100 billion Euros for social spending? The devil's in the details

JOINT STATEMENT

In September 2025, the President of the European Commission, Ursula von der Leyen, announced the ambition to "help eradicate poverty by 2050". This continues the commitment made in 2021, when the EU pledged to lift 15 million people out of poverty by 2030, reducing the number from 94.2 million at risk in 2019. Reaching the 2030 target would mark important progress; achieving the 2050 ambition would mean ensuring that **no one in Europe is left in poverty within a generation.**

This is exactly the type of ambitious vision Europe needs. But ambition alone is not enough: it must be matched with **the right mix of policies, coordinated action, and sufficient funding at all levels** to turn this vision into reality. Over the years, the EU budget has been a crucial tool for helping policymakers promote economic development and tackle poverty and social exclusion. The **European Social Fund (ESF)**, in particular, has been a cornerstone of EU investment that has addressed territorial disparities, responded to local needs, and supported innovation and reforms, always in partnership with **local stakeholders, social partners, civil society, and the social economy.**

The Commission has proposed a new Multiannual Financial Framework 2028-2034 in July 2025 which introduces technical improvements such as fewer and more harmonised regulations, simplified monitoring, and greater flexibility, opening up opportunities for cross-sectoral reforms. A significant development is the proposal to create the **National and Regional Partnership (NRP) Plans**, which bring together inter alia, the European Social Fund + (ESF+), European Regional Development Fund (ERDF), and Common Agricultural Policies (CAP), and asylum, migration and integration, and border management under single national frameworks. The Plans are established under the NRPP Regulation, which also includes EU Facility and Interreg funds for crisis response and transnational cooperation.

Our **coalition** brings together European networks of social services, NGOs, public service providers, trade unions, lifelong learning actors, and social economy actors to help the EU budget to meet the EU social targets. In **March 2025**, we led the "**Time for Ambition: A Strengthened ESF+ in the Next EU Budget**" statement endorsed by over 250 EU and national organisations, calling for the reinforcement of ESF+ as the backbone of social investment in Europe. Later, in July 2025, we rallied behind the "Keep What Works: 8 Success Factors for a Future ESF+" statement, co-signed by **46 EU networks**, reinforcing the need to preserve ESF+'s proven strengths in any new financial architecture.

It is in this context that the Coalition has assessed the European Commission's recent proposal for the next long-term EU budget, based on these 8 success factors, with a specific **focus on the NRP Plans** – the primary instrument with direct impact on poverty reduction and social policy objectives. This analysis also addresses the monitoring framework, which tracks progress towards the social target. Other programmes will also play a role, especially if they too align with these success factors.

Overall, the NRPP and related instruments, as currently designed, risk being a **step backwards compared to the existing Cohesion Policy framework**. This is particularly concerning in light of the proposed financial envelope: the **€100 billion guaranteed for social spending** could appear, at first glance, to be an increase. Yet in practice, it represents **less in real terms** once inflation is considered, and it would need to cover not only "traditional" ESF+ investments, which had a budget of **€95.8 billion in the current period**, but also additional areas under its social target.

Concretely, the proposal represents a **shift away from the guarantees that previously protected investment in people.** There is **no longer a dedicated budget line** for the European Social Fund, **no earmarking for social inclusion**, and **no binding direction on how Member States should allocate their social spending, and no more direct connections between the regions' Managing Authorities and the European Commission**. Provisions that once secured social funding, such as the 25% minimum for social inclusion or the 5% for the Child Guarantee, and 3% material deprivation measures are not maintained. **The 14% target is spread across many different priorities, and up to 40% of infrastructure investments (such as schools, hospitals, or housing) can be counted towards it. These costs were previously covered by the ERDF, not the ESF, which means that the actual guaranteed resources available for direct investment in people and social inclusion will be even smaller.** This creates the risk of having to achieve more with fewer resources, without clear safeguards to ensure that those most in need will benefit, at a time when many social actors continue to face chronic underfunding.

As it stands, funding for social rights, local initiatives, and social inclusion risk becoming **weaker, more fragmented, and dependent on the immediate priorities of national governments** rather than protected by EU-wide rules. In this new framework, the role and consultation of **key contributors to local vitality**, such as social services and social economy actors, is less visible. While the proposal maintains a reference to the partnership principle, the **stronger focus on centralised planning** may limit the influence of public authorities and civil society at regional level. In the past regional planning, allowed ESF+ to respond to regional and local social needs, which was one of its key success factors. While closer coordination between the various funds is certainly beneficial, the proposal provides no clear budgetary guidelines on how much funding should be allocated to each priority. This creates a substantial risk that **Member States might increasingly use EU funds to cover their own budget gaps, with social priorities determined more by national political will than by enforceable EU safeguards or locally defined needs.**

At the same time, the framework is not inherently limiting. Member States with a commitment to social inclusion could use this flexibility to go far beyond the 14% target, mobilising additional resources, engaging local actors, and achieving transformative impacts for communities. **The problem lies in the absence of binding safeguards: those unwilling to prioritise social investment can still do the bare minimum, leaving vulnerable populations at risk.**

Taken together, the EU Commission's proposals thus raise serious concerns about its capacity to deliver on its social ambitions. **The European Pillar of Social Rights cannot be fully realised with diluted funding, weak safeguards, and diminished local empowerment.**

At present, the proposal could **leave behind the people and communities** the EU has pledged to support. Yet, with **targeted adjustments**, it has the potential to **strengthen social rights, reduce inequalities, and reinforce Europe's social and territorial cohesion**, and progresses toward the 2030 and 2050 poverty reduction targets. To achieve this so, it must **increase and not dilute its social spending,** safeguard **dedicated funding for social inclusion and child poverty**, strengthen **binding safeguards and monitoring** linking investments to broader EU policy objectives, and **empower local and regional** actors. With these adjustments, the next financial framework can reduce inequalities, protect vulnerable populations, and make Europe fairer and more inclusive.

Assessment of the European Commission Social Spending Proposals

Below we present our analysis of the current budget, based on the proven success factors of the ESF+.

A green rating indicates strong alignment and adequate support, orange reflects partial alignment with some weaknesses, and red highlights weak alignment where significant gaps remain. This approach allows for a clear and structured analysis of the proposal's strengths and shortcomings.

Success Factor	Assessment	Rationale
1. **Guaranteed funding for delivering on Europe's quality jobs, skills, and social targets and policies**, as highlighted in the European Pillar of Social Rights.	🔴 Red	There is no specific budget allocated for the ESF, unlike in previous editions. Instead, a **minimum allocation for social objectives** is calculated as **14% of the funding envelope of NRPP** (excluding the Common Agricultural Policy), which corresponds to approximately €100 billion. For comparison, the actual ESF+ budget was €95.8 billion at the start, and when adjusted for inflation, it would exceed €110 billion. This indicates a relative **reduction** of dedicated funding for social objectives compared with previous ESF+ allocations. Moreover, the coefficient system used to track social spending counts, within the 14% mentioned above, **40% of social infrastructure costs,** including construction and renovation of schools, hospitals, student accommodations, and social housing, previously covered by the ERDF. This effectively **reduces the funds available to achieve social objectives**, meaning that the system is attempting to **cover more with less.** The tracking system does include actions linked to the implementation of the Pillar; however, the regulation states that National and Regional Plans are required to address only the **Country-Specific Recommendations**, including those related to the Pillar. This means the possibility for the Member States to limit themselves to these actions.

Success Factor	Assessment	Rationale
2. **Multi-level governance & shared management**	● Red	While Article 6 formally enshrines the principles of multi-level governance and a bottom-up approach, in practice it risks being **largely procedural rather than substantive.** The shift under the NRPP toward centralised agreements between the European Commission and Member States significantly **weakens the role of regional and local authorities** in the planning, implementation, and use of EU funds, and can also impact the involvement of civil society, usually better targeted by regional authorities. Additionally, centralised negotiations tend to **create barriers for locally driven initiatives**, favouring instead large-scale, infrastructural investments, a pattern already observed under the Recovery and Resilience Facility (RRF). The requirement for "balanced representation" and annual consultation with EU-level partners provides a **formal framework**, but the discretion granted to Member States and derogations allowed for certain policy areas means genuine shared management is compromised. As a result, the regulations ensure participatory governance on paper, but **the practical empowerment of regional actors could be minimal,** potentially reducing accountability, responsiveness to local needs, and the overall impact of funds.
3. **Horizontal earmarking for social inclusion**	● Red	Unlike the ESF+, the **NRPP regulation does not maintain any earmarking** for social objectives, such as the 25% allocation for social inclusion, the 5% for the Child Guarantee, and 3% for material deprivation measures. Earmarking was established in previous ESF+ programmes to ensure investments were also guaranteed for the inclusion

Success Factor	Assessment	Rationale
		of disadvantaged groups. Significant questions remain as to how the NRPP will guarantee any investment at all for social inclusion initiatives of disadvantaged groups. Recital 20 of the regulation highlights that resources should be targeted to those most in need, in line with the European Pillar of Social Rights. However, **these principles are not reflected in binding obligations within the regulation itself.** While the new budget tracking system allows monitoring of expenditure, it does not enforce minimum allocations, creating a **risk that funds may not adequately reach disadvantaged groups.**
4. **Simplification and increase of flexibility for end-beneficiaries**	● Orange	**The Commission's proposal brings opportunities for greater simplification and flexibility in managing EU funds, but also serious risks if not properly safeguarded.** On the positive side, these reforms could ease access for smaller actors, including social economy enterprises and organisations. The monitoring framework, for instance, aims to reduce SMEs' administrative burden by 35% by the end of the current mandate. A harmonised system covering 543 intervention fields could also make programmes more accessible, particularly for proximity and social economy initiatives, enabling a broader range of organisations to participate, ensuring better alignment between local needs and EU priorities. However, without clarity on how this performance framework will be implemented, it is hard to identify any potential simplification for end beneficiaries. **Also, without safeguards, flexibility could become a red light.** Resources risk being diverted away from social inclusion priorities towards other

Success Factor	Assessment	Rationale
		pressing agendas, such as defence. Smaller beneficiaries may face new administrative barriers if processes are not carefully designed. And the shift to result-based payments, moving from strict cost reimbursement to milestone- or outcome-based financing, could disadvantage social projects, where the real impact is often measured in the quality of support rather than in numbers alone.
5. **Enabling conditions**	Red	**The disappearance of enabling conditions marks a major weakening of safeguards in EU funding.** In the past, **enabling conditions acted as an important safeguard for EU funds.** They required Member States to have the right strategies, rules and administrative systems in place before money could be spent. This helped ensure that investments were not only lawful but also effective and well planned. Horizontal enabling conditions promoted respect for EU rights and values, while thematic conditions checked that sector-specific investments complied with specific policy requirements. Among these, the enabling condition on social inclusion was especially important, as it required Member States to establish a national strategic policy framework for social inclusion and poverty reduction, including measures to combat segregation in all fields and to support the transition from institutional to family- and community-based care. The new regulation shifts the focus almost entirely towards compliance with fundamental rights and the rule of law. While this emphasis is important, it no longer requires Member States to demonstrate that they have the technical and strategic foundations to make investments successful. As a result, the quality and long-term impact of EU funding may be weakened, and enforcement may

Success Factor	Assessment	Rationale
		become uneven due to the political sensitivity of value-based conditionality.
6. **Partnership Principle**	● Green	The regulation **explicitly includes the partnership principle** and makes clear reference to the European code of conduct on partnership, which is a positive signal. These provisions aim to ensure that regional and local authorities, civil society organisations, and social and economic partners are meaningfully involved throughout the preparation, implementation, and evaluation of the NRPPs. Civil society partners remain formally involved as before, but the **extent of their influence largely depends on the willingness of individual Member States**, rather than being guaranteed by the governance framework. However, there are two main **risks**. First, while the partnership principle is widely enunciated in regulations, its **practical implementation** often varies across Member States. Second, the **shift in balance between national and regional levels could reduce the influence of local stakeholders**. The Commission's role in monitoring the quality of partnerships is therefore crucial. Moreover, NRPP Regulation Article 6(5) allows derogation from the partnership principle for border management and internal security, which can limit local and civil society involvement, even if such derogations must be duly reasoned and justified.
7. **Funding opportunities for local Initiatives**	● Red	There are significant concerns about whether the NRPPs will effectively reach local initiatives and respond to local needs, particularly compared with the ESF+ approach. Centralised funding mechanisms risk limiting the participation of local actors and reducing

Success Factor	Assessment	Rationale
		opportunities for targeted initiatives that directly support specific communities and vulnerable groups. Despite their vital role in fostering local resilience and solidarity, notably in rural and deprived areas, there are **limited references to the Social Economy** in the NRPP regulation. It raises the danger that social economy enterprises and organisations, such as cooperatives, mutual benefit societies, non-profit associations, and foundations, may be side-lined from cohesion policies. The regulations also encourage the **use of private funding** alongside public resources, which could reduce the amount of public funding available for smaller, locally driven projects. While the tracking system provides potential through its coverage of education, skills, employment, and social inclusion, the lack of earmarking or enforceable thresholds weakens the guarantee that funds will reach the intended social initiatives.
8. Investment in long-term priorities, systemic reforms and capacity building	Orange	Compared with the past, the NRPP structure gives Member States greater **flexibility to design interventions across policy areas**, rather than being confined to narrow, fund-specific priorities. By integrating funding streams that were previously separate, the Fund **encourages cross-sectoral reforms.** The EU Facility also allows resources to be mobilised quickly in response to crises or to support transnational projects, which is a significant improvement over ESF+/ERDF, where reprogramming often required lengthy negotiations with the Commission. **Yet the removal of thematic enabling conditions weakens the EU's leverage to drive systemic reforms in critical areas such as social inclusion,**

Success Factor	Assessment	Rationale
		healthcare, and education. As a result, the nature and success of reforms become increasingly dependent on the political will of national governments, and some reforms may inadvertently disadvantage vulnerable groups. While Semester **Country-Specific Recommendations** gain importance, their **narrow scope limits their potential impact** compared with Country Reports, which could bring in more elements.

Co-Signed by

European Association of Service providers for Persons with Disabilities (EASPD)
European Network of Work Integration Social Enterprises (ENSIE)
Social Services Europe (SSE)
Social Economy Europe (SEE)
Social Platform
Lifelong Learning Platform
European Public Services Union (EPSU)
Association de Recherche et de Formation sur l'Insertion en Europe (ARFIE)
Autism-Europe (AE)
Caritas Europa
CEC- Acting for Social Inclusion
CEDAG - European council of associations of general interest
COFACE Families Europe
ENVITER
Eurocarers
Eurochild
Eurodiaconia
Eurohealthnet
European Ageing Network
European Anti-Poverty Network (EAPN)
European Association of Institutes for Vocational Training (EVBB)
European Blind Union (EBU)
European Confederation of Industrial and Service Cooperatives (CECOP)
European Council on Refugees and Exiles (ECRE)
European Disability Forum (EDF)
European Federation for Family Employment and Home Care
European Federation of Ethical and Alternative Banks and Financiers (FEBEA)
European Federation of Hard of Hearing People (EFHOH)
European Federation of National Organisation working with the Homeless - FEANTSA
European Food Banks Federation (FEBA)
European Network of Cities and Regions for the Social Economy (REVES aisbl)
European Network on Independent Living (ENIL)
European Platform for Rehabilitation (EPR)
European Roma Grassroots Organisations (ERGO) Network

Fédération Européenne des Retraités et des Personnes Âgées (FERPA)
HIPEN
Hope and Homes for Children
Housing Europe
Impact Europe - The Investing for Impact Network
Inclusion Europe
International Step by Step Association
Lumos
Make Mothers Matter (MMM)
Mental Health Europe (MHE)
Organising Bureau of European Student School Unions (OBESSU)
Platform for International Cooperation on Undocumented Migrants (PICUM)
Philea (Philanthropy Europe Association)
Reuse and Recycling European Union Social Enterprises (RREUSE)
Samaritan International (SAM.I.)
Save the Children
SOLIDAR
Union of European Federalists (UEF)