EUROCHAMBRES

POSITION

2028-2034 Multiannual Financial Framework

Position on the 2028-2034 Multiannual Financial Framework

If the European Union is to lead a new era of global prosperity, the next Multiannual Financial Framework 2028-2034 must be simpler, more balanced and responsive. Over the next few years, reforms and investments in key policy areas will be needed to strengthen our single market and ensure the viability of European businesses. For the same reasons, our industrial base must be equipped with the necessary tools and financing opportunities. Eurochambres therefore believes that the support to European businesses should be at the core of the MFF 2028-2034.

1. Executive summary

The next five years will determine the global positioning of Europe for the next 50 years. The objective of a more competitive Europe risks being missed if the EU does not fully enable companies to operate and scale up.

In the last few years, member states faced economic and geopolitical distress. This has impacted their growth and underlying economic frameworks with resources allocated to mitigate crises, rather than invested in innovation and technological development for the economy at large. The chamber network believes that the next EU budget should be more responsive to external shocks.

EU funds should be tailored to improving economic and social and prosperity and boosting the Union's competitiveness by supporting structural reforms in member states.

The next MFF must prioritize the unique needs of SMEs, ensuring that funding instruments are accessible and geared towards fostering innovation, digitalisation, sustainability, and global competitiveness.

Chambers believe that the EU budget structure can be improved and further resources should be allocated to SME-related policies, reflecting the Commission's economic priorities for the years ahead. The EU funds should also encourage the deployment of private investments in key areas and bring positive spillovers for industries.

Eurochambres, therefore, calls for adequate funding for SMEs, education, research, and infrastructure.

To achieve such objectives, chambers advocate for a substantial simplification of rules and streamlining of procedures related to EU budget funds. Discussions concerning the creation of a European Competitiveness fund, inspired by the current work on STEP, must not overlook the need for a reduction in the complexity during the application phase, especially for SMEs as beneficiaries.

2. Why the chamber network considers the 2028-2034 MFF relevant

The next MFF will play a crucial role in shaping the priorities and funding strategies of the EU. In the political guidelines for the period 2024-2029, Commission President von der Leyen announced significant modifications to the EU's long-term budgetary framework, including a transition from a program-based to a policy-based approach. A shift in focus from individual programs to policies may facilitate a more coherent investment of the EU budget, thereby ensuring that disparate investments are mutually reinforcing in achieving specific policy objectives. Moreover, the Commission's President pledged to diminish the number of EU funding programs, to correlate EU spending with national reforms in each country, and to establish a novel European Competitiveness Fund.

Stability and predictability remain key priorities for chamber network. As Europe grapples with sluggish business confidence following an unprecedented decline in recent years[1], the new EU term must establish a supportive framework to encourage and incentivise business activities across the region. The reconstruction of Ukraine and the enlargement process will also represent key areas for the allocation of the next EU budget. To this end, chambers of commerce and industry would like to provide their contribution to the identification of financial priorities and areas of European added value for which EU funds should be utilised from 2028 onwards.

The high-level report on the future of Europe's competitiveness authored by Mario Draghi concludes that the current EU budget lacks focus, is too small, and is not allocated towards the EU's strategic priorities. Despite important financing tools for SMEs, such as the SME window in the InvestEU Programme, access to EU funding continues to be unnecessarily complex and bureaucratic, limiting also its effectiveness in responding to unforeseen shocks. Moreover, the set up of a permanent stability policy instrument against external shocks, should not result in cuts to other areas of the EU budget. With millions of SMEs across Europe driving competitiveness and convergence, the chamber network therefore calls for a substantial simplification of rules and procedures to access EU funds under the MFF 2028-2034.

The repayment of the NextGenerationEU (NGEU) programme will start in 2028 and will account for EUR 30 billion per year. While Mr. Draghi suggests that without a decision on new own resources, effective spending power at the EU level would be mechanically reduced by interest and principal repayments, additional taxes on companies should be rejected.

3. Policies and programmes of European added value for which EU funds should be utilised:

Research and Innovation (R&I)

The high-level report on the future of the single market authored by Enrico Letta highlights the key role research and innovation (R&I) will play over the coming years to uphold the competitiveness of the single market. As also echoed in Mario Draghi and Manuel Heitor's high-level reports, the Commission's next Framework programme for Research & Innovation (FP10) should double the budget Horizon Europe has (and thus EUR 200 billion) and focus only on 'New EU Competitiveness Priorities'.

[1] Eurochambres Economic Survey 2025 – EES2025

Existing EU programmes such as the Horizon Europe research framework programme are of utmost importance to support the long-term commitments towards sustainability and digitalisation. Public research and innovation are enablers of competitiveness as they continuously enhance Europe's productivity in all sectors such as industry, health, agriculture, telecommunications, and public services. For this reason, EU funding such as Horizon Europe will continue to be essential for universities, research centers, and businesses. We cannot afford to underinvest in areas of common European interest nor reduce the cooperation within the EU internal market.

Scientific publications with significant practical value and applied relevance and innovations contribute to strengthening the European economy as they have considerable spillover effects on the broader economy. Unfortunately, around 71% of high-quality applications for funding under the Horizon framework are rejected due to a lack of resources, notwithstanding their real-world value. This is an alarming signal as the EU is strongly underdelivering on its capacity to sustain its talents and competitiveness. As a result, the EU risks losing ground vis-a-vis other economic areas that offer better opportunities and funding frameworks for research projects. A revision of the contribution by member states to the EU budget for funding allocated to research and innovation should therefore be on top of the agenda for the next MFF discussions.

Programmes dedicated to the single market

European SMEs contribute significantly to employment and value-added and they are active in all industrial ecosystems in the single market. Therefore, existing programmes such as the SME Pillar of the Single Market Programme, should be endowed accordingly and in any case adjusted to inflation. In particular, the budget allocated to the Enterprise Europe Network and European Innovation Digital Hub should be considerably reviewed in light of the impact of high inflation and the new challenges of SMEs. Chambers therefore call on decision-makers to increase the share of the budget allocated to programmes dedicated to the integration of the single market and SMEs.

SMEs face huge financial difficulties when it comes to the uptake of digital tools. This is reflected in slower pace of the EU digitalisation efforts and has practical consequences on the efficiency and productivity of the entire economy. The "Digital Europe" programme should therefore continue to be adequately funded. This is key to facilitating the introduction not only of AI tools but also to close the existing knowledge and financial gap concerning basic digital skills and tools.

Cohesion Policy (Structural Funds)

The economic and social impact of recent crises has not hit everywhere the same, with some member states impacted more than others. The asymmetrical impact also affected regions within the single market differently. The next EU budget should reflect more on the needs of businesses operating in peripherical territories, including island states and regions, and take into account territorial specificities in the EU more broadly.

Cohesion Policy should therefore continue to be the main EU investment policy targeting all disadvantaged regions and cities in the EU, supporting job creation, competitiveness, economic growth, climate change adaptation for harder hit regions, and horizontal synergies between actors at all levels of governance.

Chambers of commerce and industry play a key role as intermediaries between companies and institutions at all levels of governance and support policymakers from the conception to implementation and assessment phases of programmes to support cohesion and convergence objectives. Nevertheless, the complexity of application procedures for these funds remains among the key concerns of businesses. Further emphasis on the simplification of procedures and coherence among the very fragmented existing spending programmes would be beneficial, especially for SMEs.

Education

The Erasmus+ programme represents a key cornerstone of European integration and youth skills development. This is why the next EU budget should continue to allocate enough resources to it. In particular, activities such as the mobility of apprentices, skilled workers, and trainers should be further promoted under this programme. More specifically:

- learning mobility of 2-8 weeks must continue to be possible, especially in vocational education and training, and must not be penalised compared to long-term mobility.
- Erasmus+-funded learning stays should also be possible up to five years after completion of dual training, instead of the current maximum of one year,
- Currently, in some member states, the amount of money under ERASMUS+ available for mobility of apprentices is not enough to cover the demand for these types of mobilities. To ensure that apprentices have the same opportunities as university students to learn abroad, the amounts dedicated to apprenticeship mobility should be reviewed.
- an information campaign on Erasmus+ VET and the benefits of international mobility for both companies and apprentices should be initiated jointly by the EU and member states.

Environment and energy

Further integration of the single market comes with the enhancement of cross-border cooperation and projects and programmes with economic spillover across Europe. In turn, facilitation of border regions cooperation has a direct impact on Europe’s competitiveness. The deployment of the necessary physical infrastructures to facilitate such cooperation should therefore be a high priority for the coming years. To achieve this objective, the administrative burden must be reduced considerably, especially for investments in cross-border projects.

Transport infrastructures such as a Europe-wide network of high-speed trains – within member states and between capitals – would promote Europe’s integration, as highlighted in the report by Enrico Letta, but also intermodal terminal infrastructure. Other initiatives should aim at ensuring a secure supply of affordable energy through coordinated actions. While private investments can contribute to this aim, public funding is needed to modernise and build new generation plants, storage facilities, and grid infrastructure. This should also contribute to lower energy costs and electricity prices and make the EU more crisis-proof. As stressed in Mr. Draghi’s report, EU businesses face electricity prices that are 2-3 times higher than those in the United States and in China. This factor heavily contributes to reducing the competitiveness of our businesses vis-à-vis other economies.

The Ecodesign Regulation is intended to enable the transition to a circular economy. The changes are extremely ambitious and binding for almost all products that are placed on the market or put into operation in the EU. Investments in the IT infrastructure and the conversion of the business model in particular will entail significant changes. The EU must provide comprehensive support to ensure that this changeover is made possible for all economic operators.

Defence

The significant increase in funding for defence industrial policy measures in the next MFF is essential for a credible implementation of the European Defence Industry Strategy (EDIS) and the previous legislative acts in this context. Among other things, this should entail a significant rise in funding for the European Defence Fund to support cooperative research and development, a corresponding increase in funding to incentivise cooperative procurement from the European market and a noticeable ascend in funding for the further development of production capacities.

Neighbourhood, Development and International Cooperation Instrument (NDICI)-Global Europe

With regard to the EU's important Global Gateway initiative, Eurochambres pleads for the initiatives to be made more targeted and accessible to companies, in particular to SMEs and to focus on business needs. A structured dialogue with the business community will be crucial in this regard to secure the consequent implementation and scale up of projects across the globe in the coming legislative term.

Enlargement

While EU enlargement is a key priority for the next EU term, the funds allocated to prepare candidate and potential candidate countries should be proportionate to the challenges they will face to comply with the requirements of EU accession. Companies, and in particular SMEs, needs to be supported in the societal and economic changes implied by the EU accession process.

Capital Markets Union and financing the EU budget

While the completion of the Capital Markets Union would provide additional financing of European public goods by private capital, public funding will continue to be required. Projects of EU-added value hold the potential to benefit all member states and to ensure greater future economic competitiveness. Achieving these objectives would eventually reduce the future need for funding at the national level.

A greater burden on the EU budget through debt repayments and interest payments should be avoided, as this reduces the scope for other expenditure (such as R&D funding, regional funding). Therefore, the EU should rather redirect funds to programmes that improve competitiveness and growth and should not become a 'debt union'. Due to the high tax and state ratios in the EU, new EU own resources that burden companies should be rejected.

Determining the optimal size of the EU budget should depend on the tasks to be performed at the EU level and the resources required for this, as well as the macroeconomic role that the EU budget plays in the functioning of the internal market, monetary union and its stabilisation function.

Eurochambres – the association of European chambers of commerce and industry – represents more than 20 million businesses through its members and a network of 1700 regional and local chambers across Europe. Eurochambres is the leading voice for the broad business community at EU level, building on chambers' strong connections with the grass roots economy and their hands-on support to entrepreneurs. Chambers' member businesses – over 93% of which are SMEs – employ over 120 million people.

Previous positions can be found here: https://bit.ly/ECHPositions

Contact:
Senior Economic Policy Advisor
Mr Giacomo Fersini, Tel. +32 2 282 08 89, fersini@eurochambres.eu

Press and Communication Manager
Ms Karen Albuquerque, Tel. +32 2 282 08 72, albuquerque@eurochambres.eu

Press contact:
Ms Agatha Latorre, Tel. +32 2 282 08 62, latorre@eurochambres.eu

@Eurochambres
www.eurochambres.eu