Policy briefing

September 2026

Adequate funding for clean air for health in the EU budget 2028-2034

Summary

Air pollution remains the number one environmental threat to health in the EU leading to hundreds of thousands of premature deaths each year and hundreds of billions of euros[1] in health costs, from hospitalisations and sick days to rising medication use. Poor air quality is a major risk factor for chronic diseases including cancer, cardiovascular conditions, and respiratory illness. The next years will see significant action for clean air, with EU member states having to implement key requirements of the revised Ambient Air Quality Directive (AAQD) and the National Emission Reduction Commitments (NEC) Directive. The next EU multiannual financial framework – EU MFF – will be key to help deliver on clean air for health, as major investments for implementation are needed.

Under the current EU budget 2021-2027 about 10% of the total amount - €185.5 billion – have been allocated to clean air objectives. However, a double implementation and investment gap persists, because of a lack of fully implementing existing clean air legislation resulting in significant, preventable health costs.

Investments into clean air under the next EU budget will bring significant benefits for people's health across the European Union, which will be higher than the technical implementation cost for the revised clean air law (AAQD).

A dedicated budget line on clean air will provide the necessary transparency to ensure the most efficient use of EU resources to support the timely implementation of the Union's clean air legislation across multiple programmes and countries.

Many clean air measures are designed and delivered locally. Member states should be required to fulfil clean air obligations in order to receive EU funding, for example a timely implementation of 2030 clean air standards.

Health benefits of EU funding on clean air

The current EU budget 2021-2027 dedicates €185.5 billion to clean air objectives[2], which is almost 10% of the total budget. Most of this amount - €130.9 billion - is allocated under the NextGeneration EU[3] programme set to end in 2028. On top of this, EU member states have earmarked €41.2 billion in co-finance for clean air projects.

These investments have made a difference for clean air and people's health across the European Union:

In Poland[4], EU funding supported the replacement of polluting household heating systems with renewable energy and energy-efficient technologies: €20.1 million from the Just Transition Fund aimed to facilitate the transition to renewable-based residential heating expected to reduce air pollution by at least 5 924 tonnes of CO_2 equivalent per year.

In Italy[5], EU Cohesion funds provided financing for the introduction of cleaner buses expected to reduce PM_{10} and CO_2 emissions in areas with persistent air quality problems.

In Latvia[6], Portugal[7] and Poland[8], EU Cohesion funding in electric rail and metropolitan rail systems contributed to lower transport emissions, reduced congestion and improved accessibility while supporting cleaner mobility alternatives.

In the Małopolska region in Poland, clean air spending from the LIFE programme financed municipal eco-managers to help residents obtain funding to replace polluting heating systems, with partners delivering three times more boiler replacements on average compared to other [9].

Clean air investments in the next EU budget

In July 2025, the European Commission presented their proposals for the next EU budget cycle, the multiannual financial framework 2028-2034. The proposals restructure the funding streams more closely to the current political priorities, along three major strands:

1. funding for member states under national and regional partnership plans (bringing together different funding instruments including Regional Development, Cohesion and Common Agricultural Policy)
2. a new European Competitiveness Fund including defence spending, and
3. funding for global engagements.

Regarding environment and climate, the European Commission proposes a spending target of 35% on 6 objectives, including pollution prevention and control. This target is then specified for each of the funding strands, with a 42% allocation for funding for member states in strand 1.

The Performance Framework Regulation ('Performance Regulation') is the regulation where the climate and environment mainstreaming target is anchored, and where provisions for how to track this spending are included.

The National and Regional Partnership Plans Regulation ('the NRPP regulation') is the regulation under which different funding instruments and programmes are merged into a single European Fund ('the NRP Fund').

Based on the approach and experience from the EU Recovery and Resilience Fund (RRF), funding will be assigned before it is being spent on the basis of milestones or targets defined by member states in single national plans ('NRP Plans').

Implementation and investment gaps

Clean air is essential for people's health, but there is a chronic lack of national investments and national implementation action for better air quality, often due to a lack of political will.

The 2025 EU Environmental Implementation Review and Second Zero Pollution Monitoring and Outlook report highlighted that while EU member states implementation has brought significant improvements, an acceleration is needed to reduce ongoing damage and the significant health cost occurring because of lack of implementation.

Progress on achieving the EU's zero pollution goals is insufficient, with the majority of infringement cases on environment relating to zero pollution. This implementation gap results in costs of at least €180 billion per year[10]. But only close to one third of these investments are needed for pollution prevention and control.

In addition, there is an investment gap at national level between what is currently being spent on environmental protection (including clean air) and what would be necessary to close the implementation gap. This "investment gap" is €122 billion per year for the whole EU and differs significantly from one member state to the other.

> **Investment gap on clean air**
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> €32.6 billion every year are needed to close the annual investment gap and achieve the EU's clean air goals by 2030[11], according to a study commissioned by the European Commission.

In view of this twin implementation-investment gap HEAL considers that the next EU budget needs to include a dedicated financial mechanism that incentivises and steers clean air investments.

Allocate financing for the clean air objective

EU member states are currently transposing and implementing the revised EU Ambient Air Quality Directive (AAQD), a directive that sets more protective, legally binding stricter limit values for key air pollutants for 2030.

Given that the National and Regional Partnership Fund will be the largest funding instrument in the next MFF (with an allocated €771.3 billion in 2025 prices), this fund should be designed to help close the significant implementation and investment gaps in current clean air spending. As a first step, this means recognising clean air as a key policy objective.

The current 2021-2027 MFF shows a significant gap between planned clean air investments and actual delivery, especially among member states that need it the most. Current data from 2021–2027 EU Cohesion funding shows that, by the end of 2025, member states, projected to miss their air pollution commitments[12], had yet to allocate 21% (€8.3 billion) of EU clean air spending they planned (€41.2 billion), and only 17% (€7.1 billion) had been reported as spent[13].

HEAL considers that a dedicated budget line for clean air financing is necessary to provide the adequate incentive mechanism, transparency, and accountability to reduce air pollution at the source. It would support member states in implementing clean air legislation, while ensuring a more consistent monitoring of implementation progress across member states, as recommended by the European Commission[14].

Such a financing mechanism would also help to address the concerns raised by the European Court of Auditors over risks to transparency and accountability linked to overall spending targets[15], especially when drafting and implementing the NRP Plans.

A dedicated budget line and clean air policy objective should be coupled with specific milestones and targets on pollution prevention and control to incentivise, monitor, and track investments and ensure the implementation of EU environmental legislation, as part of a performance-based approach.

Phase out fossil fuel subsidies

The burning of fossil fuels is the leading contributor to the health burden and cost from air pollution, as well as to climate change. Despite political commitments to phase them out in the EU's 8th Environment Action Programme and at international level, public subsidies for fossil fuels continue, including for infrastructure.

In 2023, EU member states spent in total €354 billion in fossil fuel subsidies[16], almost **eleven times** more than what would be necessary to close the investment gap in clean air (€32 billion[17]).

> In five EU countries - Austria, Germany, Italy, Netherlands, Slovakia - the amount of net fossil fuel subsidies is over 10% of the amount of health expenditure, according to the Lancet Countdown Europe 2026 report[18].

The next EU budget should be fossil-fuel free, and condition EU funding for member states with milestones and targets that support and accelerate the phase out also at national level (as part of the National and Regional Plans). A national roadmap for ending all fossil fuel (coal, oil and gas) subsidies should also be required as a prerequisite for receiving EU public funding.

Clean air conditionality to incentivise national action

As demonstrated by various assessments, there is a significant implementation gap for key EU air quality legislation including Ambient Air Quality (AAQD) and reducing emissions under the National Emission Commitment Directive (NECD). In the past decade, the European Commission has opened dozens of infringement cases against member states for failing to respect limits for key air pollutants (PM_{10}, $PM_{2.5}$ and NO_2), and two member states – Poland and Bulgaria – have seen verdicts by the EU Court of Justice.

The next EU budget could provide for major incentives for member states to take action by making EU funding conditional to the fulfilment of clean air improvements. For instance, under the current cohesion policy, member states are required to provide

transport planning, including Trans-European Transport Network (TEN-T)[19] for reimbursement of their cost.

In line with the performance-based structure of the new MFF, EU funding could be made conditional to the setting of clean air objectives and the implementation of key requirements. This includes a timely implementation of the AAQD and NECD, as well as requiring member states to include measures for clean air in relevant chapters of their National and Regional Plan (which they have to draft in order to receive EU funding). Such a measure could be for example if member states followed the checklist to reduce air pollution from transport, as defined in Annex VIII of the AAQD.

Local and regional governments should be directly involved in designing, implementing, monitoring and evaluating clean air measures. Health groups should also be meaningfully involved, as their expertise can help maximise the health co-benefits of clean air measures and better target of vulnerable groups.

Policy recommendations

Investing in cleaner air could free up to €600 billion annually in saved health costs and other damages[20], equal to 4% of GDP, while realising the 8th Environmental Action Programme's (8EAP) legal commitment to a fair, healthy, and sustainable Europe, and help to cut fine-particulate exposure in the EU's poorest regions by 30%[21].

These investments bring significant added value for people and the economy: the European Commission estimates that implementing the AAQD will deliver monetary benefits seven times higher than the pollution control cost to implement the law[22].

HEAL recommends to:

1) **Provide dedicated, predictable clean air financing:** The NRPP Regulation should establish clean air as a key policy objective of the NRP Fund and require a dedicated clean air budget line across relevant programmes, backed by zero-pollution milestones and targets. This would make allocations identifiable and would provide the necessary transparency and predictability for regional and local beneficiaries across all EU funding programmes.

2) Swiftly phase out fossil fuel subsidies: The next EU long-term budget should exclude EU funding for activities that increase regulated air pollutants and require national roadmaps to phase out direct and indirect fossil fuel subsidies in the energy sector by 2035.

3) Tie EU funding to the fulfilment of clean air objectives and involve health groups: member states' access to EU funding should be conditioned to the timely implementation of EU clean air legislation, demonstrating progress in achieving clean air objectives in their NRP Plans. Member states should be required to involve regions and cities in the design of clean air measures. Health groups should also be meaningfully involved, as their expertise can help maximise the health co-benefits of clean air measures and better target of vulnerable groups.

[1] https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025DC0064
[2] https://commission.europa.eu/strategy-and-policy/eu-budget/performance-and-reporting/horizontal-priorities/green-budgeting/clean-air-tracking_en
[3] https://commission.europa.eu/document/download/52cb8a30-ab44-4973-8776-1b97f74bb503_en?filename=Budget%20contribution%20-%20clean%20air_0.pdf
[4] https://kohesio.ec.europa.eu/en/projects/Q7380532
[5] The project started in 2017 and ended in 2022: https://kohesio.ec.europa.eu/en/projects/Q2183269
[6] https://kohesio.ec.europa.eu/en/projects/Q7432663
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[22] https://environment.ec.europa.eu/publications/mid-term-review-zero-pollution-action-plan_en

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HEAL's EU Transparency Register Number: 00723343929-96

Funded by the European Union. HEAL also gratefully acknowledges the financial support of the Clean Air Fund (CAF) for the production of this publication.
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