarian aid, development cooperation and international partnerships, which fund much of the EU's international climate and global health commitments.
- **Administration (-8.8%).** It is not the largest cut, but it is the easiest cut to defend in national capitals and the one that saves the least. In exchange, it leaves the EU with less technical capacity to design, manage and oversee the rest of its spending.

Explainer: earmarking, or why less money means less climate

Earmarking means reserving a minimum share of a fund for a specific purpose: for example, 35% of the budget for climate and environment, or 43% within the National and Regional Partnership Plans. It differs from ring-fencing, which locks in a fixed amount in euros, such as the €293.7 billion reserved for direct CAP payments.

Because an earmark is a percentage, its value depends on the size of the fund it applies to. If the fund is cut, the percentage stays the same on paper but covers fewer euros. And each programme has its own target (43% for the national plans and the Competitiveness Fund, 40% for Horizon Europe, 70% for the Connecting Europe Facility, 30% for Global Europe), so what is lost depends on where the cuts fall.

Applied programme by programme, the box removes at least €25 billion from spending earmarked for climate (4.6% of the climate money planned in these programmes). That is more than seven times the €3 billion the European Parliament asks for to keep LIFE's work on nature, adaptation and pollution, or enough to renovate around 2.5 million homes against heat and cold at the cost of Spain's recovery-plan renovation programme. The [policy goals of Decarbonization and Biodiversity](#) of the next MFF will move from 590.000 to 560.000 million

Revenue

Ireland keeps the Commission's five new own resources, including those linked to the Emissions Trading System (ETS) and the Carbon Border Adjustment Mechanism (CBAM). It makes only technical changes: more CBAM revenue for the budget and a phased-in ETS resource for lower-income member states. It leaves out the three resources proposed by Parliament, on digital services, online gambling and crypto-assets, [which could raise up to €32 billion a year](#). For Parliament, [there will be no deal without progress on revenue](#).

Explainer: where the money comes from

The EU budget is funded mostly by member state contributions based on national income. "Own resources" are revenues that go directly to the EU without passing through national budgets. Some are linked to polluters, such as a share of revenues from the Emissions Trading System (ETS) or from the Carbon Border Adjustment Mechanism (CBAM), which taxes carbon-intensive imports.

There is also an outstanding bill. From 2028 the EU starts repaying the debt issued for NextGenerationEU. According to Parliament, that repayment absorbs €150 billion of the budget increase, money that funds no new policy.

Why it matters for climate and health

The headings Ireland proposes to cut will impact the capacity to attain cleaner air, decarbonise energy networks, [cleaner transport](#), [energy efficiency improvements in buildings](#), and [the electrification of energy-intensive industries, climate and water resilience, and pollution prevention and control, including the LIFE activities that test these solutions on the ground](#). These cuts would also take a toll on public health: [the same investments that cut greenhouse gases over the medium term improve health almost immediately](#). Restoring adequate levels of funding is therefore essential. [One investment, two returns](#). If countries aligned their policies with the Paris Agreement, around 14 million lives a year could be saved by 2040.

In the summer of 2024, 62,774 deaths in Europe were attributed to heat. Mortality was 46.7% higher among women than men, and 323% higher among people aged 75 and over than in other age groups ([ISGlobal](#)).

What EU climate money buys, in health terms, and what the nego box put at risk:

- **Clean energy** . Decarbonisation helped cut deaths attributable to fine particulate matter (PM2.5) by 45% in the EU between 2005 and 2020.

Reaching 80% renewable energy in Europe would reduce premature deaths from stroke by 6%, COPD by 5% and lung cancer by 4%.

- **Cleaner industry** Health costs from industrial pollution have fallen by a third in the last decade, and emissions from energy-intensive industries by 42% between 2005 and 2023. Applying best available techniques could cut sulphur dioxide and nitrogen oxide emissions by 70% by 2050, and chest discomfort among people living near steel plants could fall by 44%.
- **Green infrastructure and nature.** Living in greener areas is associated with a 14% lower risk of low birth weight and a 40% lower risk of poor mental health.
- **Better homes.** Each €100 of public support for energy renovation reduces hospital admissions of older people by 2%. Cooling and ventilation in buildings can prevent up to 55% of heat-related deaths.
- **Clean transport.** Low-emission zones cut primary care visits for respiratory and heart problems by 25%. Electrifying the whole bus fleet would avoid around 7,500 cases of heart disease, hypertension or stroke per 100,000 people. Electrifying 30% of last-mile delivery trucks would cut deaths from traffic pollution by 24%, and electric long-haul trucks would reduce health damage by 90% compared with diesel. Combining electrification with active travel multiplies the health benefits sixfold.
- **Emergency preparedness** (where the box cuts hardest). Solidarity actions for natural disasters fall from €20.1 billion to €9.1 billion (-55%), the Civil Protection Mechanism and health emergency preparedness from €10.7 billion to €6.9 billion (-35%), and the €8.7 billion emergency cushion disappears. More of the response to heatwaves, floods, wildfires or health crises will have to come out of national plans meant for other policies.

Inaction costs more. Extreme weather has caused more than €560 billion in economic losses in Europe since 1980, almost half the size of the current MFF. The European Investment Bank estimates that climate change will raise healthcare demand by 0.5% a year: 500 million extra hospital stays, 120 million emergency visits and 380 million outpatient consultations ([EIB](#)). Prevention pays: heat early-warning systems return between 11 and several thousand times their cost.

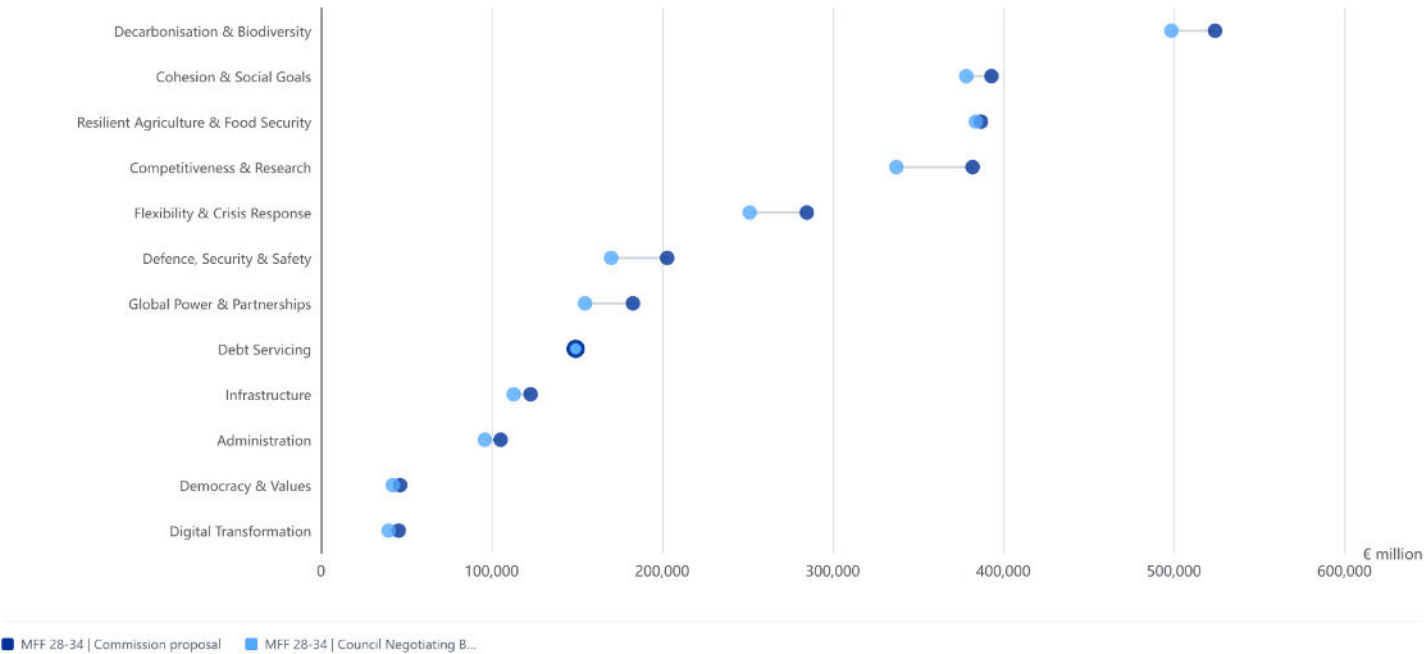
What leaders decide this week will shape what regions and cities can do until 2034.

ANNEX 1

⚠ Some programmes contribute to several policy goals. Amounts therefore overlap and should not be added together.

Policy Goals

MFF 28-34 | Commission proposal, MFF 28-34 | Council Negotiating Box 10/26 · 2025 prices · Funding categories: MFF, MFF adjustments



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Programme Breakdown — Decarbonisation & Biodiversity

MFF 28-34 | Council Negotiating Box 10/26 · 2025 prices

