

Paper series: An MFF fit for purpose

Advancing social policy in the 2028–2034 EU Multiannual Financial Framework

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The European Commission's proposal for the 2028–2034 Multiannual Financial Framework (MFF) comes at a time when the Union faces intertwined environmental, demographic, social, security and economic challenges. Rising poverty and inequality, alongside the green and digital transitions, place strong demands on EU-level social investment, in particular if the social impact of these far-reaching societal transformations is not adequately addressed from the outset. While the proposal contains elements acknowledging these pressures, its overall architecture risks weakening rather than strengthening the EU's social dimension.

In the MFF 2028–34 proposal, social spending is largely structured within new National and Regional Partnership (NRP) Plans, which comprise cohesion policy, including the European Social Fund, migration, security and border management spending, and several other instruments falling under the Common Agricultural Policy (CAP) and fisheries. The Union Facility merges crisis response measures with instruments of a transnational dimension, without falling under shared management; and both the NRP Plans and the Facility are to be governed by the same EU Regulation.

Although a nominal earmarking of 14% for social objectives in every EU Member State is included in the NRP Fund proposal, the European Social Fund is missing a specific budget line. Furthermore, guarantees dedicated to tackling poverty and social inclusion, aimed at ensuring investments flow to supporting the most disadvantaged people in every country, are replaced by flexible guidance for Member States to concentrate resources in these areas. Throughout the MFF negotiations, several challenges will need to be addressed: an overall lack of dedicated funding for social objectives, the risk of weakening local actors in the implementation of the MFF, and the potential competition of diverging objectives within the different parts of the budget.

1. Cohesion policy is retained, yet diluted

Cohesion policy continues to be formally recognised as a pillar of the MFF, yet its integration into the NRP Plans under one EU Regulation raises concerns. While the aim is simplification, merging cohesion with agriculture, fisheries, migration and even security budgets risks blurring objectives and creating governance complexity. Some of these instruments are managed directly by the European Commission, whereas others have shared management with Member States. Yet the national plans construct implies that links between the regions' managing authorities and the European Commission will be less direct, adopting a system with payment-upon-milestone-delivery tested to varying success in the post-pandemic Recovery and Resilience Facility.

The significant reshuffling of the EU budget is coupled with a new tracking and performance framework too. Among others, this system is designed to quantify the social impact of measures financed through the MFF.

For civil society organisations and social economy actors, which by design have fewer resources and are more established at local level, larger scale projects can be harder to engage in. On the plus side, the Code of Conduct on Partnership, including partnership with civil society, remains formally safeguarded in the NRP Regulation. However, there is a risk that the shift to centralised one-off national plans, coupled with tight timetables for consultations, risk reaching less stakeholders. Furthermore, exemptions from the partnership principle in areas such as border management and internal security could weaken the code of conduct's impact.

2. The European Social Fund became an empty shell

The European Social Fund (ESF), historically the flagship of EU social investment, is reduced to a name with no dedicated budget line under the new proposal. Its scope is absorbed into the NRP Plans. The ESF Regulation itself only has nine articles describing its structure, and no mention of clear objectives or priorities. Its scope is instead described in the NRP Regulation.

The 14% target for social objectives per Member State is often compared to the current (2021–27) ESF+, as it is estimated by the European Commission to reach up to €100 billion. However, in reality, it will likely differ significantly in scope and size from the current ESF+.

In the current MFF, at least 25% of ESF+ resources are earmarked specifically for social inclusion, at least 5% for tackling child poverty in countries with above-average child poverty rates, and a minimum of 3% for food and material aid to the most deprived. The European Commission's proposal, however, drops these earmarked resources altogether. Instead, Member States are merely encouraged to concentrate resources in their NRP plans on these areas.

There is widespread concern among civil society organisations that without this earmarking the social target will not reach those most in need. While the current (2021–27) minimum of 25% guarantees investment in social inclusion beyond skills and active inclusion in the labour market, this broad 14% target for 'social objectives' lacks the precision necessary to ensure targeted investment. The 14% of the NRP Fund does not apply to the common agricultural policy, nor the Social Climate Fund; it does apply to the Union Facility, which may also be implemented in the form of direct and indirect management. What makes the comparison with the current framework even more difficult is that social specific objectives are slightly altered and include new elements such as demographic transitions and addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport under the Emission Trading System 2 (ETS2). The type of investments expected to be covered under demographic transitions is still unclear.

Furthermore, social housing has been included as a new specific objective. While this priority is a welcome focus within cohesion policy, it risks crowding out investment in other areas if it is counted towards the same 14% target, given the scale of investment required. Across the EU, housing supply falls far short of demand, and social housing waiting lists are soaring.

Another notable change in terms of priorities is support for the social economy: previously a dedicated ESF+ objective, it has disappeared from the new list of social specific objectives of the NRP Plans, and is only mentioned under the Facility. This is worrying as social economy enterprises rely on public investment, including from the EU budget, to be able to continue generating social impact.

3. Weakening accountability on social conditionalities

In the 2021–2027 period, horizontal and thematic enabling conditions served as an accountability framework, ensuring that EU funding contributed to equality and concrete social outcomes. In the new proposal, only two horizontal enabling conditions remain: compliance with the rule of law and the Charter of Fundamental Rights. Thematic enabling conditions – which were linking, among others, to the European Pillar of Social Rights (EPSR) – have disappeared altogether.

These thematic enabling conditions were a clear bridge between EU policy frameworks and EU funding. As a prerequisite for the use of cohesion funding, they required having national/regional strategies in place for active labour market policies, gender equality, education and training, social inclusion and poverty reduction, Roma inclusion, and health. They also helped ensure stakeholder engagement. As such, strategies had to be designed, implemented, monitored and reviewed in close cooperation with relevant stakeholders, including social partners and relevant civil society organisations.

The absence of EPSR-linked enabling conditions risks weakening the Union's capacity to guarantee that investments translate into progress on equal opportunities, social protection and access to quality services.

4. Beyond core social spending

Besides cohesion policy, other parts of the MFF also carry significant implications for the Union's social dimension – either within the NRP Plans, or under other instruments. Social inclusion can be promoted through a number of instruments and priorities, including through migration integration, research, investment in equal opportunities through education or promoting democratic values.

The following section looks at some concrete dimensions of the MFF proposal through this lens.

The Just Transition Fund has also been subsumed into the NRP framework. Yet there are no explicit social conditionalities or a dedicated envelope, and support to deliver clean energy, decarbonisation and a circular economy have been tailored to fit more of an industrial rather than a 'just transition' narrative. The Social Climate Fund will continue at roughly 25% of ETS2 revenues, leaving limited capacity to shield vulnerable households from green transition costs. An estimated €50 billion of externally assigned revenue is foreseen for the Social Climate Fund.

The Asylum, Migration and Integration Fund (AMIF) is one of many instruments that are part of the NRP Regulation. Unlike the ESF, the proposal assigns it a financial envelope of almost €12 billion. Yet its scope is more limited, in particular in regards to early-phase integration. Long-term socio-economic inclusion of third-country nationals, an essential component for social cohesion and labour market participation, is not a priority in the proposal. By focusing on asylum procedures, returns and short-term integration, the next AMIF risks missing the broader picture of integration and inclusion.

The NRP Fund will not just be implemented through NRP Plans, but also through the Union Facility. The Facility aims to support projects of a transnational dimension, with a high Union added value, and help respond to unforeseen crises. As such, it pools current instruments directly managed by the European Commission, such as the Employment and Social Innovation (EaSI) programme, with crisis instruments for Member States, as well as the mobilisation of private investment. The Facility has a budget of almost €72 billion foreseen, of which €63.2 billion is assigned to 'Union actions' and €8.7 billion to the budget cushion for emerging challenges and priorities. From a list of fourteen Union actions that the Facility can support, 82% of the resources are already earmarked to only three priorities. Among those not earmarked are actions to support civil society and to foster evidence-based policy making in the areas related to the implementation of the European Pillar of Social Rights, in particular on quality and sustainable employment, social inclusion, education and skills – and thus they are at risk of 'losing out' to any of the other actions for the remaining budget under the Facility.

The proposal to integrate Horizon Europe under a broader Competitiveness Fund, primarily geared towards industrial policy, decarbonisation and digitalisation, will likely have a negative impact on social research. Although references to social cohesion and the integration of social sciences and humanities are included, there is no dedicated strand for research on social inclusion, fundamental rights or wellbeing under the new Competitiveness Fund.

Erasmus+ sees a nominal increase from €26 billion to €40.8 billion under the next MFF proposal, but the merger with the European Solidarity Corps and inflationary pressures erode much of this gain. The removal of a dedicated Youth Chapter and of earmarking risks narrowing access, especially for disadvantaged groups. The growing emphasis on labour market skills, while important, sidelines the programme's broader role in fostering active citizenship, intercultural exchange and lifelong learning.

The Citizens, Equality, Rights and Values (CERV) programme has been merged with Creative Europe into a new 'Agora EU' fund, with a significant budget boost, but also a loss of focus. For example, a new strand related to the EU Democracy Shield is included, whilst the citizen engagement strand disappears, which provides funding support, among others, to civil society organisations. There is no dedicated priority to support Human Rights Defenders either. The regranting mechanism, much valued by networks of associations, seems to be streamlined across the Agora EU programme, though. Overall, while the even closer merger of cultural, democracy, equality and rights programmes could create efficiencies, it risks diluting the political commitment to participatory democracy and rights protection.

Conclusion and policy recommendations

To sum up, the 2028–2034 MFF proposal reflects a growing trend of merging and streamlining EU funding instruments. While efficiency and coordination are legitimate aims, the risk is that social priorities are diluted within broader security and competitiveness agendas. Without specific social inclusion guarantees, there is a genuine risk that 'social objectives' will result in fewer financial commitments than in the current MFF. Furthermore, the work of civil society organisations needs continued financial support and investment in their capacity to engage.

The negotiations ahead will determine whether the MFF becomes a genuine instrument for advancing Social Europe or whether social investment is relegated to a secondary concern. To strengthen the social dimension in the upcoming negotiations between the EU institutions on the budget, negotiators will have to address both the architecture and governance of the MFF, as well as the dedicated funds.

For the architecture and governance of the MFF, policy-makers should:

1. **Raise the applicable budget lines to ensure that the Union has the fiscal space to invest in social cohesion and poverty reduction.**
2. **Safeguard strong partnership provisions and clear rules for civil society participation within NRPP governance.**
3. **Reinstate thematic enabling conditions linked to the European Pillar of Social Rights**, ensuring that EU investments deliver long-term progress on social rights.
4. **Re-establish the European Social Fund as a dedicated fund**, with clear objectives and strong visibility.
5. **Reintroduce specific earmarks for social inclusion and poverty reduction**, at least at the level of the current ESF+ (25%), to guarantee targeted investment across all Member States.

To ensure functioning funding lines for social objectives, the different funds of the MFF should:

6. **Explicitly support research into social policy**, inclusion and rights, ensuring that competitiveness is not pursued at the expense of societal resilience.
7. **Expand the scope of the AMIF to support long-term integration and socio-economic inclusion**, and access to support services.
8. **Reinforce Erasmus+ as a vehicle for equality of opportunity**, with clear earmarked resources to ensure participation by disadvantaged learners and young people.
9. **Use the AgoraEU fund, and other programmes of the MFF, to support organised civil society** and build its capacity to participate in civil dialogue.



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Check out our web dossier: eu.boell.org/new-MFF

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