Social Economy Europe

MULTIANNUAL FINANCIAL FRAMEWORK (MFF)

NATIONAL MOBILISATION TOOLKIT

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The purpose of this toolkit is ***to provide to Social Economy Europe's members with specific demands and actions for the social economy from the national level on the MFF negotiations*** *– SEE is already actively involved in defending the social economy at the European level.* ***This short toolkit is complementary to [the highly recommended toolkit of the EUFunds4Social Coalition], of which SEE is a member****. The Coalition's toolkit provides a broader explanation of what is at stake for social funding related to the MFF and how to lobby at national level.*

1. Why does the MFF matter to the social economy?

The next MFF (2028-2034), the EU's long-term budget, is currently under negotiation between the European institutions. **What will be decided will have a significant impact on the future of the social economy,** in terms of available funding, ease of access to financing, and the participation of social economy actors in the different governing bodies that shape the EU budget allocation.

In other words, the MFF will determine the EU's concrete commitment to the Social Economy Action Plan, and its willingness to foster social and territorial cohesion, enhance resilience, democracy and reinforce European competitiveness through locally rooted economy.

The new architecture proposed by the European Commission puts support for the social economy at risk. By merging different funds, notably the European Social Fund Plus (ESF+) the European Regional Development Fund (ERDF) and the Common Agricultural Policy (CAP), in one big pot, the National and Regional Partnership Plans (NRPP), it risks diluting the focus on social objectives. In addition, it is likely that **the shift in priority towards defence and competitiveness will be done at the expense of social policies**, reducing the budget allocated to it. **Therefore, it is of utmost importance to mobilise every level** (European, national and regional) **to secure an EU budget that allows the social economy to thrive.**

2. At what stage of the negotiations are we?

There are two different elements that are being negotiated under the MFF:

— **The size of the budget and the distribution among the different funds** (ESF+, ERDF, etc.): the initial proposal is made by the European Commission but it is the Member States, via the Council, that negotiate and decide – the European Parliament only has to ratify the final Council's proposal.

  The Cyprus presidency of the Council presented a first so-called 'negotiation box' in June and a new one is expected by the Irish presidency in October. António Costa, the president of the European Council, wants to conclude budget discussions by the end of the year - although some delays may be expected. **Thus, this autumn will be key to put pressure at national level on the governments to secure social funding.**

— **The thematic files related to the MFF:** Council and the Parliament negotiate on an equal footing on specific files such as the NRPP, the ESF+, the ERDF, etc., but not the budget associated with them. First, each institution has to determine its own position and then the two institutions negotiate together.

  The Council has already agreed on a provisional position for most of the thematic files, whereas the Parliament is still negotiating and is expected to vote in November and December. Interinstitutional negotiations, the so-called trilogues, are expected to start early next year. The whole MFF (total budget, budget for each funds, thematic files, etc.) has to be adopted by the end of 2027 in order to enter into force in January 2028.

3. Who should you target and for what?

- **National ministries**: **This is the primary target for national advocacy.** The main ministries to target are the ministries of Finance/Budget, the ministries of Foreign Affairs, the ministries of European Affairs, and the ministries for Social Affairs and Labour. National ministries negotiate, on behalf of their Member States, in the Council.

- **Permanent representations to the EU**: Another possibility is to address the permanent representations responsible for representing your Member State in Brussels – equivalent to an embassy to the EU. **They play a huge role in preparing the work for the Council's negotiations.** You will find a list of all representations here. To advocate on social related matters, the "Social Attaché" (i.e. the diplomat or policy specialist responsible for employment, social affairs, labour, and related policy areas) is a good person to target.

  ⇨ **National ministries and permanent representations should be targeted regarding the size of the budget and the distribution among the different funds.**

- **Members of the European Parliament (MEPs):** The MEPs come from specific constituencies across the EU, they represent the interests of the citizens that elected them. **Therefore, they are usually open to work with national organisations from their home country.** You can find the list and contact details of all MEPs here. The MEPs that have the most important role on the social aspect of the MFF are the ones sitting on the Committee on Budgets (BUDG), the Committee on Regional Development (REGI), the Committee on Employment and Social Affairs (EMPL), and the Committee on Industry, Research and Energy (ITRE). It may be particularly interesting to engage with MEPs who belong to the same political group as your government.

  ⇨ **MEP should be primarily targeted regarding the thematic files related to the MFF.**

4. What does the social economy call for?

A. Size and distribution of the budget

⇨ **Mainly national ministries and permanent representations**

More money for social issues

- Keep the ESF and the ERDF as separate funds with their own rules and dedicated budgets
- Increase the percentage of social spending from 14% to at least 25% of the NRPPs, in particular to implement the Social Economy Action Plan
- Within social spending, protect funding for people-centred support over infrastructure

Stronger guarantees for rights and inclusion

- Maintain enabling conditions linking funding to policy commitments, including the Pillar of Social Rights and the Convention on the Rights of Persons with Disabilities

Meaningful partnership

- Involve regional and local authorities, social economy actors, civil society and people with lived experience in the designing, running and monitoring of all EU funding

Accessible funding for social actors, including smaller beneficiaries

- Protect direct EU funding for social innovation, capacity building and transnational cooperation of civil society organisations and social economy actors, now under the EaSI strand of ESF+
- Keep EU funding accessible to smaller organisations: higher co-funding, simpler procedures, fewer administrative barriers, capacity-building, and stable funding

Social Economy Europe

Key action at national level: get involved in the drafting of the NRPP

Even if the NRPP negotiations are not yet finalised, some **Member States** have already **started the drafting their NRPP.** In order to start receiving payments in 2028. The NRPP will determine how Member States will distribute the EU funds at national level, thus determining the budget allocated to the social economy. The current version of the NRPP requires the fulfilment of the Code of Conduct on Partnership (ECCP), setting out clear requirements to Member States regarding which partners to engage and how to involve them in the preparation, implementation, monitoring, and the evaluation of the programmes. In other words, social economy actors could be involved by their government in drafting the NRPP.

The only way to ensure EU funding will be targeting social economy organisations, is to be around the table. Therefore, it is key to already ask your government to involve social economy actors in the drafting of the plan. Make sure you receive information on how to make that happen and the foreseen timeline.

B. Thematic files

⇨ **Mainly MEPs**

For the 3 files below, SEE already sent recommendations to the MEPs. Nevertheless, as negotiations are still going on, it is still relevant to contact your national MEPs and insist on our main demands to ensure that they will be reflected in the Parliament's final position.

National and Regional Partnership Plans (NRPP)

List of MEPs involved in the negotiations here

- Recognising the key role of the social economy by clearly establishing it as one of the specific objectives of the NRPP
- Giving legal certainty to the ecosystem by referring to the social economy entity definition of the Council recommendation on developing social economy framework conditions
- Introducing a 7% specific budget allocation for the social economy to allow the ecosystem to thrive and the Social Economy Action Plan to be implemented
- Including the social economy actors in all MFF governing bodies to ensure that their perspectives and expertise are taken into account when designing the plans, while also ensuring that local and regional authorities are fully involved in drafting the plans

- Ensuring the continuity of the Employment and Social Innovation (EaSI) strand with a dedicated budget to secure measures already financed by this fund

  ⇨ **SEE carried out an analysis of the amendments related to the social economy tabled by the MEPs** on the NRPP – see document 'SEE_Analysis_Amendments tabled_NRPP'. Negotiations are based on the report presented by the co-rapporteurs, as well as the amendments tabled by the other MEPs. Based on the analysis provided, you can:

  - Contact MEPs who tabled relevant amendments to express your support and encourage them to defend these amendments during the negotiations;
  - Contact MEPs to ask them to support specific amendments tabled by their colleagues.

European Competitiveness Fund (ECF)

List of MEPs involved in the negotiations here

- Establish a dedicated Social Investment and Skills Window (SISW) within the European Competitiveness Fund, with a direct ECF budget envelope of at least EUR 3 204 016 5251 - to the share that the SISW guarantee envelope represented within the InvestEU Programme. This envelope must be protected from annual reprogramming and from competition with other policy windows, to preserve continuity and predictability.
- Establish proportionality safeguards to enable practical, affordable and easy access for smaller banks as well as micro and social finance providers to the ECF InvestEU Instrument
- Ensure dedicated advisory, capacity-building and market-development strand under the ECF InvestEU Instrument, building on SIFTA, to help microfinance and social finance actors structure investment operations, build capacity and develop project pipelines, ensuring effective uptake of ECF instruments

Budget expenditure tracking and performance framework

List of MEPs involved in the negotiations here

- Introduce of a new intervention field on reforms for the social economy, which will track the regulatory progress made by Member States
- Refer to the Social Economy Action Plan (2021), in order to fully reflect the specificities of the social economy and to measure its contribution accurately

5. Social Economy Europe and EUFunds4Social Coalition contacts

Do you need help in finding contacts, shaping messages or would like to share information learned through your national advocacy? Do not hesitate to contact Pierre Marion (pierre.marion@socialeconomy.eu.org) for SEE or Irene Bertana (irene.bertana@easpd.eu) for the EUFunds4Social Coalition.

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