



POSITION PAPER

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European Construction Industry Federation

Building Solutions together: our mission, your future

2028–2034 Multiannual Financial Framework: FIEC Position

The proposed 2028–2034 *Multiannual Financial Framework (MFF)* marks a pivotal moment for Europe’s investment strategy. With nearly €2 trillion in commitments, it aims to reconcile new priorities - defence, security, and crisis management - with traditional drivers of cohesion, infrastructure, and agriculture. FIEC welcomes the renewed focus on competitiveness, innovation and transport connectivity, particularly the doubling of the Connecting Europe Facility and the creation of a *European Competitiveness Fund*.

However, the Federation cautions against the risks of re-nationalisation, reduced cohesion funding, and underinvestment in affordable housing, water and environmental infrastructure. FIEC calls for stronger safeguards to maintain EU-level ambition in these areas, increased support for energy efficiency renovation, construction innovation, and a clear recognition of housing and water resilience as a strategic investment priority.

Finally, FIEC also calls for reinforcing the EU’s external infrastructure action through the *Global Gateway* strategy, with streamlined procedures, stronger EU visibility and predictable delivery in partner countries.

Introduction

The proposal for the 2028–2034 *Multiannual Financial Framework (MFF)*, amounting to nearly €2 trillion (1.26% of the EU’s GNI), seeks to balance new priorities (defence, housing security, crises, migration) with traditional policies (cohesion, infrastructure, agriculture). While this figure may appear impressive, it should be put into perspective in light of the many challenges facing the EU and by factoring in repayment of the post-Covid recovery plan: excluding that expenditure, the budget stands at 1.15% of GNI, i.e. only a very modest increase compared with the previous MFF.

FIEC is the European Construction Industry Federation, which through its 32 national member associations in 27 countries (24 EU countries, Norway, Switzerland, and Ukraine) represents construction companies of all sizes, i.e., small, and medium-sized enterprises and "global players", carrying out all forms of building and civil engineering activities.

FIEC welcomes this budget proposal: it confirms the EU’s ambition to invest in strategic infrastructure—especially transport, a driver of competitiveness, cohesion and the green transition. However, the Federation points out that factors such as re-nationalisation in the Partnership Plans, changes in shared-management funding and emerging priorities need to be balanced in order to keep investment in water, the environment and affordable housing strong.

In addition, it is essential to underline the significant uncertainties surrounding the introduction of new own resources, which already weaken the ambition of the post-2027 budget. Moreover, the proposed CORE (*Corporate Resource for Europe*) raises concerns: in a context where competitiveness is the main priority of the new mandate, introducing a new levy on companies would risk undermining the very objective the EU seeks to achieve. A stronger EU budget must rely on stable and predictable revenue streams — not on additional charges that could limit investment capacity and weaken Europe’s industrial base.

Industrial competitiveness and innovation¹

The new MFF makes competitiveness a central pillar, with the creation of a *European Competitiveness Fund* (€409 billion over 2028–2034) under the heading “*Competitiveness, Prosperity and Security*”, alongside the *Connecting Europe Facility*. This fund will support innovation, industrial transition (decarbonisation, circular economy), SMEs and strategic sectors (digital, space, defence).

For construction, this means broader access to innovation and upskilling. The continuation of Horizon Europe (partly integrated into the Competitiveness Fund and endowed with €175 billion) is particularly positive, as it will foster collaborative research, breakthrough technologies and training for the jobs of the future. **FIEC will encourage the Commission to preserve dedicated strands for the green transition of the built environment, Construction 4.0 and the sustainable city in Horizon Europe calls, as innovation in these areas is crucial to meeting climate objectives while improving competitiveness.**

Finally, simplification of the MFF - fewer programmes, national one-stop shops, and strategic governance through a dedicated board - should make it easier for SMEs to access EU financing.

Transport — A strategic priority

Within the same Competitiveness pillar, the programme dedicated to transport and energy infrastructures, the Connecting Europe Facility (CEF), would see its envelope rise to more than €80

¹ [COM 2025 570 1 - Commission Communication on A dynamic EU budget for the priorities of the future – The Multiannual Financial Framework 2028-2034](#)



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billion in the next MFF (i.e., more than double the current level). For transport specifically, the budget would increase from €25.8 billion in 2021–2027 to €51.5 billion in 2028–2034. However, it falls short of the estimated costs of €500 billion until 2030 as estimated in the Letta report. This much needed increase, combined with the integration of national financing via the new Partnership Plans, responds to FIEC’s call for an ambitious instrument to build a better-connected Europe. The Commission proposes to devote significant resources to completing and upgrading the trans-European transport networks (TEN-T), recognising that these infrastructures are the backbone of European integration and a catalyst for competitiveness.

FIEC also stresses the importance of ensuring coherence between cohesion funding and competitiveness funding, particularly for TEN-T urban nodes, which may fall under both headings and therefore require reinforced coordination to avoid fragmentation.

FIEC particularly welcomes the focus on cross-border mobility and defence projects. The “military mobility” component of the CEF should be multiplied by ten to finance dual-use (civilian and military) infrastructure and improve mobility logistics across Europe. This effort will also benefit civilian networks by closing missing links in transport corridors and strengthening the safety of assets and the cybersecurity of critical infrastructure.²

The EU share of Military Mobility funding should be set at more than 50% and the programme should provide EU-level flexibility to increase the EU contribution, within the applicable rules and subject to budgetary availability, for projects demonstrating exceptional European added value—especially cross-border and strategically significant projects. The funding criteria should reflect the strategic importance of projects, not only the GDP of the Member State. In addition, the CEF will continue to finance energy interconnection projects (electricity, gas, hydrogen), with a fivefold increase in funding for cross-border energy networks, which is essential for the green transition and security of supply. All these investments in physical infrastructure—roads, railways, ports, bridges and energy networks—will be a growth driver for the construction sector in all EU regions while improving connectivity and economic integration across the continent.

However, FIEC believes that certain additional measures are necessary to achieve these ambitious sustainable objectives: a portion of transport funds have to be ring-fenced for the creation and improvement of infrastructure for public transport systems. and for subsidising public transport connections that are not otherwise economically viable or sustainable where demand fluctuates.

² See graph section COM_2025_570_1 - Commission Communication on A dynamic EU budget for the priorities of the future – The Multiannual Financial Framework 2028-2034 (



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FIEC's reservations regarding the Territorial Cohesion pillar

The cohesion pillar “*Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security*” is both a foundation and a source of vigilance for FIEC. We welcome the maintenance of a significant overall effort, but note ambiguity in the proposed architecture.

The introduction of National & Regional Partnership Plans—negotiated between each Member State and the Commission—may improve strategic coherence, but must not downplay the role of regions or effectively renationalise priorities. In the current version, only the envelope for less-developed regions is clearly ring-fenced, yet in real terms it is lower than in the previous budget once inflation is considered. **FIEC therefore calls for EU-level safeguards: structured regional participation in plan design, common and comparable indicators, and clear earmarking for affordable housing and water infrastructure.** Territorial divides will not be bridged by a smaller budget or opaque trade-offs, but by better targeting funds where needs are greatest - with transparency and measurable results.

Affordable housing and social infrastructure

In the previous period, no EU programme was specifically dedicated to affordable housing. Resources were mobilised on an ad-hoc basis (e.g. targeted instruments for social housing; the energy-renovation strand of *NextGenerationEU*), without a coherent strategic framework. More recently, the mid-term revision of cohesion policy amended Regulation (EU) 2021/1058 on the ERDF and the Cohesion Fund (Regulation (EU) 2025/1914), explicitly including affordable and sustainable housing among the policy objectives. The 2028–2034 MFF proposal changes this by integrating affordable housing into cohesion spending plans and opening new EU financing avenues (a mix of grants and guarantees).

FIEC welcomes this evolution but considers the effort still insufficient. We call for ring-fenced envelopes and the creation of an **EU Housing Fund for sustainable and affordable housing** (covering social, intermediate and affordable ownership/rental segments) to ensure predictability and the necessary scale of investment.

In addition to this new funding, the conditions for granting these funds must also be reviewed. **FIEC encourages the inclusion of community and neighbourhood improvement schemes, allowing organised groups or housing associations to apply jointly for funding without imposing stringent joint liability on all participants, ensuring that the reluctance of a few does not penalise the majority.**



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Ahead of 2028, the European Commission should:

- allow the *Social Climate Fund* to support not only renovation but also—subject to assessment—highly efficient new construction, to mobilise additional housing;
- link housing reforms and investments to European Semester conditionalities to accelerate delivery;
- prioritise digitalisation of the construction sector and support innovation/decarbonisation (low-emission prefabrication, renewal of machinery, new processes);
- encourage Member States to fully deploy EU funds at national level (co-financing and guarantee mechanisms) to reach genuinely European scale.

Without these ring-fenced envelopes, pre-MFF levers and the broader focus on affordable housing (including housing-related expenditure) will remain too uncertain - subject to bilateral Member State – European Commission negotiations, thereby undermining the prospects for EU-wide investment plans commensurate with the scale of need.

Boosting the Energy Performance of Buildings

Improving the energy performance of Europe’s building stock is central to achieving the EU’s 2050 climate neutrality objective³. To make this transformation socially fair and economically viable, the post-2027 MFF must prioritise cost-efficient renovation measures and provide targeted financial incentives to ensure affordability for households and businesses alike.

Instead of focusing solely on energy performance classes, Member States should aim to transform existing neighbourhoods into low-energy, decarbonised clusters by 2050, using a flexible mix of deep renovations and smaller, targeted measures depending on technical and economic feasibility. All measures contributing to decarbonisation, not just major renovations, should be financially supported. A system approach to building stock, rather than focusing only on individual buildings, will be key to maximising impact. The MFF must create levers to scale renovations for that serial renovation and neighbourhood approached need to be funded and supported.

During the 2021–2027 programming period, energy-renovation efforts were significantly boosted by the exceptional *NextGenerationEU* instrument. Through the *Recovery and Resilience Facility* (RRF),

³ FIEC Press Release “Agreement on EPBD: Focus now shifts to Member States”



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tens of billions of euros were devoted to thermal renovation of dwellings. Yet this facility will end in 2026, creating a gap to fill.

The revised Energy Performance of Buildings Directive (EPBD) has the potential to accelerate renovation markets and drive significant emission reductions. However, this ambition must be matched with adequate funding and support mechanisms in the post-2027 MFF. With the introduction of ETS II, energy-efficient renovation is the only sustainable strategy to lower long-term energy costs and reduce emissions.

The next MFF should therefore mobilise stable, predictable and accessible financing, especially for vulnerable households who often live in the worst-performing buildings. This includes public funds, tax incentives, innovative financial instruments, and technical assistance to help make renovations feasible. National Building Renovation Plans must be backed by EU-level budgetary support, ensuring that financing, training and workforce needs are effectively addressed.

Accelerating Industrial Decarbonisation

The post-2027 MFF must reflect the strategic importance of industrial decarbonisation as a cornerstone of the EU's climate and competitiveness agenda. In the construction sector, a significant share of emissions stems from material extraction and production, making low-carbon construction products and technologies essential to achieving climate neutrality⁴. To accelerate this transition, FIEC calls for a level playing field among materials and technologies, supported by clear and long-term price signals that provide investment certainty and drive market transformation.

The next MFF should include dedicated funding streams for research, innovation and market uptake of novel low-carbon materials, ensuring that Europe maintains leadership in sustainable construction while fostering competitiveness. These investments must be complemented by practical, cost-effective instruments that are accessible to SMEs. Simplified administrative procedures and predictable support mechanisms will be crucial to encourage broad participation. Furthermore, aligning EU funding with decarbonisation objectives will help create stable demand signals for low-carbon products, enabling manufacturers and contractors to scale up innovative solutions.

⁴ FIEC Position Paper "Industrial Decarbonisation: Lead Markets and Labels for Low-Carbon Industrial Products in Construction"



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Driving Innovation in the Construction Ecosystem

Innovation is at the heart of a competitive, sustainable and resilient European construction sector. The post-2027 MFF must prioritise investments that enable the transition towards circular, digital and adaptable construction processes, ensuring that technological advancements go hand in hand with durability, safety and affordability. **FIEC calls for dedicated EU funding to support research, development and market uptake of innovative solutions that extend the life of buildings and infrastructure, facilitate the use of secondary materials, and promote design for adaptability and deconstruction.**

Key priorities for EU funding should include predictive maintenance, cross-sectoral circularity, awareness-building, and improved access to secondary materials, all of which can help optimise resource efficiency and extend asset lifespans. Achieving widespread deployment of these innovative solutions will require close coordination and partnership with the construction industry. To unlock the full innovation potential of the sector, the next MFF should encourage circular business models, provide incentives for smart procurement and innovation-friendly contracting, and support the standardisation of digital and circular workflows across Member States.

Investing in Water Infrastructure and Water Resilience:

A Strategic Priority in the 2028–2034 EU Programming Period

Water management (supply, sanitation, flood prevention) and environmental infrastructure (waste treatment, etc.) remain primarily funded through cohesion policy and environmental programmes (e.g. LIFE). The 2028–2034 MFF does not create a specific “water” programme, but strengthens investment opportunities via the national/regional Partnership Plans. The climate-related share of the budget will rise to 35%. In the *Global Europe* pillar, a reinforced “Crisis Preparedness and Response” strand is also envisaged.

FIEC calls for recognising water resilience as a strategic investment priority, reflecting the urgency of addressing water scarcity, flooding, and water quality challenges across Europe. The construction sector plays a central role in delivering the infrastructure solutions needed to protect communities and economies⁵. **To close the investment gap of EUR 23 billion annually to meet existing legal requirements and to ensure long-term resilience, the post-2027 MFF should significantly increase funding for water infrastructure projects, covering both new construction and maintenance action.**

⁵ FIEC Position Paper “Water Resilience: Solutions by the Construction Industry in a Sustainable Policy Framework”



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Easy access to those funds, especially for SMEs, must be ensured. **In this context, FIEC recommends examining the possibility of creating a dedicated European fund for water, rather than keeping this theme as a mere sub-category within the cohesion rubric.**

Compared with 2021–2027, the overall shared-management envelope is announced to be slightly lower—by around 10–11%. In practical terms, national room for manoeuvre to finance water, local transport or affordable housing via Cohesion Fund could be somewhat tighter, unless the flexibility offered by the new integrated Partnership Plans is fully used. FIEC cautions that, given new priorities (e.g. parts of cohesion funds potentially serving defence/internal security projects), basic environmental infrastructure could be pushed down the agenda. It will be crucial to earmark sufficient credit for these essential needs (water access, recycling, protection against climate hazards) in national MFF implementation.

Global Gateway and EU Transport Funding

EU spending for construction projects in some of the existing external assistance instruments has declined significantly in comparison to other sectors, especially in the transport sector. Whereas, according to the Annual Reports on the Implementation of the EU External Action Instruments, *Official Development Assistance* (ODA) commitments for ‘Transport and Storage’ managed by the European Commission amounted in 2008 to €1.3 billion and in 2013 at least €900 million, the respective commitments in the year 2023 amounted only to €330 million. Whilst the latest figures on EU external assistance provide some hope that the decrease in transport sector commitments has reached the bottom with respective commitments in 2024 totalling €1.1 billion, it is striking that almost €1 billion falls into the geographies administrated by DG NEAR, whereas total commitments for Sub-Saharan Africa, Asian and Latin America amount to only €130 million. **This amount is far too low to exercise sufficient leverage on the implementation of transport infrastructure projects in EU partner countries.**

Against this background, FIEC and EIC welcome that the next *Multiannual Financial Framework* for the years 2028-2034 foresees reinforced external action and proposes to establish a new Global Europe Instrument with an envelope of €200 billion for 2028-2034. In this context, FIEC and EIC ask the EU legislator to revamp transport sector funding – which has declined over the past two decades - and to plan investment levels for transport infrastructure in line with demand from EU partner countries and general inflation and construction price increases. A stronger EU commitment for the transport sector would allow *Team Europe* financiers to avoid systematically seeking non-European co-financiers for the projects they intend to support. While co-financing can be appropriate in some cases, it may dilute the EU’s visibility as a key provider of assistance and, by adding the procedural requirements of co-financiers, can prevent *Global Gateway* from offering implementation timelines



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that are competitive and predictable. If *Global Gateway* is to compete credibly with initiatives such as the “*Belt and Road*”, it should strengthen EU visibility and ownership of flagship projects and streamline procedures to ensure delivery within reasonable timeframes. Moreover, *Global Gateway* resources should translate into concrete opportunities for European companies and expertise, in line with applicable EU procurement and value-for-money principles.

FIEC and EIC also support the proposal to introduce a single envelope dedicated to EIB operations in the next *Multiannual Financial Framework*, with an ex-ante allocation and preservation of exclusivity with respect to sovereign lending. This is key to ensuring efficient implementation of mandates and that financing will continue to be directed towards Europe’s priority areas.

FIEC positions and priorities

Strengthen transport budget

FIEC welcomes the proposed doubling of the CEF-Transport budget for 2028–2034, which partly responds to its calls. However, this effort remains far below the actual needs of the TEN-T, estimated at €500 billion by 2030. FIEC therefore urges Parliament and Council to preserve, at a minimum, this level of funding and, if possible, to increase it further, so that completion of the TEN-T—essential for competitiveness, cohesion and the green transition—is not delayed. The EU share of Military Mobility funding should be set at more than 50%, with EU-level flexibility to increase the EU contribution, within the applicable rules and subject to budgetary availability, for projects demonstrating exceptional European added value—especially cross-border and strategically significant projects. The funding criteria should reflect the strategic importance of projects, not only the GDP of the Member State.

1. **Recognising the crucial Role of Contractors in building new Water Infrastructure**, as well as its maintenance and repair.
2. **Modernise existing assets**
Europe’s ageing infrastructure requires investment not only in new projects but also in renovation and maintenance: strengthening bridges, modernising railways, upgrading road and inland-waterway networks, **Increasing the overall Level of Funding for Water Resilience Projects**. Such expenditure must be treated as productive investment in its own right.
3. **Support the green transition**
A large share of the transport budget should be steered towards sustainable projects: rail, electrification, charging infrastructure, clean public transport, and water and wastewater



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infrastructure. FIEC positions itself as a partner in this transition and encourages the inclusion of circular-economy and biodiversity considerations in projects.

4. Facilitate SME access

The 2028–2034 MFF provides for a digital one-stop shop and a reduction in the number of programmes. FIEC welcomes this move, which will facilitate SMEs’ access to EU funding by reducing administrative complexity.

5. Water and environmental infrastructure

FIEC recommends that the Commission and Member States ensure clear, priority earmarking of cohesion and environmental funds for essential water infrastructure.

6. Affordable housing FIEC supports the inclusion of affordable housing as an explicit objective of the 2028–2034 MFF and recommends that Member States fully leverage this opportunity to launch ambitious construction and renovation programmes.

7. Global Gateway and external transport investment

FIEC and EIC calls for a significant revamp of transport-sector funding under Global Gateway, strengthening EU visibility and ownership of flagship projects, streamlining procedures to ensure predictable timelines, and translating resources into concrete opportunities for European companies.



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