

STUDY

Requested by the EMPL Committee



Mapping and analysing the support to employment and social policies in the proposals for the 2028–2034 Multiannual Financial Framework



Policy Department for Regional Development, Agriculture and Fisheries
Directorate-General for Cohesion, Agriculture and Social Policies (CASP)

Authors: Iain BEGG, Harry CRICHTON-MILLER, Klervi KERNEÏS
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Abstract

EU funding for employment and social objectives has long been a substantial component of multi-annual financial frameworks. The proposals for the next MFF will see a new approach in which funding for these objectives will be encompassed within National and Regional Partnership Plans. This study compares the proposals for the current and next MFFs, the relevant legislation and expected governance reforms. It pays particular attention to the ramifications for the European Pillar of Social Rights and concludes with a set of recommendations for the European Parliament to consider in responding to the MFF proposal.

This document was requested by the European Parliament's Committee on Employment.

AUTHORS

Iain BEGG, London School of Economics and Political Science and CEPS, Brussels

Harry CRICHTON-MILLER, CEPS, Brussels

Klervi KERNEÏS, Jacques Delors Institute, Paris

With contributions from

Cinzia, ALCIDI, CEPS, Brussels

László ANDOR, FEPS, Brussels

CONTACTS IN THE EUROPEAN PARLIAMENT

Coordination: Cecilia NAVARRA (Administrator responsible)

Editorial assistance: Roberto BIANCHINI

Communication assistance: Stéphanie DUPONT

To give feedback or obtain copies, please write to: poldep-cohesion@europarl.europa.eu

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LIST OF ABBREVIATIONS

ALMP	Active Labour Market Policy
CAP	Common Agricultural Policy
CF	Cohesion Fund
CPR	Common Provisions Regulation
CSO	Civil Society Organisations
CSR	Country-Specific Recommendation
DEP	Digital Europe Programme
DNSH	Do No Significant Harm principle
EaSI	Employment and Social Innovation strand
ECA	European Court of Auditors
ECF	European Competitiveness Fund
EDP	Excessive Debt Procedure
EGF	European Globalisation Adjustment Fund for Displaced Workers
EMPL	European Parliament's Committee on Employment and Social Affairs
EP	European Parliament
EPSR	European Pillar of Social Rights
ERDF	European Regional Development Fund
ESC	European Solidarity Corps
ESF +	European Social Fund +
ETS	Emissions Trading System
ETS / ETS2	EU Emissions Trading System (2)
FEAD	Fund for European Aid to the Most Deprived
FNLC	Financing not linked to costs

GDP	Gross Domestic Product
GHG	Greenhouse Gas Emissions
GNI	Gross National Income
HPC	High Performance Computing
Interreg	European Territorial Cooperation
JTF	Just Transition Fund
MFF	Multiannual Financial Framework
NEET	Not in Employment, Education or Training
NGEU	NextGenerationEU
NRPP	National and Regional Partnership Plans
PBB	Performance-Based Budgeting
RRF	Recovery and Resilience Facility
SCF	Social Climate Fund
SME	Small and Medium Enterprise
SURE	Support to mitigate Unemployment Risks in an Emergency
TEN-T	Trans-European Transport Network
TFEU	Treaty on the Functioning of the European Union
VET	Vocational Education and Training
YEI	Youth Employment Initiative

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EXECUTIVE SUMMARY

Aim of the study

EU funding for employment and social objectives has long been a substantial component of multi-annual financial frameworks (MFF). The proposals for the 2028–2034 MFF will significantly recast this support, with the bulk of funding absorbed into wide-ranging National and Regional Partnership Plans (NRPPs).

This study maps and analyses the proposed changes to employment and social policies under the proposed 2028–2034 MFF, examines the implications of the shift to a performance-based architecture, assesses the likely consequences for governance and the European Pillar of Social Rights (EPSR), and offers recommendations to the European Parliament's EMPL Committee for revising the proposals.

Social and Employment policy under the 2028–34 MFF proposal

The 2028–2034 MFF proposal represents a radically restructured, somewhat simplified, EU budget. The most consequential change for social and employment policy is placing most social programmes – notably the European Social Fund (ESF) and those in the European Regional Development Fund (ERDF), and the Just Transition Fund (JTF) – into the NRPPs. NRPPs will also include future Common Agricultural Policy (CAP) spending. The new European Competitiveness Fund (ECF) includes some funding relevant to social priorities, notably through investment in skills, training, and labour market adaptation, but to what extent the focus will be on social needs rather than labour market shortages is unclear.

The ESF will formally retain its own legal basis, albeit in a slimmed-down regulation compared with the current MFF. It will lose its dedicated budget line while being called upon to support more priorities. The disappearance of thematic earmarks – for social inclusion (25%), child poverty (5%), and youth employment (12.5%) – removes important protections for the most vulnerable groups and could weaken the visibility of social spending within national plans.

The EPSR risks losing visibility, as it is referenced principally in recitals rather than operative articles. Moreover, social priorities will compete with other NRPP objectives, including infrastructure, agriculture, industrial transition and democratic resilience. Priorities at risk of losing prominence include gender equality, the just transition and social dialogue. Under the ECF, there is a risk that social objectives, e.g. the Skills Guarantee, are subordinated to the Fund's dominant competitiveness narrative.

Unlike its other components, a minimum of 14% of NRPP allocations (but with a denominator excluding the CAP) must be devoted to social objectives. The Commission has signalled an allocation of around EUR 100 billion over the seven years of the MFF, but this figure relies on a loan component from a new Catalyst Europe Fund. This study estimates that spending on employment, social and related programmes in the next MFF will fall in both relative and absolute terms as compared to the current MFF. Grants for social spending are likely to fall from approximately 12.5% to around 7.8%, equivalent to EUR 79.9bn in current prices. Member States will have discretion to allocate funding above the 14% minimum, and some may do so. Catalyst Europe loans offer a potential top-up, but borrowed funds carry debt servicing obligations and may not be directed towards social priorities in the same way as grants.

The proposed MFF will also introduce radical governance changes, notably through the extension of performance-based budgeting (PBB) – modelled partly on the Recovery and Resilience Facility. This study judges that adopting the PBB methodology will be more challenging for social policies than other areas. Typically, social transformations are slow-acting and hard to quantify; often the most that can be assessed is direct outputs, not the results of these outputs, let alone longer-term impacts. The definition of social 'performance' in the Performance Regulation will be crucial.

Specifying milestones and targets in this field will be tricky. A related concern is that factors beyond the control of programme managers may affect what is achieved and could lead to beneficiaries having funds delayed or unfairly reduced. Connecting social disbursements to Country-Specific Recommendations via the European Semester also risks penalising programmes for circumstances beyond their control.

Simplification is supposed to be central to the new governance arrangements, but the transition to the new approach will entail costs of adaptation for social actors who already struggle to cope with EU procedures.

A last governance concern is that the Commission-to-Member State nexus will dominate NRPP negotiations, potentially sidelining the Parliament, and limiting its ability to safeguard EU-level social priorities. It may also sideline social partners and civil society in programme design and oversight, and may prompt a dilution of EU added value in favour of renationalisation.

Recommendations

An overall conclusion is that there are many areas of uncertainty around the next MFF on which the EMPL Committee should seek clarifications. More specific recommendations cover three broad areas.

Adequacy and funding

While adequacy is a tricky concept, reduced funding for 'social' is problematic; a solution could be to raise the 14% minimum or enlarge the base of its calculation (R1). A balance needs to be struck between EU-level and Member State priorities (R2). Selective earmarking should remain to protect the most vulnerable groups, but it should be reviewed in line with evolving challenges (R3). The Just Transition Fund should be maintained as a standalone instrument outside the NRPPS to avoid dilution (R4), and the case for a separate ESF should be pursued (R5). Social provisions in the ECF should be strengthened, e.g. by reinforcing measures related to the Skills Guarantee (R6).

Performance framework and implementation

A harmonised definition of 'satisfactory fulfilment' should be developed to ensure consistency across Member States (R7), alongside standardised milestone and target definitions and annual reporting cycles (R8). Performance monitoring should prioritise outputs over results, favouring qualitative over quantitative indicators, and limiting incentives to select easily achievable targets (R9). Social disbursements should be protected from over-zealous CSR-related conditionalities (R10). Clear procedures are needed to prevent funding disruptions damaging ongoing programmes (R11), and complex or innovative social interventions should be exempt from PBB requirements (R12). Dedicated technical assistance is vital to avoid 'lost years' at the start of the MFF, especially for smaller scale entities and authorities (R13). A Commission methodological handbook on payout values should be required (R14).

The EPSR and the role of the European Parliament

The EPSR should not lose visibility or operational force, and social investment principles must be defended against the dominance of the competitiveness agenda (R15). Gender mainstreaming should be explicitly maintained, and broader social mainstreaming considered (R16). The shared interest of social partners and the EMPL Committee in programme design, implementation and monitoring should be formally recognised (R17). The EP's overall role in legitimating the budget, and that of the EMPL Committee for 'social' policies, should be sustained and made transparent throughout all stages of the MFF negotiations (R18).

1. INTRODUCTION AND BACKGROUND

The proposals for the proposed 2028–2034 Multiannual Financial Framework (MFF), if broadly enacted, will usher in a new (and potentially simplified) governance structure. Instead of thematic programmes, many budget lines will be consolidated into four funds, the largest of which will be National and Regional Partnership Plans (NRPPs) covering many previously distinct EU policies. For EU employment, social and welfare-related policies, this new structure poses challenges, both of funding and of governance. 'Social', to employ a shorthand term, covers a wide variety of EU policies, with the European Pillar of Social Rights (EPSR) providing an overarching framework. While most of the funding associated with social priorities will come under NRPPs, some will be disbursed from the European Competitiveness Fund (ECF), the second of the four funds in the proposed 2028–2034 MFF.

This study was commissioned by the European Parliament's (EP) EMPL Committee, which has a remit to cover different aspects of employment, social policies and welfare-related policies. This Committee leads for the EP on the European Social Fund+ (ESF), the main (and longstanding) component of the MFF providing funding for 'social'. The scope of the study is not just on funding, but also on the implications of the legislative measures associated with the next MFF.

1.1. Study objectives

This study has three main components, as part of an over-arching objective of assessing the adequacy of the proposals for the next MFF. In addition to scene-setting and the elaboration of the conclusions and recommendations for the EMPL Committee, the three core objectives of the project can be summarised as follows:

- Mapping the similarities and differences between the current and proposed MFF.
- Examination of how the proposed NRPP Fund will function and the likely consequences of the shift from sectoral to national implementation.
- Implications of governance developments, notably how performance-based budgeting, conditionalities and the semester process will affect employment and social priorities and the European Pillar of Social Rights.

1.2. Approach and methodology

The research approach combined desk research aimed both at comparing amounts of funding and interpreting draft legislative acts, and a series of interviews with experts and policy actors, complemented by a process of validation and quality control. Desk research consisted mainly of identification and analysis of relevant literature from a range of official and other sources, and careful examination of documents (including draft legislation) associated with the proposed MFF.

Interviews sought to add to the evidence base for the analyses in the study and to obtain specific information to add to what can be gleaned from desk research, not to be a survey or questionnaire. An initial list of proposed interviewees was submitted in the proposal, then supplemented following the inception meeting. All prospective interlocutors were approached quickly with an invitation to participate, accompanied by a letter from the European Parliament services, and the response was very encouraging for the study team.

Interviewees include representatives of EU institutions, the social partners, research groups and national administrations. To steer the interviews, an interview guide (a copy is in Annex 4, below) was developed, taking account of suggestions on themes to be explored made by the EP services during

the inception meeting. The guide provides an overview of questions to be covered, making clear that the discussion would be tailored to interlocutors' areas of expertise. In practice, this flexible approach has worked well. It has also enabled the project team, on occasion, to tease out answers on topics not expected to be covered at the outset or to engage in ad hoc 'brainstorming', thereby enriching the evidence base for the study and pointing towards possible recommendations

In total, 12 interviews were completed (some with more than one interlocutor), providing a wealth of insights for the study. The constructive engagement of the interviewees has been gratifying for the study team who are grateful to all who agreed to take part. All interviewees agreed without hesitation that a transcript of the discussion could be taken to enable the project team to have a written record. It was also made clear to interviewees that this would only be used by the project team and that no interviewee would either be quoted directly or identified in any way in the study, other than in a list of names (also in Annex 4).

The development of evidence-based recommendations involved brainstorming by the project team, input from a distinguished expert adviser and the convening of a validation workshop at which draft conclusions and recommendations were the main agenda item.

1.3. Outline of the study

The **next section** concentrates on a 'mapping' of the proposals for the proposed 2028–2034 MFF to the 2021–27 MFF, distinguishing between proposals for legislation and for allocations of funding. There is, unavoidably, a degree of uncertainty about the allocations, arising from changes in definitions and the latitude Member States will have in using the resources assigned to their NRPPs.

Section three looks in depth at the NRPP draft regulation, which can be understood as the core legal text regarding social policies, but also has to relate to other draft regulations, notably that of the ESF+.

The **fourth section** focuses on performance tracking and other dimensions of MFF governance relevant to 'social' policies, and briefly discusses the EPSR.

Section five brings together the findings of the study. It starts with conclusions and poses a number of key questions the EMPL Committee should take into account in its deliberations and negotiations with other EU institutions. It then puts forward recommendations.

2. MAPPING OF THE 2028–2034 MFF TO THE CURRENT ONE

KEY FINDINGS

The next MFF proposal represents a **major structural shift**, consolidating multiple social instruments into broader funding envelopes, primarily within the NRPPs, and secondly the ECF.

The **disappearance of a dedicated ESF budget line and thematic earmarking** reduces the visibility and protection of social spending.

While a **14% social spending floor** is introduced, the analysis suggests a **decline in relative and absolute funding compared with the current MFF**, the latter by as much as 17%, and increased uncertainty about how much funding there will be because Member States will have discretion to spend beyond the minimum.

2.1. Legislative restructuring

2.1.1. Architecture overview

The proposed 2028–2034 Multiannual Financial Framework (MFF) represents a radical overhaul of the architecture of the EU's budget. To streamline the MFF, the Commission proposes reducing the number of budget headings from seven to four:

- Heading 1: Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security
- Heading 2: Competitiveness, prosperity and security
- Heading 3: Global Europe
- Heading 4: Administration

The seven headings under the current MFF are:

- Heading 1: Single Market, Innovation and Digital
- Heading 2: Cohesion, Resilience and Values
 - 2a. Economic, social and territorial cohesion
 - 2b. Resilience and Values
- Heading 3: Natural Resources and Environment
- Heading 4: Migration and Border Management
- Heading 5: Security and Defence
- Heading 6: Neighbourhood and the World
- Heading 7: European Public Administration

The Commission also proposes to regroup multiple funds and programmes under these broader funds. Under Heading 1, a variety of Funds are consolidated and will be the subject of the proposed National

and Regional Partnership Plan Regulation. Under Heading 2, a new European Competitiveness Fund (ECF) is proposed, also regrouping several existing programmes, including loan-based instruments, as does the Global Europe Fund (GEF), under Heading 3, which merges seven existing funding instruments. In addition, a new performance framework, applicable to most areas of spending, will be introduced.

This reorganisation has important implications for the positioning of social and employment policies within the EU budget. Rather than being largely concentrated in a single heading (under the ESF+), these policies are now spread across two main areas. The first, under Heading 1, focusing on cohesion and territorial development, contains the bulk of social and employment-related funding through the National and Regional Partnership Plans (NRPPs). Heading 2, centred on competitiveness, also contributes through investments in skills, training, and labour market adaptation, as well as the likes of Erasmus+ and Agora EU. Table 1 provides a broad overview of the proposed 2028-2034 MFF structure and its main components.

Under Heading 2, the MFF proposal will provide a substantial financial boost to the strategic priorities of the second Von Der Leyen Commission, taking inspiration from the recommendations of the Draghi and Letta reports. This will be achieved through reinforced funding for Horizon Europe and Erasmus+, and most notably, through the creation of the European Competitiveness Fund (ECF). The ECF consolidates 13 existing programmes into a EUR 234.3 billion fund. Horizon Europe, sometimes counted as a 14th consolidated programme, retains a standalone legal basis and will, in practice, have a budget line outside the ECF, even though it is presented in the table at the end of the MFF proposal¹ as being within the ECF heading. The ECF is a vehicle designed to de-risk and mobilise investment in clean tech, digital leadership, defence and other strategic sectors. To address labour shortages in these areas, skills development is a cross-cutting action within a broader €11 billion envelope, also including the InvestEU instrument and SME advisory support, representing around 5% of the total ECF budget.

Table 1: Broad overview of the new proposed 2028-2034 MFF

Heading 1 Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security		Heading 2 Competitiveness, prosperity and security	
National and Regional Partnership Plans (NRPPs)	EU Facility	European Competitiveness Fund	Horizon Europe
			Erasmus +
	Interreg	Connecting Europe Facility	Agora EU
Repayment of NGEU (excluded from this study)	Other programmes and agencies	Other programmes and agencies	Union Civil Protection Mechanism +

¹ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025DC0570&qid=1753978048542>, Pages 30 and 31.

Heading 3 Global Europe		Heading 4 Administration
Global Europe Fund		Funding for the functioning of the EU institutions
Common Foreign and Security Policy	Other (actions, prerogatives)	

Source: Own elaboration based on the Commission's proposals on the 2028–2034 MFF.

The most significant changes would be within Heading 1, where flagship, treaty-based funds will undergo a major restructuring. This heading integrates fourteen previously separate budget lines into a more unified framework, including the European Social Fund (ESF), the European Regional Development Fund (ERDF) and the Common Agricultural Policy (CAP). The proposed regulation's two main components are the NRPPs, discussed in more detail in Chapter 3, and the EU Facility, the latter dedicated to crisis response and emerging challenges requiring a coordinated EU-level response. The headline total for this new fund is proposed to be EUR 865 billion in current prices, close to half the total MFF. In addition, to help Member States fund investments and reforms supported by their NRRPs beyond their national envelopes, the Commission offers the possibility of EU-backed loans up to EUR 150 billion for investment in strategic areas like defence, energy, or technology through its 'Catalyst Europe' programme.

2.1.2. Mapping of funding instruments related to social and employment policy

The rules governing EU competence in the field of social and employment policy are primarily rooted in Title IX and X of the Treaty on the Functioning of the European Union (TFEU). It notably states that the Union and Member states: 'shall work towards developing a coordinated strategy for employment and particularly for promoting a skilled, trained and adaptable workforce and labour markets responsive to economic change [...]' (Title IX "Employment" TFEU, Articles 145–150) and 'shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion' (Title X 'Social Policy' TFEU, Articles 151–161).

Under the 2021–27 MFF, the main fund contributing explicitly to employment and social policies is the European Social Fund (Title XI TFEU). However, other funds also contribute to these policy areas in a broader sense. They include: Erasmus+ and the European Solidarity Corps programmes for education purposes (Title XII and XIII TFEU); the Digital Europe Programme and InvestEU to boost EU priorities while supporting skill development and social investments; the EU4health programme for health issues (Title XIV TFEU); the Just Transition Fund; the European Regional Development Fund (incl. Interreg) for regional cohesion policy (Title XVIII TFEU); and the Social Climate Fund (SCF) – funded by 'external assigned revenue' derived from the EU's Emissions Trading System – for vulnerable groups negatively affected by the impact on energy costs of the new emission trading scheme for buildings and road transport.

Two additional financial instruments should be noted in the context of this analysis, even though they sit outside its scope. The European Globalisation Adjustment Fund (EGF) is a special instrument designed to support workers who have lost their jobs as a result of major structural changes in global trade patterns or economic crises (Article 8, 2021–2027 MFF Regulation). The EGF is mobilised on a case-by-case basis, drawing on unallocated margins and special instrument resources within the EU budget (Article 2, 2021–2027 MFF Regulation). The second is SURE (Support to mitigate

Unemployment Risks in an Emergency), a temporary crisis-response mechanism active between 2020 and 2022, which provided up to EUR 100 billion in loans to Member States to support short-time work schemes and similar measures aimed at preserving employment during the COVID-19 pandemic.

In the proposed 2028-2034 MFF, under Heading 1, the ESF, ERDF (including Interreg) and other 'legacy' funds will remain. However, they will now be merged into NRPP Funds under shared management. The Commission still proposed two separate, albeit much shorter, regulation proposals for these funds, but they will no longer be standalone funds as under the 2021-2027 MFF. The Just Transition Fund will also lose its standalone status, instead being absorbed within the broader objectives of the NRPP Fund. Interreg remains the exception in this overhaul and will be implemented separately due to its management mode, even though it is still included in the NRRP Regulation.

Under Heading 2 of the proposal, Erasmus+ is to be maintained. However, the European Solidarity Corps will no longer exist and will be absorbed into the Erasmus Programme. The Digital Europe Programme, InvestEU and EU4health will be absorbed into the much broader European Competitiveness Fund.

The EGF will be discontinued (as will two other special instruments – 'Brexite' and 'EURI'). Partly because of demanding procedures, the EGF was consistently underutilised during the 2021-2027 period, which led to its annual budget being significantly reduced during the mid-term review of the MFF to help fund other priorities (European Commission, 2025a). SURE was a temporary crisis-response tool created during the pandemic, which, despite its effectiveness (European Commission, 2025b), was not upgraded as a permanent EU instrument. Table 2 summarises the new place of the 2021-2027 funds relevant to employment and social policy cited above into the new proposed 2028-2034 MFF architecture.

Table 2: Summary of the new place of the 2021-2027 funds relevant to employment and social policy into the new proposed 2028-2034 MFF architecture

List of funds supporting employment, social and welfare policies under the 2021-2027 MFF	Concordance within the new 2028-2034 MFF		
European Social Fund	Consolidated	Part of the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security, falling under the National and Regional Partnerships Plans (NRPP Fund)	Heading 1 of the MFF 'Economic, social and territorial cohesion, agriculture, rural and maritime prosperity and security'
European Fund for Regional Development (incl. Interreg)	Consolidated		
Just Transition Fund	Discontinued/integrated		
Social Climate Fund	External revenue, but integrated into the NRRP Regulation		

List of funds supporting employment, social and welfare policies under the 2021–2027 MFF		Concordance within the new 2028–2034 MFF	
Digital Europe Programme	Integrated	Part of the European Competitiveness Fund	Heading 2 of the MFF 'Competitiveness, prosperity and security'
InvestEU	Integrated		
EU4Health	Integrated		
Erasmus+	Remains a standalone programme	Erasmus+	
European Solidarity Corps	Absorbed		
European Globalisation Adjustment Fund	Special instrument	Discontinued	N/A
SURE	Temporary instrument, outside the MFF, not upgraded into a permanent instrument		

Source: Own elaboration based on the European Commission's proposals on the 2028–2034 MFF.

2.1.3. Description of relevant legislation changes from the 2021–2027 MFF

The following section examines in greater detail the legislative proposals most relevant to the social dimension under the 2021–2027 MFF and how they will be reshaped under the proposed architecture, and how, in turn, the EU's social policy landscape would be reshaped.

A separation between what can be considered core social legislation and other regulations affecting social EU policy can help to focus on what has changed. Therefore, a more detailed analysis will be provided for the ESF in this section, while the other relevant funds under the 2021–2027 MFF (ERDF, JTF DEP, InvestEU, EU4Health, Erasmus+ and ESC) will be addressed in a more concise way.

The European Social Fund (ESF+)

Under the proposed 2028–2034 MFF, the current ESF+² will undergo a significant transformation: while formally retaining its independent legal basis under Articles 162–164 TFEU, as well as a separate legal text (reduced from 42 articles to just 9), the new ESF would have to operate under the NRPP Regulation, without a specific budget line. A structural feature of this evolution is the functional

² A European Social Fund has been in existence since 1957. It had the '+' added to become ESF+ for the current MFF as a result of related funds being merged into it.

separation of the former ESF+ strands: the shared management component is embedded in NRPPs, while the Employment and Social Innovation (EaSI) strand is transferred to the EU Facility responsible for transnational projects and Union actions under direct or indirect management, leaving the ESF operating exclusively under shared management.

Perhaps the most significant change is the elimination of a specific budget line for the ESF, contrary to the CAP which keeps a minimum allocation. Under the 2021-2027 MFF, the ESF amounted to almost €88bn in 2018 prices, representing 8.15% of the total MFF envelope. Under the proposed 2028-2034 framework, social spending is protected by a mandatory floor: 14% of the total NRP Plan envelope (excluding the CAP and Social Climate Fund allocations) must be dedicated to social objectives. As will be explained in the next section, a direct comparison between the 2021-2027 ESF+ allocation and this new 14% minimum is problematic.

The ESF would retain its separate legal basis (Article 175, TFEU) post 2027, but its objectives would be both broader and less clear. When it comes to its general objectives, the proposed 2028-2024 ESF now encompasses two additional areas compared to its predecessor: a socially fair green transition, as well as democracy and values (see Table 3).

Table 3: Comparison of the general objectives of the ESF

General objectives of the 2021-2027 ESF	General objectives of the 2028-2034 ESF
Article 3, ESF Regulation	Article 1, ESF Regulation
<p><i>The ESF+ aims to support Member States and regions to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work, as well as inclusive and cohesive societies aiming to eradicating poverty and delivering on the principles set out in the European Pillar of Social Rights</i></p>	<p>'This Regulation lays down specific conditions for the implementation of the European Social Fund for the 2028-2034 programming period as part of the Union support in accordance with the general objectives laid down in Article 2 of Regulation XX [NRP Plan Regulation], and in particular point (b) and (e) thereof.'</p>
	Article 2, NRPP Regulation
<p><i>The ESF+ shall support, complement and add value to the policies of Member States to ensure equal opportunities, equal access to the labour market, fair and quality working conditions, social protection and inclusion, in particular focusing on quality and inclusive education and training, lifelong learning, investment in children and young people and access to basic services</i></p>	<p><i>(b) 'to support quality employment, education and skills and social inclusion in accordance with Part Three, Title XI and Title XVIII of Part Three of the TFEU ('European Social Fund') and to contribute to a socially fair transition towards climate neutrality in accordance with Article 91(1), point (d), Article 192(1) and Article 194(2) TFEU;'</i></p> <p><i>(e) 'to protect and strengthen democracy in the Union and uphold Union values in accordance with Article 2 TEU.'</i></p>

When it comes to specific objectives, the proposed Regulation contains none of its own, instead referring in Article 2 to clustered objectives in Article 3 of the NRPP Regulation, as well as to Employment Guidelines. This differs from the approach adopted for the 2021-2027 ESF Regulation which set out 13 dedicated specific objectives.

It is likely that the specific objectives will be streamlined under Article 3.1.c of the NRPP Regulation, comprising six specific objectives. From these, two new specific objectives are clear: (v) addressing the social impacts of the inclusion of greenhouse gas emissions from buildings and road transport and (vi) addressing the challenges of demographic change across the EU, which include labour shortages and disparities between generations and regions. In addition, according to specific objective (iii), the ESF dimension of the NRPP will now support investments in social infrastructure, explicitly excluded from the current ESF+ (as it falls under the scope of the ERDF).

Beyond Article 3.1.c, the present study has identified additional specific objectives under paragraphs (a) (d) and (e) that could be related to social policy, for instance (but not restricted to): supporting the 'right to stay', supporting a just transition (3.1.a.i), supporting social and affordable housing (3.1.a.iii), improving the attractiveness and living standards, including access to healthcare, in rural areas and fair working conditions (3.1.d.iii), sustaining and further developing open, rights-based, democratic, equal and inclusive societies (3.1.e.i).

It is also noteworthy that, while specific objectives under the current ESF+ are very specific, those identified in the NRPP Regulation seem more like clusters: for instance, three separate education objectives in the old regulation (quality, access, and lifelong learning) are now merged into a single objective focused on labour supply and upskilling/reskilling (Table 4).

One important change from the 2021–2027 ESF+ to the 2028–2034 proposal is the removal of thematic allocations. Under the 2021–2027 ESF, there were 5 thematic allocations, 2 of which without conditions (Article 7, ESF).

- At least 25% for social inclusion.
- At least 3% for support to the most deprived persons.
- At least 5% for tackling child poverty in Member States with high risk-of-poverty rates.
- At least 12.5% for youth employment in Member States with high rates of youths not in employment, education or training (NEETs).
- At least 0.25% for capacity building of social partners and civil society where a country-specific recommendation exists.

In the new ESF regulation proposal, thematic concentration is left largely to Member States, subject to Commission approval. The rationale for this is that a large majority of Member States allocate resources to these themes in quantities equal to or higher than these minimum thresholds, including in cases where these requirements do not formally apply – making their continued inclusion irrelevant. Annex VI of the NRPP proposal identifies four categories of measures to support social objectives, which somewhat mirror the current thematic allocations provided under the ESF+. They are: social inclusion, food and/or basic material assistance, support to address child poverty, and combatting youth unemployment, including through education and training. However, these categories are designed for reporting purposes and to be used by the Commission to ensure these policy areas are not left unaddressed when assessing the NRPPs. As such, they are not comparable to ring-fenced amounts. In a similar vein, priorities such as material deprivation and social innovation, which benefit from higher EU co-financing rates (up to 90–95%) under the current ESF programme, will, under the new proposed ESF, be subject to uniform minimum national contributions based on regional categories.

Table 4: Comparison of the specific objectives of the ESF

Specific objectives of the 2021-27 ESF	Specific objectives of the 2028-34 ESF
<i>Improving access to employment and activation measures for all jobseekers, particularly young people (especially through the Youth Guarantee), the long-term unemployed, disadvantaged groups, and inactive people, as well as promoting self-employment and the social economy</i>	Supporting employment, equal access to the labour market, and fair working conditions
<i>Modernising labour market institutions and services to assess and anticipate skills needs and ensure timely, tailor-made assistance for labour market matching, transitions, and mobility</i>	Enhancing labour supply and improving education and the lifelong acquisition of skills, including upskilling and reskilling
<i>Promoting gender-balanced labour market participation, equal working conditions, and a better work-life balance, including through access to affordable childcare and care for dependent persons</i>	Promoting equal opportunities, fostering social inclusion, and fighting poverty. This objective now explicitly includes social and affordable housing and material assistance (food and basic goods)
<i>Promoting the adaptation of workers, enterprises, and entrepreneurs to change, as well as active and healthy ageing and a healthy, well-adapted working environment that addresses health risks</i>	Facilitating access to services and associated infrastructure, including the modernisation and digitalisation of healthcare systems, child care, and long-term care services
<i>Improving the quality, inclusiveness, effectiveness, and labour market relevance of education and training systems, including the validation of non-formal and informal learning and the acquisition of key competences like digital and entrepreneurial skills</i>	Addressing the challenges of demographic change across the EU, including labour shortages and disparities between generations and regions
<i>Promoting equal access to and completion of quality and inclusive education and training, particularly for disadvantaged groups, from early childhood education through to tertiary level and adult education, including learning mobility and accessibility for persons with disabilities</i>	Addressing the social consequences of including greenhouse gas emissions from buildings and road transport in the emissions trading system (ETS2), specifically targeting energy and transport poverty
<i>Promoting lifelong learning, specifically flexible upskilling and reskilling opportunities for all, better anticipation of change and new skill requirements, and facilitating career transitions and professional mobility</i>	

Specific objectives of the 2021–27 ESF	Specific objectives of the 2028–34 ESF
<i>Fostering active inclusion to promote equal opportunities, non-discrimination, and active participation, while improving employability, particularly for disadvantaged groups</i>	
<i>Promoting the socio-economic integration of third-country nationals, including migrants</i>	
<i>Promoting the socio-economic integration of marginalised communities, such as Roma people</i>	
<i>Enhancing equal and timely access to quality, sustainable, and affordable services (including housing and person-centred care); modernising social protection systems; and improving the accessibility, effectiveness, and resilience of healthcare and long-term care services</i>	
<i>Promoting the social integration of people at risk of poverty or social exclusion, including the most deprived persons and children</i>	
<i>Addressing material deprivation through food and/or basic material assistance to the most deprived persons, including children, and providing accompanying measures for social inclusion</i>	

Source: Own elaboration, based on Regulation (EU) 2021/1057 establishing the European Social Fund Plus (article 4) and Proposal for a Regulation establishing the European Fund, 2025/0240(COD).

The ESF Committee is to be maintained to assist the Commission in pursuing specific objective 3.1.c cited above. The partnership principle is also maintained and strengthened, in relation to the composition of the committees (see section on NRPPs). The implications of these changes in legislation are examined in more detail in later sections, but the following are evidence of a shift away from support for the most vulnerable groups, upward convergence and the core objectives of the EPSR:

- the removal of a dedicated budget line and of minimum thematic allocations;
- the reduction in EU co-financing rates for priority areas around material deprivation;
- the inclusion of infrastructure and other big spending in the 14% target; and
- the expansion in scope (albeit compensated by a reduction in quantity) of the ESF+'s objectives.

European Regional Development Fund

Under the proposed MFF, the European Regional Development Fund (ERDF) will also cease to be a standalone fund. The Commission has, as for the ESF, nevertheless produced a separate, much shorter

proposals for regulations for the ERDF (including Interreg) and the CF. Annex 1.2 of this study compares these funds under the current and future MFF. Importantly, Interreg was included under the 2021–2027 ERDF. In the new proposal, Interreg is still part of the ERDF Regulation but functionally separated from the NRPPs.

Under the 2021–2027 MFF, the general (Treaty-based) – Article 174 TFEU) objective of the ERDF was to 'reduce disparities between the levels of development of the various regions within the Union, and to reducing the backwardness of the least favoured regions through participation in the structural adjustment of regions whose development is lagging behind and in the conversion of declining industrial regions, including by promoting sustainable development and addressing environmental challenges.' (Article 2, ERDF/CF Regulation). Like the ESF proposal, the ERDF/CF proposal for the proposed 2028–2034 MFF refers to the general objectives of the NRPP Regulation, in particular points (a) and (e). (a) describes the general scope of the ERDF, Interreg and the CF, while (e) adds, as for the ESF proposal, a new objective related to democracy and values.

The 2021–2027 ERDF/CF has 5 policy objectives and 26 specific objectives. The most relevant in the framework of this study is PO4 'a more social and inclusive Europe implementing the EPSR', which includes 6 specific objectives aimed at developing infrastructure for labour market access, education and training, housing and social services for vulnerable groups and migrants, healthcare and family-based care, as well as strengthening the role of culture and sustainable tourism.

The proposed new ERDF Regulation no longer has an explicit, self-contained list of policy and specific objectives. Instead, these appear to have been streamlined under Article 3(1)(a) of the NRPP Regulation, which outlines ten broad specific objectives. Additional objectives under points (b), (c), (d) and (e) may also be relevant.

Several important changes in scope can nevertheless be identified. First, regarding scope expansion beyond what was included in PO4, there is a reinforced emphasis on industrial policy, including support for resilient supply chains, manufacturing capacity, net-zero technologies and critical raw materials, in line with the EU's competitiveness agenda. The second change concerns defence and security, with Cohesion Policy funding now able to support dual-use TEN-T infrastructure, the defence industrial base and cybersecurity. This geopolitical turn also affects the territorial scope, with Eastern border regions newly recognised as disadvantaged areas due to the economic and security consequences of the war in Ukraine. Third, administrative capacity objectives have been considerably expanded, now explicitly covering areas such as justice systems, anti-corruption and media pluralism, reflecting a stronger link with the protection of Union values.

When it comes to scope expansions linked to PO4, and thus most relevant to this study, two main changes can also be identified: the introduction of the concept of a 'right to stay' (Article 3.1.a.i, NRPP proposal), and a new dedicated specific objective on social and affordable housing (Article 3.1.a.vii), whereas housing was previously embedded within measures targeting marginalised groups. The right to stay echoes the 'freedom to stay' from the Letta report. Not only could the notion of 'right' be legally ambiguous, but the implications behind this legitimate narrative remain unclear. As suggested by Rubio and Alcidi, (2026), guidance would be welcome from the Commission on how to interpret and promote the principle, and which regions, in particular, should be targeted.

Just Transition Fund

Established for the 2021–2027 period, the Just Transition Fund (JTF) is a key pillar of the Just Transition Mechanism (JTM) designed to support territories facing serious socio-economic challenges arising from the transition to a climate-neutral economy by 2050. It focuses on regions heavily dependent on fossil fuel production or greenhouse gas-intensive industrial processes that lack the financial means to

adapt. Implementation is based on Territorial Just Transition Plans (TJTPs) that identify the most negatively affected NUTS level 3 regions and outline specific actions to alleviate negative repercussions on employment. The fund is endowed with EUR 7.5 billion (in 2018 prices), and an additional EUR 10 billion is financed under NGEU (the NGEU top-up I excluded from the calculations in this study).

Funding from the JTF can support upskilling and reskilling of workers, job-search assistance and active inclusion measures for jobseekers (Article 8, JTF Regulation). The fund also addresses social infrastructure needs by financing training centres, childcare, and elderly-care facilities, and, more generally, promoting access to affordable and sustainable housing (Article 8, JTF Regulation). Additionally, it targets energy poverty by funding energy efficiency improvements in housing stock to reduce costs for disadvantaged communities (Recital 12, JTF Regulation).

Under the 2028–2034 MFF proposal, the JTF will be integrated into the new National and Regional Partnership Plans (NRPPs), but no longer operate as a standalone program. Member States must continue to focus on the specific needs of 'areas affected by industrial transition' (Article 22, NRPP proposal), however the specific earmarking of EUR 217.8 billion for 'less-developed regions' is based on Gross Domestic Product (GDP) per capita and differs from the notion of 'disadvantaged areas' that include just transition areas, alongside other areas (see section on ERDF). Although not explicitly stated, employment and social-related policies for these regions are very likely to be counted towards the 14% social minimum in NRPPs.

Social Climate Fund

The Social Climate Fund (SCF) is a dedicated instrument designed to mitigate the socio-economic impacts of the new emissions trading system for buildings and road transport (ETS2) by supporting vulnerable households, micro-enterprises, and transport users. In the current 2021–2027 MFF, the SCF operates through Social Climate Plans that are governed by their own specific rules and financed by external assigned revenue from the auctioning of ETS allowances,. Under the proposed 2028–2034 MFF, the SCF would be integrated into the NRPPs as a mandatory separate chapter, still financed outside the MFF ceilings and through external assigned revenue from the ETS. The SCF remains a core social policy tool and complements the broader social mission of the ESF through a new specific objective (c)(vi) in the NRPP proposal. Nevertheless, SCF resources are explicitly excluded from the 14% global social spending floor calculation, meaning they do not count toward meeting the minimum social spending requirements of the NRP Plans.

Digital Europe Programme

The Digital Europe Programme (DEP) for the 2021–2027 period was established to accelerate the digital transformation of the European economy and society while reinforcing the Union's strategic autonomy and global competitiveness. The programme was originally structured around five interrelated specific objectives: High Performance Computing (HPC), Artificial Intelligence (AI), Cybersecurity, Advanced Digital Skills, and the Deployment and Best Use of Digital Capacities. A sixth objective for Semiconductors was later added via the Chips Act amendment. While the original 2021 budget was set at EUR 7.588 billion, it was revised to EUR 8.168 billion in current prices following the mid-term revision of the current Multiannual Financial Framework.

The Advanced Digital Skills objective (Specific Objective 4) within the DEP was designed to increase Europe's talent pool and foster greater professionalism in cutting-edge fields such as cloud computing, big data, quantum technologies, and robotics. It has three main operational goals: supporting high-quality long-term training for students and the workforce, providing short-term training tailored to SMEs and the public sector, and financing high-quality on-the-job training and traineeships. Following

the revision of the programme's budget, the indicative allocation for this strand was set at EUR 483 million in current prices (2021–2027).

Under the proposed 2028–2034 MFF, the DEP would become a core component of the 'Digital Leadership' policy window of the ECF, assigned an indicative budget of EUR 51.5 billion in current prices (Article 4, ECF proposal). However, the 'skills development' component of the current DEP becomes a horizontal enabler that sits outside this envelope. Instead, skills will be integrated into a EUR 11 billion, (in current prices) cross-cutting envelope, which is to finance a new European Skills Guarantee and dedicated vocational education and training (VET) partnerships. However, two important points must be made. First, the scope of this envelope for 'Project Advisory and cross-cutting action' is much broader than only skill development, as it also covers SME collaboration, project advice and access to funding. Second, this envelope will be divided into two parts (ECF proposal, Legislative financial and digital statement, 3.2). The first, amounting to EUR 1 billion in current prices will be the primary source of direct grants and 'soft' support mechanisms. The remaining and much larger portion of the envelope (budget line 04.02.06) will be transferred to the InvestEU instrument (see next section).

InvestEU

The InvestEU Programme (2021–2027) integrates and simplifies Union financing under a single budgetary guarantee scheme, serving as a central tool for providing loans, guarantees, and equity financing. For the 2021–2027 period, the EU compartment was assigned an overall indicative guarantee of EUR 26.15 billion in current prices, which was intended to mobilise more than EUR 372 billion in additional investment across the Union.

To address social issues, the programme has a dedicated Social Investment and Skills policy window, which was indicatively allocated EUR 2.8 billion of the EU guarantee (Annex 1, InvestEU Regulation). This window is designed to support the implementation of the European Pillar of Social Rights by targeting social enterprises' access to finances, as well as investments in social infrastructure, human capital development, gender equality, social innovation, the integration of vulnerable people, health services and the inclusion of people with disabilities (Article 8 and Annex II, InvestEU Regulation).

Under the 2028–2034 MFF proposal, InvestEU will be integrated into the ECF, as the ECF InvestEU Instrument (Article 21, ECF proposal), serving as a horizontal delivery tool that provides budgetary guarantees and financial instruments for all the Fund's objectives. The maximum budgetary guarantee for the EU compartment is set at EUR 70 billion in current prices, with a legal mandate that at least EUR 17 billion of the total ECF support must be delivered through this instrument (Article 21, ECF proposal), EUR 10 billion of which from the 'cross-cutting actions' envelope identified in the previous section. While it maintains support for a just transition and social resilience, the ECF InvestEU's primary mandate shifts toward bolstering strategic technologies and industrial leadership across the Fund's four thematic policy windows.

EU4Health

The EU4Health Programme (2021–2027) was established as a reinforced response to the COVID-19 pandemic, aiming to provide a high level of human health protection and build a 'European Health Union.' The programme, implemented through both direct and indirect management, complements national health policies by focusing on cross-border threats, the availability of affordable medicinal products, and the overall resilience of health systems. One of its specific objectives is to enhance access to quality, patient-centred, outcome-based healthcare and related care services, with the aim of achieving universal health coverage (Article 4, EU4Health Regulation). This includes actions such as promoting access to health services for people with disabilities, supporting the strengthening of

primary care and promoting access to sexual and reproductive healthcare (Annex I, EU4Health Regulation).

Under the European Competitiveness Fund (ECF) proposal for 2028–2034, EU4Health will be repealed as a standalone programme and consolidated into the 'Health, Biotech, Agriculture and Bioeconomy' policy window. This window is to have an indicative budget of EUR 20.4 billion in current prices (Article 4, ECF proposal). While it retains the previous goals of health promotion and disease prevention (Article 37.1.a, ECF proposal), the framework now emphasises supply security for medicinal products and the scalable production of biotechnologies as essential drivers of economic resilience and workforce productivity (see Article 37.1.c/d/f).

These shifts towards, on the one hand, preventive and bio-security actions, and on the other, to boosting the competitive position of the biotechnology sector suggest a policy shift away from the public health emphasis of EU4Health in the current MFF. Having been established in response to the Covid-19 pandemic EU4Health had (predominantly) social objectives: improving health, protecting people by preventative and preparedness actions, assuring access to medicines and medical products, and enhancement of health care systems. The EU4Health budget had already been reduced in the mid-term review of the current MFF from EUR 5.3 billion to EUR 4.4 billion.

Erasmus+

Erasmus+ is the EU's flagship programme for education, training, youth and sport, implemented under direct and indirect management. Under the 2021–2027 Multiannual Financial Framework, the programme's objective is to 'support, through lifelong learning, the educational, professional and personal development of people in the fields of education and training, youth and sport, in Europe and beyond, thereby contributing to sustainable growth, quality jobs and social cohesion, to driving innovation and to strengthening European identity and active citizenship' (Article 3, Erasmus Regulation). The programme is organised around three specific objectives: promoting learning mobility: cooperation and participation across organisations in the field of education and training: and youth and sport.

Under the proposed 2028–2034 MFF, Erasmus+ will remain as a standalone fund. It will continue to promote lifelong learning, inclusion and democratic participation, while also contributing more explicitly to a 'resilient and competitive Europe' by enhancing skills and competences for the labour market (Article 3, Erasmus proposal) in line with the 'Union of Skills', alongside the European Education Area. The new proposed Erasmus+ will change from 3 sector-specific objectives to 7 thematic objectives, including skills development, active citizenship, cross-border cooperation, youth empowerment, policy development and solidarity activities.

Overall the scope of the current Erasmus can easily be matched with the Commission's proposal. Some minor scope changes include expansions to athletes and those active in grassroots sport, as well as to staff in early childhood education and care. The most significant scope expansion is Article 5 on 'Talent and excellence development opportunities' encompassing some existing programmes (Erasmus Mundus Jean Monnet), but also introducing Erasmus+ scholarships in 'strategic educational fields' aimed at addressing skills shortages in critical sectors. These are likely to include digital and AI-related fields, but potentially also contribute to the budget-wide climate and environmental spending target.

Under the 2021–2027 Erasmus+ programme, thematic allocations were foreseen across sectors, namely:

- 83 % for education and training (including at least 34.6% for higher education, 21.5% for VET, 15.2% for school education, 5.8% for adult education and 1.8% for Jean Monnet actions)
- 10.3 % for youth (dedicated envelope)
- 1.9 % for sports (dedicated envelope)
- 3.3 % for operating costs of national agencies
- 1.5 % for programme support

The European Commission's proposal for the new Erasmus+ programme removes these thematic allocations. The governance model also shows strong continuity. Programme delivery continues to be split between direct management by the Commission (via EACEA) and indirect management through National Agencies, which remain the primary implementing bodies. This preserves a decentralised approach and ensures that programming retains a degree of proximity to local contexts.

As for the rest of the MFF, Erasmus will henceforth be subject to the new Performance Regulation, relying on common indicators and further embedding a shift from cost-based to performance-based delivery. While reimbursement of actual eligible costs remains technically possible for Erasmus+, it is now relegated to a 'last resort'.

European Solidarity Corps

Under the 2021–2027 Multiannual Financial Framework, the European Solidarity Corps (ESC) is a dedicated programme focusing on volunteering and solidarity activities. Its general objective is to enhance the engagement of young people and organisations in accessible and high-quality solidarity activities, primarily volunteering, in order to strengthen cohesion, solidarity, democracy, European identity and active citizenship, while addressing societal and humanitarian challenges (Article 3, ESC Regulation). The programme is built around the single specific objective of providing young people, including those with fewer opportunities, with easily accessible opportunities to engage in solidarity activities that generate positive societal change, while supporting the development and recognition of their competences and encouraging continued civic engagement.

Under the proposed 2028–2034 MFF, the ESC will cease to be a standalone programme. Instead, it will be integrated into the broader Erasmus+ framework, under the 'youth' strand and the heading of learning mobility and volunteering opportunities. Its core objectives would be preserved and reflected notably in specific objectives (b) and (e) (Article 3, Erasmus proposal). However, no dedicated budget line is foreseen for ESC-like activities in the new Erasmus proposal.

In addition, under the current ESC, 94% of the fund's budget is dedicated to volunteering under the 'participation of young people in solidarity activities' strand and the last 6% are reserved for volunteering as set out in Article 10 (European Voluntary Humanitarian Aid Corps). This distinction also no longer remains in the new proposal.

European Competitiveness Fund

In addition to the NRPP Regulation examined in more detail in the next chapter, the proposed ECF regulation is also salient for analysing how the proposals for the next MFF will affect social goals. Some of what is covered by existing budget lines will move into the ECF. This restructuring exercise means

that the allocation of resources between broad headings affects resources devoted to these policy areas.

The ECF's primary purpose is to de-risk investment in strategic sectors to boost competitiveness. Given this orientation, 'social' goals are relatively marginal. In the draft regulation, while the recitals invoke the EPSR, the Skills Guarantee, and support for workers in transition, the operative articles barely mention skills or workers. Instead, the ECF is framed by the Competitiveness Compass and the "Union of Skills" agenda, which is primarily concerned with boosting labour supply, not supporting social rights or the EPSR.

Nonetheless, the ECF has several elements that may be considered 'social'. Most notably, an EUR 11 billion 'cross-cutting' envelope includes both the European Skills Guarantee, which is intended to support workers in sectors undergoing restructuring to reskill (citing the EPSR in recital 21), and funding for VET partnerships. While both are tools of employment policy, their primary focus is on labour market shortages in strategic sectors, rather than social or labour market inclusion. Further, the specific structure of the envelope weakens their impact in two respects. First, as a cross-cutting action, they have weaker legal protection than the four explicit policy windows – which may squeeze them out. Second, of the EUR 11 billion (which also includes SME support and InvestEU advisory support), only around €1 billion is in grants, directly funding skills activities; the remaining €10 billion is transferred to the InvestEU instrument (see Digital Europe Programme and InvestEU sections above).

2.2. Tracking resources for employment, social and welfare policies

The Commission's proposed headline figure for the 2028–2034 MFF is nearly EUR 2 trillion in current prices or EUR 1.763 trillion in 2025 prices (European Commission, 2025d). Relative to the EU economy, this amounts to around 1.26% of EU GNI. A proportion of the next MFF will be absorbed by the repayment and servicing of NextGenerationEU (NGEU) debt, amounting to around EUR 168 billion in current prices (2028–2034) and EUR 149 billion (approximately EUR 21 billion per year) in 2025 prices earmarked for these purposes.

2.2.1. Budget overview for the whole MFF

The analysis in this study excludes NGEU repayments and thus uses the totals of EUR 1.817 trillion in current prices (2028–2034) and EUR 1.614 trillion in 2025 prices as the reference for the new proposed MFF. This represents about 1.15% of EU GNI. For comparison, the current MFF was allocated EUR 1.247 trillion in 2025 prices, EUR 1.223 trillion in current prices. This corresponded initially to approximately 1.13% of EU GNI.

However, due to the use of a fixed 2% annual deflator in the MFF framework, which underestimated actual inflation over the period, the real value of the current budget has eroded. As a result, its effective size is now closer to around 1.02% of EU GNI (Jacques Delors Centre, 2025b). While this latter percentage reflects the actual purchasing power under the current MFF, it does not reflect the political choice made during the 2021–2027 negotiations and would overestimate the apparent increase in the new proposed 2028–2034 MFF. On this basis, the increase between the current and proposed 2028–2034 MFFs is relatively limited: only +0.02pp in EU GNI.

2.2.2. Comparison of funding for social and employment policies

The shifts in the structure of spending between the current and proposed MFFs are so substantial that comparing EU funding for employment and social policies is not straightforward. Plainly, the most significant change for social and employment support is the elimination of a specific budget line for the

ESF+. This differs, for instance, from the Common Agricultural Policy (CAP), which keeps a minimum allocation under the NRPP Regulation. In the next MFF, social spending will, though, be protected by a mandatory objective: 14% of the total NRPP envelope (excluding the CAP and Social Climate Fund revenue) must be dedicated to social objectives.

To carry out a comparative analysis between the two MFFs, two different approaches are employed. The first looks at the core regulation under the current MFF when it comes to social and employment support, namely the ESF+, setting side by side the amounts allocated towards the 2021–2027 ESF and the social objective put forward by the NRPP Regulation. Some of the uncertainties in the findings are discussed in section 2.3, below. Second, the study looks at social policy more widely, taking into account other instruments targeting the social dimension, both under the current MFF and the proposal for 2028–2034.

a. Matching the social objective under the NRPP Regulation to current funding streams

The NRRPs will provide the bulk of the funding for social policies and, in contrast to other past budget lines (such as regional support) now consolidated into it, the 14% minimum proportion is a distinctive provision. The ESF+ is very likely to be the largest component, but Member States will have discretion to favour other social mechanisms. However, comparing the current ESF with future social spending is not straightforward, as differences in programme scope, price bases (current vs constant), and the fact that implementation is still in progress all complicate direct comparisons (EPRS, 2025).

A first step is to clarify what the 14% target means in practice. The figure of €100 billion for social spending has been communicated in various contexts, including by the [Commission](#) and other [stakeholders](#). For instance, a [news release](#) dated 25 August 2025 states that '**at least 14%** of the envelope for the **National and Regional Partnership Plans** [is] dedicated to meeting the Union's social objectives. This represents investments of at least **€100 billion**' [emphasis in original].

Yet this headline figure is ambiguous. While 14% of the total NRPP envelope (EUR 865.1 billion in current prices and 771 at 2025 prices) would amount to approximately EUR 120 billion (or EUR 108 billion in 2025 prices), both Article 10.5 and Article 22.2.q of the draft [NRPP regulation](#) specify that Common Agricultural Policy (CAP) allocations must be excluded from the calculation base. Once the CAP envelope (EUR 295.7 billion in current prices and EUR 261 billion at 2025 prices) is deducted, the relevant base falls to EUR 569.4 billion, and the 14% minimum corresponds to approximately EUR 79.7 billion in current prices, and EUR 71.2 billion in 2025 prices. In relative terms, this represents around 4.4% of the total proposed 2028–2034 MFF envelope.

In what follows, it is assumed (based on the wording of the draft legislation), that if a Member State were to choose to spend above the CAP threshold, it would not entail a *pro rata* fall in the cash value of the 14% social minimum, but it could introduce legal uncertainty. However, informal consultations with Commission officials have confirmed that fluctuations in CAP spending will not alter the calculations based on the relevant ex ante totals.³ In addition, the calculated total of EUR 79.7 billion leaves open the possibility that Member States could spend above this 'minimum'.

To reconcile the EUR 100 billion figure highlighted earlier with this lower amount requires the assumption (also confirmed in informal consultations with Commission officials) that the EUR 100 billion figure includes both grants and loan-based instruments. In this interpretation, around EUR 79.7

³ Although there could still be an element of doubt, the judgement of the authors of this study is that this is the only logical interpretation of the wording of the various legal texts: programming of interventions cannot sensibly be adjusted because of possible changes (bearing in mind that CAP spending could fall as well as rise) in the denominator of the 14% ratio.

billion would consist of grants, with an additional EUR 21 billion coming from Catalyst Europe loans (corresponding to 14% of the total allocation of EUR 150 billion for Catalyst Europe). Given the different nature of these instruments, comparisons with the ESF+ are more meaningful when focusing on the grant component alone. In what follows, the figure of EUR 79.7 will therefore be used as the basis for comparison with the current ESF+.

When comparing these figures, some stakeholders conclude that social spending is set to decline. For instance, a [joint statement](#) released by a coalition of social actors suggests there will be a decline in social spending. They calculate that on a like-for-like basis (adjusting for inflation), the allocation for the ESF+ in the 2021–27 period becomes EUR 110 billion, meaning the amount for the next MFF will be a cut. A [paper by the Deutscher Gewerkschaftsbund \(DGB\)](#), a German trade union, calculates that there will be a 26% decline in social spending, and advocates making the Catalyst Europe component grants, rather than loans, a change which would clearly bring social spending closer to its level in the current MFF.

The ESF+, in the 2021–2027 MFF, was allocated EUR 88 billion (in 2018 prices), corresponding to approximately EUR 98.5 billion in current prices, or more accurately EUR 95.8 billion when taking into account current estimated levels rather than the initial allocation (European Commission 2025e). In relative terms, the ESF+ thus represents around 8% of the total 2021–2027 MFF envelope.

Taken together, these figures suggest that, in absolute terms, funding for social objectives through the ESF+ and the proposed allocations for grants within the NRPPs would decline by around 17%. In relative terms, the budgetary weight of the social objective under the NRPP Regulation would be close to half of that represented by the ESF+ in the 2021–2027 MFF.

That said, the reality is still more complex. The scope of 'social objectives' under the NRPPs is broader than that of the ESF+, encompassing areas such as social infrastructure, which were previously funded under the ERDF. For example, Policy Objective 4 ('Social Europe') under the ERDF represents EUR 18.98 billion (European Commission, 2026). Even if only part of this amount (e.g. 40%, based on thematic coefficients from the Performance Regulation – explained in detail in Chapter 4)) is considered, it suggests that part of the comparison baseline may be missing. This would add approximately EUR 7.6 billion to the comparison baseline in current prices.

A similar question arises for the JTF, which amounts to EUR 8.45 billion (excluding NextGenerationEU) in current prices (2021–2027 MFF). While its scope is wider than social policy, part of its funding contributes to activities that would fall under the 14% social objectives, notably 'Skills, job-search and education' as well as 'Social infrastructure' and 'Circular economy'. Using the planned funding allocation per type of supported activity provided in the JTF mid-term review (European Commission, 2025f) and the associated coefficients from the Performance Regulation, the calculations presented here suggest an additional EUR 1.5 billion could be added to the previous baseline. The basis for these calculations is set out in Annex 3.

These adjustments suggest that a more comprehensive comparison baseline would be closer to EUR 105 billion, rather than EUR 95.8 billion (see Table 5). This reinforces the conclusion that the baseline for comparison may be underestimated and that the decline in social funding under the NRPP framework could be even larger than initially suggested.

Table 5: Estimation of a comparable benchmark in the 2021-2027 MFF

Fund	Amount (EUR bn, current prices 2021-2027)	Approximated amount or % for employment and social activities	Coefficient under the proposed Performance regulation	Contribution to baseline (EUR bn, current prices, 2021-2027)
ESF+	95.8	100%	100%	95.8
ERDF	226.05	18.98 billion for Political objective 4 'Social Europe'	40%	7.6
JTF	8.45	15% of JTF planned funding allocation for 'Skills, job search and education'	100%	1.27
		2% of JTF planned funding allocation for 'Social infrastructure'	40%	0.07
		3% of JTF planned funding allocation for 'Circular economy'	40%	0.10
Total revised baseline	—	—	—	≈ 104.8
Estimation of total revised baseline in 2025 prices				≈ 122.8

Source: Own elaboration based on JTF mid-term review and the proposed performance regulation.

In 2025 prices, the fall becomes greater. The 14% social objective under the proposed NRRP Regulation amounts to EUR 71.2 billion, while the reference benchmark for the 2021-2027 MFF, taking into account the ESF+ as well as employment and social-related funding under the ERDF and JTF, is estimated at 123 billion, representing a 42% decrease. This analysis has to be interpreted with caution and appropriately nuanced. The EUR 79.7 billion (current prices)/EUR 71.2 (2025 prices) social target are derived from the horizontal legal minimum applied across the entire NRPP framework, rather than a standalone or ring-fenced budget line.

In practice, social expenditure is likely to be embedded across multiple components of the Fund. For instance, the NRPP Regulation earmarks EUR 217.8 billion for less developed regions, within which a share of spending will almost certainly contribute to social objectives. Moreover, after accounting for the main mandatory allocations – EUR 217.8 billion for less developed regions, EUR 296 billion for some

CAP interventions, and EUR 38 billion for migration, border management and security – a residual envelope of approximately EUR 235.2 billion remains at the discretion of Member States.

This discretionary 'pot' provides flexibility for Member States to allocate funding across a wide range of priorities, including employment and social policies. In principle, and assuming that CAP-related spending does not contribute to social objectives, up to EUR 570 billion (across the NRPPs, Interreg, and the EU Facility) could be mobilised to support social and employment-related investments.

Whether they would be is unavoidably speculative. Resources must also be directed to climate action, competitiveness, or non-social Cohesion Policy objectives. Furthermore, the mandatory allocations outlined above for CAP, less developed regions and migration represent minimum thresholds rather than fixed ceilings. Should Member States choose to increase spending in areas such as agriculture, fisheries or security, the reference basis for the 14% minimum requirement would remain unchanged (meaning the EUR 79 billion calculated above would still be valid) but the financial space available for additional discretionary social spending would be reduced.

In addition, the share of non-ringfenced NRPP resources is bound to vary from one country to another (Rubio and Alcidi, 2026) due to the allocation method for each of the ring-fenced interventions. A Member State with a large agricultural sector may have a higher proportion of its NRPP envelope pre-committed to CAP, leaving it with lower non-ringfenced resources in its NRPP. Non-earmarked allocations may range from less than a quarter of a Member State's total NRPP allocation to nearly three-quarters (ibid). For countries at the lower end of this range, the 14% social floor may represent a large proportion of the discretionary spending they have, leaving few resources for spending beyond this.

All considered, the spending for social, employment and welfare policies is very likely to be markedly lower than in the current MFF. However, the extent of this reduction cannot be determined at this stage and will depend on Member States' eventual choices, based on their NRPP allocation.

b. Comparing social spending more broadly

However, social spending can be identified in other parts of the two MFFs. Table 6 therefore seeks to map and compare financial support for social objectives through all relevant social instruments, even those beyond the competences under Title IX and X of the TFEU, allowing for a broader basis of comparison. This exercise is subject to several important limitations.

First, due to the constraints outlined above, the comparison is conducted in relative terms, focusing on the share of social support as a percentage of each total MFF allocation. As a result, the analysis captures the relative importance of social expenditure within the Union's budgetary framework rather than absolute funding levels. Where absolute figures are presented, they should be interpreted as indicative estimates. In particular, to account for price changes over the period, the study proposes conversions from 2018 into 2025 prices relying on a uniform multiplier (1.28),⁴ which necessarily involves some approximation. Annex 3 presents this table using multiple price bases, including adjusted current prices, illustrating how estimates may vary even within the framework of this analysis.

Second, several instruments of the proposed MFF, considered in this analysis, pursue objectives that extend well beyond social policy, which may lead to an overestimation of the resources ultimately devoted to social spending (most notably, the ECF). This challenge is compounded by the methodology used under the Performance Regulation, under which only a share of certain expenditures is counted

⁴ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Consumer_prices_-_inflation.

towards social objectives (e.g. 40% for some intervention fields, 100% for others).

Table 6: Estimates and comparison of funding contributing to social priorities under the 2021-2027 and 2028-2034 MFFs (EUR million) - GRANTS

2021-2027 MFF				2028-2034 MFF		
	2018 prices	Estimated 2025 prices	%		2025 prices	%
ESF	87995	112634	8.15%	Social objective as part of the proposed NRPP Regulation	71194	4.41%
ERDF (PO4)	16824	21535	1.55%			
JTF (estimated social and employment-related activities)	1500	1920	0.14%			
Erasmus	23408	29962	2.17%	Erasmus	36186	2.24
ESC	895	1146	0.08%			
Digital Europe Programme (Advanced Digital Skills)	430	550	0.04%	ECF - Project Advisory, SME Collaboration, skills development and Access to Funding (Chapter III)	883*	0.06%
EU4 Health	4225	5408	0.39%	ECF Pillar 2 - Support to Health, Biotechnology, Agriculture and Bioeconomy	18009*	1.12%
Outside the MFF						
Only launched in 2026 with a headline budget for 2026-32 of EUR 86.7, co-financed by ETS2 and Member States				Social Climate Fund	45443**	

Note: * These pursue objectives that extend beyond social policy so that the amount for social priorities will be only a fraction (with no basis for estimating its size) of this heading.

** Externally assigned revenue, therefore cannot be counted as a % of the MFF.

Source: all sources and bases for calculations can be found in Annex 3.

The estimates presented for instruments such as the ERDF and the JTF attempt to approximate the share of funding contributing to employment and social policies, but in the end, not all of these amounts would be counted towards the 14% social target under the proposed framework. Consequently, a direct equivalence between current spending and future targets is bound to be inherently imperfect.

Third, distinguishing between grants and loans remains challenging, as funding under certain instruments, such as the ECF, covers a wide range of EU financial tools, including grants, loans, guarantees, and procurement. Last, it is important to repeat that the 14% social objective under the proposed NRPP Regulation is a minimum requirement, not a fixed allocation, meaning that direct comparisons with current levels of spending should be interpreted with caution, as they do not capture the full range of potential outcomes under the new framework.

The estimates reflect the following assumptions. In the 14% share of the NRPP, the amounts for Interreg and the EU Facility (both the Union Actions budget line – EUR 56.3 billion – and EUR 9.5 billion for the 'Cushion', both at 2025 prices) are included as part of the denominator for the estimation. Similarly, the amounts for Erasmus are the total allocated, not all of which will be social spending, as is the case for the other two elements of the ECF in the table.

Moreover, as explained above, the social dimension of the funding for health and related actions is likely to be downplayed. Taking all these considerations into account, the amounts presented in table 6 can be considered to be at the top end of future social allocations. The clear implication is that the reduction in social spending could be even greater than these estimates show, although in the process of negotiating NRPPs, the cuts could be offset if Member States choose to exceed the 14% minimum.

Table 7: Estimates and comparisons of funding contributing to social priorities under the 2021–2027 and 2028–2024 MFFs (EUR million) - LOANS

2021–2027 MFF				2028–2034 MFF		
	2018 prices	Estimated 2025 prices	%		2025 prices	%
InvestEU social policy window	2539	3250	0.24%	Non-thematic support of the ECF InvestEU Instrument (Article 4.2.a of proposed ECF Regulation)	8831*	0.55%
				Social objectives within the Catalyst Europe Programme	18760**	1.16%

Notes: * 'Non-thematic' includes 'skills development', but also covers support for SMEs and other actions, so that the amount for social priorities will be only a fraction (with no basis for estimating its size) of this heading.

** Assumes full take-up by Member States; this is a maximum as several Member States may shun loans.

Source: all sources and bases for calculations can be found in Annex 3.

When questioned about the future of social spending under the proposed 2028–2034 MFF, a majority of those interviewed expressed concerns about the risk of underfunding. Two interviewees, however, offered a more nuanced assessment. One considered the overall level of resources to be '*sufficient*' when examining the MFF as a whole, rather than focusing exclusively on the 14% target. Another argued that the new framework is '*more different than worse*', suggesting that the new organisation of funds could in the end '*create some synergies that might even surpass what we have right now as allocations*'.

2.3. Overall analysis and assessment

The removal of dedicated envelopes for social objectives (except for the amount allocated to Erasmus) constitutes the biggest shift when it comes to social and employment support under the next MFF. Plainly, comparisons between the current and future MFF (even with the discretion afforded to Member States) suggest a likely decrease in resources dedicated to social objectives under the proposed framework in relative terms, even when considering allocations beyond the 14% target and considering social policy in a very broad sense. Nonetheless, most existing social funding instruments are still covered within the new architecture, even if reconfigured, merged or less well funded. One of the exceptions is the absorption of the Just Transition Fund, and a possibility is that its integration into the NRPPs could weaken support for regions most affected by the green transition.

Thematically, there is an increasing prominence of the competitiveness agenda and other emerging priorities within the proposed 2028–2034 MFF. Several interviewees warned that this rebalancing could risk crowding-out social objectives and creating an imbalance between external and internal priorities. As one interviewee cautioned, '*we should be very cautious that we're not sacrificing our internal security by focusing too much on external security.*' This shift also raises the risk of growing goal congestion within cohesion and social policies, which are increasingly mobilised to finance new strategic priorities. Research suggests that this expansion of objectives may strain Cohesion Policy's primary focus on long-term investment and risks diverting it from its Treaty-based mandate of fostering economic, social, and territorial cohesion (CEPS, 2024). Similar conclusions could be drawn for social policy.

More broadly, the funding shifts observed under the proposed MFF raise questions about the Union's capacity to use the budget as a lever for delivering on the European Pillar of Social Rights (EPSR). Several interviewees stressed that the MFF is a crucial for achieving the Pillar's aims, precisely because the EPSR itself is not legally binding. In this context, financial incentives play a central role. As one stakeholder put it, '*For us, the MFF is directly linked to the EU's capacity to achieve the objectives of the European Pillar of Social Rights.*' However, many respondents expressed fears that the EPSR could be weakened under the proposed framework. One interviewee described it as '*the big loser of this MFF proposal.*'

While certain policy areas, most notably skills development, appear relatively well supported, thanks to quasi-ringfencing under the ECF, social inclusion policies targeting vulnerable groups lack clear earmarking and visibility in the new MFF. For instance, although the Commission is set to propose the first-ever EU anti-poverty strategy, the lack of dedicated financial support for its implementation in

the new MFF and the removal of allocations for the Child Guarantee prompt questions about the extent to which these objectives will be effectively pursued.

3. THE PROPOSED NATIONAL AND REGIONAL PARTNERSHIP PLANS REGULATION

KEY FINDINGS

- The NRPPs introduce a **single, flexible 'common pot' model**, increasing scope for policy coordination but potentially also **intensifying competition between priorities**.
- Governance shifts control towards a **Commission–capitals nexus**, raising the risks of re-nationalisation and weaker alignment with EU social objectives.
- Existing safeguards (e.g. partnership principle, regional checks) remain **procedural and relatively weak**, with limited guarantees for meaningful stakeholder influence or protection of regional competences.
- Parliament budgetary oversight is weakened because the NRPPs are primarily negotiated between Commission and capital, because nomenclature and budget lines are simplified, and because of the greater flexibility amount.

The proposed NRPP Regulation goes well beyond the Common Provisions Regulation (EU 2021/1060) which applies to all eight funds under shared management in the current MFF. These are: the European Regional Development Fund, the Cohesion Fund, the European Social Fund Plus, the Just Transition Fund, the European Maritime and Fisheries Fund, the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument. While the notion of 'national envelopes' has featured in Cohesion Policy under the current MFF, including limits on the amount allocated to a Member State as a share of its GDP, the NRPPs will greatly extend the scope of these national allocations, and this is reflected in the details of the proposed Regulation.

3.1. Features of the NRPP Regulation

As explained above, the 'single pot' approach integrates funding for economic, social, and territorial cohesion, the CAP, fisheries, migration, and internal security under Heading 1 of the next MFF. The first, largest sub-heading⁵, is the overall budget for NRPPs, amounting to EUR 865 billion in current prices (EUR 771 billion in 2025 prices). Within this total, the three main elements (current prices) are:

- The National and Regional Partnership Plan allocations to Member States: EUR 783 billion;
- The EU Facility (including a budgetary 'cushion'): EUR 72 billion; and
- Interreg: EUR 10 billion.

As noted above, there are two other sources of funding relevant to social policy:

- The Social Climate Fund (NRPP Proposal, Article 10.3): EUR 50.1 billion, funded by external assigned revenue (not part of the EUR 865 billion total envelope). It is to start in 2026, and sits outside the MFF; and

⁵ Most or the rest of Heading 1 will go to NGEU repayments (EUR 168 billion in current prices) and to 'decentralised agencies' (EUR 22.8 billion, around half of it for Frontex)

- Catalyst Europe: EUR 150 billion in available loans, classified as being over and above the MFF ceilings (Annex to MFF proposal).

At EUR 865 billion (excluding the SCF and Catalyst Europe) will account for nearly half of the next MFF (47.6%). A key feature is that a quarter of the NRPPs allocation has to remain unprogrammed from the outset. This unprogrammed amount is divided into three parts (Article 14.2), all of which serve the purpose of enhancing flexibility, including provisions for these unprogrammed amounts to be drawn upon to deal with natural disasters or other sorts of crises:

- Crisis response (5%);
- The mid-term review (15%) of the MFF;
- and late-period flexibility (5%).

The EU Facility is designed as an instrument to support transnational projects with European added value and to help Member States respond to crises or emerging priorities (Recital 39, NRPP proposal). Importantly, contrary to the NRPPs, the EU Facility is not pre-programmed by MS as it is used to cover EU-level needs. This also means that the Facility can be implemented both under shared management and under direct/indirect management. The Facility is structured around two pillars:

- Union actions with budget of EUR 63.2 billion in current prices (Article 31, NRPP proposal), with indicative allocations for natural disaster support, agricultural market stabilisation and home affairs actions; and
- A budget cushion of EUR 8.7 billion in current prices (Article 33, NRPP proposal).

The NRPP will also see a significant shift towards a performance-based approach, similar to the model of the Recovery and Resilience Facility (see next chapter). However, the NRPP Regulation will maintain some traditional Cohesion Policy principles, such as mandatory national co-financing. Article 20 establishes minimum national contribution rates based on regional development: 15% for less developed regions, 40% for transition regions, 60% for more developed regions and 20% for Interreg chapters.

Minimum allocations are set to ensure that core Union policies remain sufficiently funded:

- At least EUR 218 billion for less developed regions;
- At least EUR 296 billion for CAP;
- At least EUR 34 billion for migration, borders and security (incl. specific thematic allocations).

In addition to these thresholds and the 14% minimum for social, Member States must comply with two major horizontal obligations. At least 43% of the NRPP's overall allocation must contribute to climate and environmental goals (as well as respecting the 'do-no-significant-harm principle' – DNSH). [Annex VI of the NRPP Regulation](#) details the areas on which Member States must focus, namely active social inclusion of various disadvantaged groups, material deprivation, the Child Guarantee and the Youth Guarantee.

The Annex VI requirement to concentrate on these areas is expressed qualitatively, with no prescription about amounts of funding to be allocated. Instead, it asks Member States to take account of 'needs and challenges identified, inter alia, in the context of the European Semester and in line with the European Pillar of Social Rights'. This could be helpful for the Commission when assessing the plans, because it will limit the risks of low engagement from Member States on these issues. However, in the absence of guidance on allocation (let alone explicit earmarking) the Annex VI provisions fall short of being a resource allocation safeguard, unlike the sectoral earmarking under the current ESF+.

The NRPP Regulation introduces strong conditionalities regarding respect for the EU Charter of Fundamental Rights (Article 8) and the Rule of Law (Article 9). It notably makes it possible to block part or all of the payments to a Member State if these values are breached at any point during implementation. These conditionalities are additional to the rules laid out in the Performance Regulation, and which apply to the entire MFF.

The Performance Regulation also proposes a harmonised gender scoring system applicable not only to the NRPP Regulation but to the entire budget. This three-tier scoring system (0, 1 or 2 Score) makes it easier to measure the contribution of the budget to gender equality. In the design phase, Member States must also provide a gender equality assessment for every activity in their NRPPs with a default 0 Score penalty when no justification is provided. However, since there is no specific horizontal percentage target for gender equality across the budget or for the NRPP, this approach is likely to be more useful for ex-post evaluation rather than effective in incentivising gender equality policies at national level. For programmes under direct management, gender equality is explicitly included among the criteria used to evaluate proposals. This means projects with a strong gender dimension (Score 1 or 2) may be more likely to receive funding than those that do not. Whether this goes far enough is an open question.

3.2. Analysis and discussion

The proposed shift to the NRPP model is radical, not least in pushing far more responsibility on to Member States for how to organise EU funding. In some respects, it offers for simplification and greater coherence, but it also raises questions about how European added value will be assured.

3.2.1. Simplification

One of the main arguments underlying the proposed NRPPs is the need for simplification, streamlined processes and associated cost-reduction: 'The Commission proposes to streamline and harmonise the EU's financial programmes, making it much easier to identify funding opportunities, unlocking synergies, and creating a lean, transparent and coherent budget at the service of all Europeans' (European Commission, 2025d).

One interviewee emphasised that *'the high number of programmes, each with different eligibility rules, procedures, and contact points'* in the current system imposes substantial burdens, making it *'extremely complex for both Member States and smaller beneficiaries'*. Another interviewee pointed out a *'lack of interoperability'* between national and regional information systems, making it impossible, for instance, to track how a single individual might benefit from both national state-level programs (e.g., jobseeker support) and regional-level programmes (e.g., vocational training) from EU funds, because the files are not coordinated. Research at the national level suggests that the administrative burden, linked for instance to the ESF+, *'trickles down'* to final recipients, potentially detracting from the attractiveness and accessibility of the fund (Stahn and Welker, 2025). According to the [Ex Post Evaluation of the 2014-2020 ESF](#), *'61% of respondents believed ESF-related administrative burden significantly or moderately hindered efficiency for project beneficiaries.'* (European Commission, 2026b).

The new 'one-stop-shop' model could thus help solve such issues and provide clearer administrative channels. For instance, in response to the criticism that the current system represents a 'confusing combination' of shared, direct, and indirect management, the new NRPPs provide a clear solution with the distinction between the Plans and the EU Facility.

Nevertheless, some concerns echo lessons learned from the Recovery and Resilience Facility, seen in part as a precursor to the NRPPs. Despite being presented as a simplification tool, the RFF was often

perceived by stakeholders as administratively burdensome due to complex reporting requirements and discretionary assessments of milestone fulfilment (Begg et al., 2024). Some lessons from this experience include switching to an annual reporting cycle for milestones in order to reduce the back-and-forth regarding the achievement of each milestone.

Interviewees mentioned the risks of high short-term adjustment costs for administrations, loss of institutional knowledge, and reduced administrative capacity. Research at the national level points to the 'continuity of implementation conditions' (legal framework, staff, stakeholders/cooperation structures) as another important consideration: 'changes to this continuity are almost always perceived as (extremely) burdensome and a driver of effort and costs, also given the complexity and specific nature of the legal requirement.' (Stahn and Welker, 2025).

Some interviewees argued, similarly, that the creation of a coordinating authority would not be '*less red tape*' but could risk making things more complicated. For instance, one pointed out that the new coordinating authority in their country would be well placed to steer the funds but would have no expertise in fund management itself. Two interviewees also warned of '*lost years*' at the start of a new MFF, as beneficiaries and local authorities struggle to understand and take on the new rules, which can have dramatic consequences in the social field. National level research confirms this, as delayed implementation can contribute to a failure to achieve the fund's objectives (Stahn and Welker, 2025).

In the end, as summarised by one interviewee, '*whether the transition works depends on a Member State's institutional capacity to adapt to the specificities of the new regulation*'. Guidance and clarity on the new implementation rules at EU level will also be key.

3.2.2. Policy synergies and consistency

The new system should, in principle, prove to be better tailored to Member States' needs. As one interviewee noted, '*To have different needs but homogenous spending doesn't make sense. If the needs are different, the spending has to be different. And the new system allows for that much more than the previous system would.*' In addition to opportunities for simplification and support tailored to needs, one of the direct consequences of the merging of funds is the scope for synergies between funds and cross-sectoral reforms. For instance, combining infrastructure and 'human' services on social issues can enable more consistent policy responses to complex and multidimensional challenges, such as housing, but also employment of women (with new care facilities), rural decline (health and social services infrastructure and services, skills, energy), etc. The EU Facility could also provide opportunities to implement transnational and innovative policies that cut across traditional policy silos.

One interviewee suggested that an outcome could be double-counting or '*bogus social expenditure*' whereby non-social items are rebranded as social to meet targets. It is a well-known phenomenon, aspects of which are documented by HM Treasury and Cabinet Office (2023), such as incentives to resort to 'easy' spending on short-term projects rather than more difficult spending with strategic value. The very broad 14% minimum is likely to be more susceptible to this risk than more specific earmarks. This risk invites special attention in the assessment and monitoring of the NRPPs, and points to a role for the EP in tandem with the ECA.

3.2.3. Competing priorities and political trade-offs

Despite the potential advantages of the NRPP approach, there are well-founded fears that 'social' will be treated as a 'soft' target rather than a priority. There could be differences in how the Commission deals with fund-specific minimum allocations and horizontal objectives. Allocations tied to a specific fund, like CAP, are legally binding and ringfenced: the money cannot be reallocated without formal

amendment, providing strong protection for the targeted policy area. It also is a minimum allocation, meaning more money can in the end be diverted to this priority.

By contrast, horizontal earmarking, such as the 14% social objectives target, can be interpreted as a flexible benchmark rather than a strict form of conditionality. Member States can certainly exceed the threshold and would not be constrained from doing so, other than in negotiations with the Commission on the coherence of their plans. However, disputes could arise over what planned policy interventions count towards the minimum and some could be vulnerable to political trade-offs or dubious categorisation of some spending as 'social' during the overall negotiations between the Commission and Member States regarding the NRPPs.

Moreover, as one interviewee explained, *'The general sentiment was that no government will spend more than 14% because other lobbyist groups are so powerful.'* A possible answer would be for 'social' to be more explicitly mainstreamed, although (in the context of performance: Chapter 7 of the Financial Regulation) Article 33.2.e already refers to horizontal principles about 'respecting working and employment conditions'. These could be a basis for ensuring that social perspectives be pervasive.

This risk of social being neglected could, though be compounded by political dynamics at national level, with several respondents arguing that the current political landscape in some Member States does not strongly prioritise social policy. This prompts questions (and uncertainty) about how adherence to the threshold would be monitored (could Parliament or the ECA have a role, for example?) and how any disputes about eligible expenditure would be resolved. Article 10.5 refers to use of 'coefficients referred to in Article 6.1' of the proposed Performance Regulation, and provisions regarding gender mainstreaming are covered in Article 7. There is, nevertheless, the potential problem that the methodologies for assessing horizontal earmarks can sometimes lead to overestimations, as was the case for the climate target of the RRF (European Court of Auditors, 2025). The ECA criticised the exaggerated coefficient (40%) assigned to construction: 'we consider that there are no actual energy savings resulting from the construction of new buildings' (ECA, 2025, p.45).

By bringing multiple objectives and funding streams together within a single multi-fund architecture, the proposal risks creating awkward trade-offs and intense competition between priorities. Distributional conflicts could be particularly acute, with another stakeholder stressing that *'distributional conflicts will be so immense within this multi-fund... that everyone is expecting that no one will get more than 14%'*, explicitly citing the weight of the CAP and the farming lobby. The majority of interviewees expressed hesitation about what one referred to a *'the wrapping up in the plan along with CAP and economic cohesion aspects'*, warning that when *'everything's a priority'*, there is a real risk of social objectives being squeezed out.

This concern is reinforced by the expanded discretion granted to Member States, which could accentuate several risks. Long-term regional and social development objectives could face competition from more immediate national priorities or investments with visible short-term political returns, thus diminishing predictability. In times of economic or geopolitical crisis, governments may also be more inclined to prioritise 'hard' investments such as infrastructure or industrial support over 'soft' social spending. An interviewee also warned of the risk of *'pork-barrel politics'*, with funding being directed toward politically visible projects, specific constituencies, or so-called *'vanity projects'*, rather than addressing evident local social needs.

3.2.4. Increased flexibility

According to the Commission proposal, 25% of the NRPPs, representing EUR 196 billion, will not be programmed initially. This flexibility amount is substantial and is intended to allow rapid reorientation of funding in response to unforeseen events, as well as to facilitate adjustments following a compulsory

mid-term review in 2031. Flexibility is seen as a crucial element. Indeed, according to the [2021–2027 ESF+ mid-term review](#), 'the flexibility afforded to Member States to programme and reprogramme ESF+ under shared management in line with the changing policy context and priorities is a key factor ensuring the strand's continuous relevance.' Although 67% of managing authorities agree that programmes are responsive to policy changes, many still find the process for formal amendments to be a 'lengthy administrative process' that can take up to a year to prepare (European Commission, 2025f). This added flexibility in the NRPP regulation can become a '*significant improvement over ESF+/ERDF, where reprogramming often required lengthy negotiations with the Commission*' (Eurochild et al., 2025).

However, to secure support for the Mercosur trade agreement, Commission President von der Leyen has already proposed to amend the draft Regulation to allow Member States to frontload up to two-thirds of the resources earmarked (or about EUR 45 billion) for the mid-term review specifically to support farmers and rural areas (European Commission, 2025c), making this amount less flexible than originally intended and rather unlikely to support social objectives in the end. Nevertheless, by altering the timing of the CAP spending, as opposed to the ex ante total, this amendment should not alter the arithmetic behind the 14% calculation. It is, though, conceivable that if more is spent in pre-review annual budgets on CAP, less will be available pre-review for Member States to spend on other NRPP priorities, including 'social'.

In addition, as explained above, the EU Facility constitutes another central instrument to support the agility of EU funding within the new MFF architecture. Under its first pillar, the Facility would finance a wide range of actions (14 types) at EU level. However, 82% of the Facility's first pillar is already indicatively pre-allocated to three main uses: the Common Agricultural Policy (CAP) crisis 'safety net', solidarity actions for dealing with natural disasters, and selected EU-level interventions in migration, internal security and border management (Rubio, Alcidi, 2026). This leaves only 18% of the resources available for the remaining actions, which include, among others, social innovation and experimentation, as well as evidence-based policy support for the European Pillar of Social Rights (Article 31, NRPP Proposal). It could 'crowd-out' social priorities flexibility provisions. These are all issues of uncertainty that the Parliament will want to clarify.

In addition, Member States would also be able to mobilise budgetary cushion line of the EU Facility, to address crises or urgent needs and, more generally, gain additional flexibility to adjust to emerging priorities at the EU level. Overall, the provisions of the NRPP regulation offer the prospect of more flexibility than in previous MFFs – an oft-repeated point of contention about the long span of the frameworks. But increased flexibility also means less certainty about future budgets: it is tricky trade-off.

Last, the extraordinary and temporary crisis mechanism (also referred to as the extraordinary crisis response tool) is a new instrument proposed for the 2028–2034 MFF period designed to respond to large-scale, unforeseen emergencies (European Commission, 2025d). It could be used to address the consequences of severe crises, severe hardship, or serious threats affecting the Union. This tool would exclusively provide repayable forms of support (loans) to Member States (European Commission, 2025d) and must be activated through a Council decision.

This mechanism acts as the final layer in the multi-tiered crisis response framework of the proposed MFF. It could, conceivably, be used to finance Member States' responses to social crises, for instance like the SURE instrument did during the pandemic to finance short-time work schemes. Importantly, because it is non-specific, this could cover any social intervention in case of large-scale, EU-wide need (labour market shock, unprecedented cost of living crisis, etc.). However, its legal basis in the proposed

next Own Resources Decision (and thus beyond the MFF and with only limited involvement of the European Parliament) makes it harder to assess how it would function.

3.2.5. Effectiveness of social interventions for the most vulnerable

While previous programming periods progressively strengthened targeting mechanisms through earmarking and thematic concentration, the emerging model moves in the opposite direction, providing more flexibility to Member States in choosing their funding priorities depending on their needs.

The [ex post evaluation of the ESF \(2014–2020\)](#) stressed that reaching the most vulnerable groups – particularly those furthest from the labour market – was inherently challenging. However, stakeholders consistently underlined that the obligation to allocate at least 20% of ESF funding to social inclusion played a decisive role in ensuring that these groups were not sidelined (European Commission, 2026b). Similarly, interviews from the ESF+ mid-term evaluation stress that minimum spending requirements ensure that funding is not diverted toward more politically visible or administratively simpler priorities, or even dispersed according to territorial or political priorities rather than social need (European Commission, 2025x)

The integration of previously ring-fenced instruments—such as the Fund for European Aid to the Most Deprived (FEAD) and the Youth Employment Initiative (YEI)—into ESF+ has produced mixed results. On the one hand, the merger increased flexibility and, in some cases, the overall volume of resources available. On the other hand, it introduced direct competition between policy priorities within a single funding envelope. For instance, in Latvia, a 33.5% reduction in resources for the most deprived was explicitly linked by national authorities to the merger of FEAD into ESF+, as support for this group now competed with other policy areas (European Commission, 2025f)

Evaluations warn that the 'common pot' approach disadvantages smaller, targeted interventions, which struggle to compete with broader, employment-focused projects that are easier to implement and more easily demonstrate results (Donlevy et al, 2025). This dynamic is particularly problematic because the most vulnerable groups—such as the most disadvantaged NEETs—are also those least likely to engage with public services, making them more resource-intensive to reach.

Thematic concentration requirements have functioned as a crucial safeguard to ensure sustained investment in vulnerable groups. The ESF+ offers a clear illustration in the field of youth employment. While the dedicated Youth Employment Initiative (YEI) was discontinued, it was replaced by a binding requirement obliging Member States with high NEET rates to allocate at least 12.5% of their ESF+ resources to youth. This ringfencing 'resulted in the same amount of financial resources being programmed for the areas where the problem of NEETs was most critical under the ESF+ shared management strand as under the YEI (almost EUR 9 billion)' (European Commission, 2025f).

More broadly, although all Member States exceeded the minimum requirement to allocate 25% of ESF shared management resources to social inclusion, which could suggest a limited impact of the threshold, this interpretation should be treated with caution. First, it is difficult, if not impossible, to determine whether similar levels of investment would have been achieved in the absence of a binding requirement. Second, this pattern is not consistent across policy areas: for example, in the case of material deprivation, eight Member States limited their allocations to the minimum required level, despite an EU-wide average exceeding the 3% threshold (European Commission, 2025f).

These dynamics are particularly concerning in a context where key social challenges remain unresolved. Child poverty, for instance, persists at high levels, with 24% of children in the EU at risk of poverty or social exclusion ([Eurostat, 2025](#)). In this light, removing thematic allocation requirements in such areas would create a structural mismatch between policy needs and funding mechanisms. It could also be perceived politically as a weakening of the EU's commitment to its social objectives, notably its target

of reducing the number of people at risk of poverty or social exclusion by at least 15 million by 2030, including at least 5 million children, as set out in the European Pillar of Social Rights Action Plan.

3.2.6. Concerns about re-nationalisation

The governance architecture of the new NRPPs introduces a shift from a decentralised, regional programming model to a more centralised, national management model in which fund allocation will primarily be decided between the Commission and national capitals, to the possible exclusion of other actors under the current model, not least regional actors. Under the current MFF, managing authorities were often established at the regional level, with each programme adopted through a specific Commission decision. Multi-annual funds are allocated to specific regions, with regional classification directly influencing the level (and intensity of cofinancing) of EU support. Regional managing authorities are then responsible for the delivery and governance of programmes – central actors in the process.

In the proposed MFF, the management of the fund relies on a single managing authority per Member State or (if multiple) a coordinating authority, with plans approved through Council Implementing Decisions. This national authority will be the primary actor managing the delivery of programmes and funds in that country, not the regional authorities, and the emergence of a 'common pot' funding model eliminates any formal framework to allocate funds directly to regions. Regional authorities retain, on paper, involvement, yet the draft legislation calls on Member States to 'design and implement the NRP Plans *in partnership with* local and regional authorities [...] and other stakeholders'⁶, phrasing that conceives of regional authorities as first and foremost stakeholders, among other stakeholders (such as academia or civil society) rather than actors.

This evolution is likely to reinforce national governments' discretionary power over priorities and resource allocation and is expected to constitute a major shift of power from regional to national authorities. One interviewee for instance, states that regional authorities in their country were '*strongly opposed*' to losing their management responsibilities. There are also concerns about administrative capacity and whether the 'voice' of smaller municipalities and regions will be heard as easily as larger regions or cities in NRPP debates and decisions.

Nonetheless, the proposed regulation provides some safeguards. First, it would still allow national plans to include regional chapters, which could offset the risk of sidelining regional authorities, though incentives to do so may be weak. In addition, the Commission has proposed a 'regional check', whereby Member States would be required to set out which authorities were consulted, what the process was, and how their input has been reflected in the Plan, showing that it has taken the objections on this matter seriously. The effectiveness of such a 'check' would still need to be ascertained (e.g., youth check), and as currently formulated, this mechanism appears largely procedural. An important issue is the mechanism verifying that the allocation of responsibilities under the NRPPs respects the division of competences between national, regional and local levels, as there is a risk that measures falling within regional prerogatives could be recentralised in practice (Rubio and Alcidi, 2026).

3.2.7. Stakeholder input

The primary vehicle for stakeholder input under the current MFF (2021–2027) is the partnership principle, codified through Article 8 of the Common Provisions Regulation (CPR, EU 2021/1060). This applies across the eight shared management funds (including the ESF+) and establishes a legally binding requirement for Member States to involve social partners throughout the preparation,

⁶ Draft MFF regulation, COM/2025/565, recital 29, authors' emphasis.

implementation and evaluation of programmes. Article 8(4) binds this requirement to the European Code of Conduct on Partnership (Delegated Regulation (EU) 240/2014), creating specific standards for how the principle works in practice.

Interviewees for this study commented that the partnership principle has proven its value when applied properly, particularly under the current ESF+. Managing authorities at regional or national level were legally required to document how the principle had been applied, and programme-level monitoring committees had seats for stakeholders. A positive example is a Just Transition Fund project in Silesia (Poland), which involved active engagement of various local actors. As one interviewee put it, *'there are some really interesting examples where actually kind of innovative co-designing of policies has played out when the partnership principle is applied within a framework about anticipation of change'*. There is a call for a meaningful and continuous partnership principle, from codesigning policies to their implementation and follow-up.

The partnership principle is *nominally* maintained, with a broadly similar wording in the draft NRPP regulation (Article 6), and references to the 2014 Code of Conduct. Member States will be expected to organise a comprehensive partnership with a balanced representation of stakeholders, including representatives of regional/local public authorities, economic and social partners, civil society organisations and where appropriate, research organisations.

However, the structural changes in the proposed framework risk significantly diluting how meaningful that obligation is in practice. What were multiple sector-specific programmes – each with their own monitoring committees and stakeholder structures – are consolidated into single national plans, creating fewer formal entry points for civil society and regional actors. Larger-scale NRP Plans may also be harder to engage with for smaller actors (Heinrich Böll Stiftung, 2025). Where stakeholders previously had a defined role in programme-level governance – including formal influence over amendments – the shift to plan-level negotiation concentrates decision-making in national governments and the Commission, with fewer structural guarantees for non-governmental voices.

Several interviewees warned of a growing risk of 'box-ticking', with consultation reduced to a procedural formality and social partners and NGOs informed of largely finalised plans rather than involved in co-design from an early stage. This concern is reinforced by the RRF experience, where tight timelines and national government discretion frequently undermined meaningful participation (EPRS, 2025). One interviewee expressed the worry that compliance could become very uneven in practice, depending largely on Member States' willingness to engage meaningfully. Other studies have noted that the 'actual level of involvement these provisions would grant [...] is being debated' (D'Alfonso et al., 2026: 4).

3.2.8. Role of the European Parliament

The transition to NRPPs could lead to an erosion of the European Parliament's direct oversight compared to the current programming period. While beyond the scope of this study to analyse this change in governance structure fully (which has been thoroughly done elsewhere for the Parliament, see Haase and Munari, 2026; Zeitlin and Bokhorst, 2026), this is a key drawback identified in the NRPP, and merits some discussion here.

There are three issues, the first being the consolidation in the number of programmes and the simplification of its nomenclature. In the 2021–2027 MFF, shared management programmes are implemented through various fund-specific regulations and hundreds of regional programmes, offering opportunities for granular parliamentary budgetary oversight and involving parliament as co-legislator on any amendments. Individual fund envelopes (ERDF, ESF+ etc.) appear as distinct budget lines, each with their own objectives, reporting requirements, definitions and budget lines ('nomenclature'). This

means the Parliament can use the annual budget procedure to scrutinise and dispute allocations between those budget lines.

The proposed MFF architecture would drastically reduce the number of programmes from 60 to 19, and from eight main headings to four, reducing the number of budget lines that can be disputed. The proposed consolidation of nomenclature under Heading 1 of the budget (where NRPPs, and most of the social budgeting, are located) is especially notable for social, as almost all social programmes now appear under this one Heading. Budgetary reallocations *between* currently distinct headings and budget lines (say, from Cohesion to Migration), can now be reallocations *within* headings, which may not trigger the same parliamentary scrutiny as part of the annual budget procedure.

Such a merger risks losing the granularity needed for the Parliament to scrutinise sub-allocations and trace spending for EU priorities effectively. It also bolsters the Commission's leeway (subject to Article 30 of the Financial Regulation) to take autonomous financial decisions in areas where it is currently the budgetary authority that determines allocations. The Parliament's co-rapporteurs also identify this issue, noting that '*consolidation of programmes [...] reduces transparency and limits Parliament's ability to ensure appropriate funding for specific policy objectives*' (Mureşan and Tavares, 2025, p. 4/53). The boundary between decisions that require Parliamentary scrutiny and those that do not has effectively moved, not because the legislation about Parliament's role has changed, but because what counts as 'intra-heading' has been dramatically expanded.

It is important not to overstate this change: even under the current MFF allocations, Parliament does not have control of intra-programme allocations – these are established by national envelope decisions on each programme. What has changed is the size of the 'unprogrammed' envelope, limiting the effectiveness of the annual budget procedure as a vehicle for the Parliament to steer funding towards priority policy areas.

The second risk of erosion of parliamentary budgetary oversight comes from the connection of funds to milestones and the European Semester. Assessment of achievement of milestones and engagement with recommendations in country-specific recommendations is performed by the Commission. As one interviewee notes, the Parliament '*has no oversight of the European Semester, and since funding will now be linked to Semester reform proposals, the Parliament is effectively removed from the decision-making loop*'. Also, under the new architecture, the Commission has been granted expanded discretion to transfer funds between and within instruments through delegated acts and without triggering a co-legislative procedure, effectively bypassing direct parliamentary scrutiny. The large discretion granted to the Commission in designing NRPPs and assessing the achievement of milestones could make it difficult for the Parliament to fulfil its Treaty-based roles as the Budgetary Authority. Budgetary scrutiny risks being reduced to a procedural formality focused on milestones and targets, rather than a substantive evaluation of whether EU resources were well spent.⁶ Several interviewees perceived this issue as being about democratic legitimation, with concerns it could accentuate the democratic deficit associated with European institutions.

The third source of decreased Parliamentary oversight is structural, deriving from the expanded share of the proposed MFF that will not be pre-programmed. The main reason is the 'flexibility amount' – equal to 25% of the proposed MFF – intended to enable Member States to adjust spending priorities and react to emerging policy needs or crises during the mid-term review of the plans (Article 14 of NRPP proposal). Such flexibility is useful and goes some way to addressing critiques of the current (and previous) MFF as cumbersome. However, once again, the nexus of Commission and capitals appears to be central in the programming of this flexibility amount, with the role of the Parliament minimal and its interaction with the annual budgetary procedure unclear (Haase and Munari, 2026).

This lack of Parliamentary oversight is compounded by a further flexibility, that of decommitted funds. Article 15(4) of the NRPP Regulation outlines that, if a Member State fails to achieve a milestone, and further fails to take sufficient remedial action within a year, a proportion of the funds allocated to it under its NRPP may be appropriated and 'made available again for use under other Union instruments or programmes', both under direct and shared management. There is, in the draft legislation, no clear avenue for the role of the Parliament in this process, despite this appearing to consist of decisions about how and where to commit resources – a task associated with the budgetary authority.

4. GOVERNANCE CONSIDERATIONS

KEY FINDINGS

- 'Social' Performance-Based Budgeting (PBB) has limitations, largely due to the difficulty of measuring social interventions taking place over the long-term in complex, often messy social contexts and being prone to slow change in relevant indicators.
- The EMPL Committee has an opportunity to define indicators according to the performance framework, with a trade-off between results-based and output-based indicators.
- The shift to PBB improves budgetary flexibility but complicates budgetary control and reduces transparency and financial control, as well as requiring greater management capacity.
- Conditionality linked to the European Semester is a coherent way of aligning the budget with EU priorities, but in extending beyond its initial focus on economic and fiscal coordination, may risk mission creep, political backlash, and greater top-down policy development.

As set out in the preceding chapters, the change in governance mechanisms under the proposed new MFF could be at least as consequential for employment and social policy as changes in budgetary allocations. The proposal for a regulation on expenditure tracking and a performance framework will establish and define the legislative position⁷. The regulation is intended to foster a results-orientated approach by establishing a 'single enhanced framework for budget expenditure tracking and performance as from the post-2027 MFF in a manner that is simpler, more consistent and less burdensome than what is currently the case' (Section 1 of Explanatory Memorandum).

The memorandum observes that the current system has too many 'programme-specific rules that are sometimes complex and inconsistent', resulting in burdens on all parties. It also bemoans the proliferation of indicators and the difficulties of using the information generated to guide EU spending. The memorandum goes on to state that the regulation aims to foster a results-orientated approach by establishing a 'single enhanced framework for budget expenditure tracking and performance as from the post-2027 MFF in a manner that is simpler, more consistent and less burdensome than what is currently the case'.

4.1. The enhanced use of performance-based budgeting

Performance-Based Budgeting focuses on the results, not the cost of funded projects. It can perhaps most easily be rationalised as a solution to two types of moral hazard problems in public funding (Darvas et al., 2023). The first is related to project *implementation*: if funding for a project, say building a bridge, entails reimbursing the costs of construction material, it may create incentives to waste this material. Conditioning funding on outputs aligns incentives by encouraging the completion

⁷ Proposal on 'establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities': Brussels, 16.7.2025 COM(2025) 545 final, available at: https://eur-lex.europa.eu/resource.html?uri=cellar:bb24b1ec-62fc-11f0-bf4e-01aa75ed71a1.0001.02/DOC_4&format=PDF.

of the project in the most cost-efficient way possible. The second is related to project *selection*: an organisation applying for funding may often have private information about the positive impact of possible projects; in this way, PBB can help to ensure the projects are chosen generate benefits in the short-term (results, in evaluation terminology) and more transformative effects (impact), preventing 'roads to nowhere'.

Unlike traditional cost-reimbursement models, payments are triggered under PBB by the satisfactory fulfilment of pre-agreed milestones and targets rather than the submission of invoices. This shift aims to link EU financial support more directly to the achievement of 'results' consistent with EU priorities (for example a higher employment rate) which go a stage beyond direct 'outputs' (such as training places). Performance will also be monitored in relation to the implementation of specific reforms and investments, while 'simplifying' current processes.

Having been prominent in the RRF and, to a lesser extent, in Cohesion Policy under the current MFF, the Commission proposals for the next MFF will see a more extensive use of PBB by default. This development will, plainly, affect all EU programmes, but evidence from those interviewed for this study and other findings suggests it will pose distinctive challenges for 'social' spending, in particular because suitable indicators will not be as easy to define and measure in a timely manner.

The evidence collected for this study also points to some advantages of performance-based budgeting. Many interviewees acknowledged that the current MFF is too rigid, is administratively burdensome, and can be off-putting for some stakeholders, including many categories of beneficiaries. Some also note that it has scope for better targeting and efficiency. A more streamlined, efficient governance architecture may be able to improve on these perceived shortcomings and drive greater compliance with the European Semester and European priorities. Yet there are challenges to confront, both technical and political, in adopting a performance framework in the social field.

4.1.1. Measuring 'performance' in the social field

A first set of challenges is largely technical. They relate to how to measure 'performance' in social policy, which is typically harder than for physical investments, requiring distinctive methodological and practical approaches (Begg, Corti et al., 2023). While most interviewees supported performance-based approaches in principle or at least acknowledged their potential strengths, several asserted that operationalising them is far more difficult.

Two structural features of social policy complicate measurement. First, many social interventions tend to yield results only over the medium-term. The effects of social policy reforms often take a long time to be felt, perhaps too long to be assessed within a PBB funding cycle, owing to the complexity of the interventions required (as compared with, say, building a road). Active Labour Market Policies (ALMP), or Early childhood education and care (ECEC) – both key areas of the EU Social Investment Strategy – have been shown by research to have long-term health, employment, education and distributional benefits, yet these are felt over decades. Demonstrating such vital long-term benefits work will not easily be done in a short PBB cycle. Moreover, a lack of immediate results could risk delays in implementation, if programmes effective in the long run have their funding interrupted for failing to produce results, undermining their core work.

Second, social policy operates within complex, messy social realities. Unlike an infrastructure investment, where an intervention can readily be monitored, 'successful' labour market integration of a worker might depend on many overlapping factors over and above how policy interventions enhance their skills or employability. They could include, *inter alia*, the wider economic environment, their mental health, care responsibilities, their access to housing, or their geographical location. Measuring such results is difficult: for example, one interviewee asked, 'how do we build an indicator of social

stabilisation? What are its components? How would policymakers measure an increase in self-confidence that may be a precondition for later engagement with training or employment'? Similarly, given that correlation is not causation, it is hard to attribute specific results to specific interventions with high confidence.

A corollary of this complexity is that different conceptual models may reasonably link several programmes to one documented output (James et al., 2026). This means assessing milestone achievement requires interpretation and qualitative nuance. Measuring these social realities is difficult, and isolating the effect of one intervention in them, even more so, and risks being a misapplication of PBB. Indeed, an overemphasis on 'performance' may – perversely – incentivise stakeholders to opt for interventions that are easiest to measure, rather than those with the best social returns or impact on beneficiaries.

In addition, some of the drawbacks of deploying PBB in social domains transcend its (considerable) technical challenges, because of its political purpose. The central rationale for instruments such as the ESF+ (and other Cohesion Policy funds) has always been to foster European convergence and to mitigate the social consequences of European integration. Framing it only through the lens of outputs or results risks missing the redistributive focus of these policies. As one interviewee put it, 'If we put everything under conditionalities [...] we will lose some of the fundamental purposes – why we set up these funds – to lift and converge.' In this view, performance logic must not eclipse the cohesive and redistributive logic that underpins social spending at EU level.

4.1.2. Performance Regulation and what kind of indicators?

A key question for the EMPL Committee is how decisions should be taken over which performance indicators should be used in the Commission's proposed Performance Regulation. This regulation, as already discussed, would replace today's fragmented performance landscape with a single, horizontal framework for performance reporting, including a standardised set of indicators and intervention fields. The justifiable goal is to make EU spending more comparable and easier to administer. There will be a harmonised Gateway (Article 12), horizontal indicators (enabling tracking across the whole budget and between countries), and the framework will reduce the number of indicators from roughly 5 000 to around 700 (Muresan and Tavares, 2025). Budget performance will also be limited to one annual performance management cycle.

The draft regulation can be considered the horizontal rulebook defining how 'performance' is measured across all parts of the EU budget, and, therefore, by extension, which policy issues will receive funding under the MFF. The disbursement – or not – of funds will hinge on achievement of milestones, which will be defined according to this framework. The Parliament has an important role as co-decider of the initial architecture of the framework, offering a major opportunity to shape the MFF insofar as it shapes the definition of the 'P' in PBB.

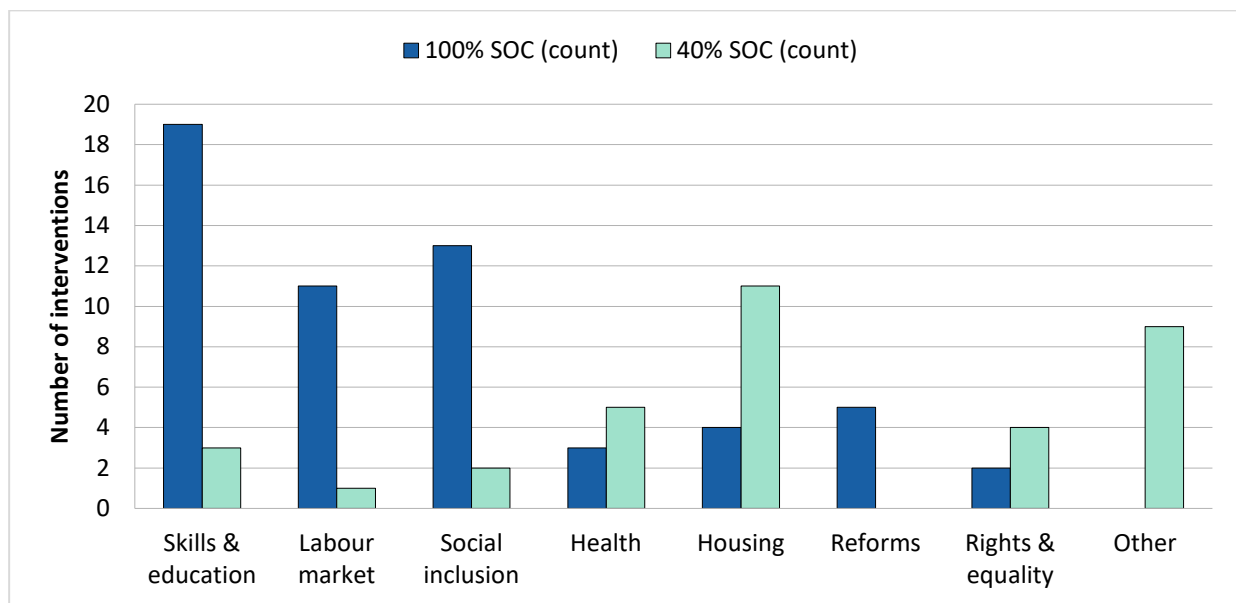
Annex 2 brings together the intervention policy areas, fields, and output and result indicators for all social and employment issues included in the draft performance regulation⁸. It is divided by the percentage of funding in each intervention field that would count towards the 14% social expenditure target. Figure 1 summarises the 92 intervention areas identified as social by their thematic focus,

⁸ The intervention policy areas, and intervention field, refer to the thematic area or category of action and nest inside one another, scaling in breadth – e.g. Labour Market Policy, ALMP, in-job upskilling interventions. Outputs are the direct consequences of your intervention, and their indicators are usually directly measurable – e.g. number of people attending a training course. Results are the wider effect of your output, and impacts are wider still, their indicators may often be harder to measure – e.g. number of people in employment six months after the training course, change in employment rate in the region, respectively.

covering both 100% and 40% social coefficients ('social coefficients' refer to whether expenditure in said intervention area counts either 100% or 40% towards the 14% social target).

Among those intervention areas with 100% social coefficients, there would be a strong 'social investment' orientation, similar to the ESF+ under the current MFF, viewing employment as the primary pathway out of vulnerability. A strong emphasis is placed on skills and education (19 intervention areas), labour market participation (11 intervention areas), and social inclusion (13 intervention areas) policy areas. Yet the scope of funding also expands on the current ESF+, including housing infrastructure (4 intervention areas), reflecting housing's growing policy salience, as well as other issues such as democracy and rights (2 intervention areas) and health (3 intervention areas).

Figure 1: Thematic policy focus under the draft performance regulation, by number of interventions



Source: Own elaboration based on [proposed budget expenditure tracking and performance framework](#) (for fuller information, see Annex 2).

Several reforms are also included (7 intervention areas), which largely comprise labour market reforms. Looking at the 40% social coefficient interventions, attention is notably shifted towards infrastructure and enabling conditions. Almost half as many social intervention areas are included here. Among them, few involve investment in skills, labour market participation or social inclusion. Instead, the focus is primarily on housing renovation (11 intervention areas), healthcare infrastructure (five intervention areas), and rights and inequality (four intervention areas). The 9 'others' refer largely to investment in culture or tourism.

The above suggests that, in terms of intervention fields, the proposed 2028-2034 MFF will be largely a continuation of the previous one, plus some incremental progress on new emerging issues (such as housing). Yet this conceals cause for greater concern: the indicator *architecture* itself is significantly altered. As already elaborated, given the mainstreaming of PBB frameworks in the budget, indicators are now central to defining which projects and intervention areas receive EU funds.

Yet, across both 100% and 40% social coefficients, the indicators in the regulation emphasise narrow output indicators (e.g. number of participants, laws adopted, number of measures implemented), while result indicators are often vague or lacking substantive focus on results (examples include number of participants, annual users, and number of people benefitting from a course). In some cases, the results indicators are not even specified in the table or simply restate the output indicator. This is particularly

acute for the social inclusion interventions, for instance, 'measures to address child poverty' has no result indicator, only tracking number of children supported. This reflects the complexity of measuring social performance identified in section 4.1.1, and prompts significant concern as to the viability of applying a performance-based instrument with too great an emphasis on results to the social field.

In considering the draft performance regulation, one key question is thus to explore more closely the trade-offs involved in using direct *outputs* or expected *results*, both of which are listed in the performance framework. The *impact* of a project is a third indicator, referring to a project's wider, long-term transformative effects. This is typically outside the time scales of budgetary cycles covered by PBB (Begg, Corti et al., 2023).

Outputs tend to be favoured for their measurability, yet they miss aspects of achievement that make PBB so attractive for policymakers and can simply be proxies for inputs (James et al., 2026). Indeed, the ECA criticised the RRF for relying so heavily on simplistic outputs, ultimately concluding that 'the RRF is not a performance-based instrument as it focuses on implementation [...i.e. outputs ...] progress rather than performance' (ECA, 2025, p.7). This may have led to a governance process that relied overly on box-ticking exercises, emphasising formal compliance over substantive accountability. As of February 2026, the ECA notes that the proposed performance framework 'creates conditions to improve the comparability of performance' across the EU, but that the core 'relevant issues remain unaddressed' (ECA 2026b, p.9).

The European Parliament has called for the next MFF to learn from these weaknesses and focus on results and impacts rather than outputs. The draft Opinion of the EMPL Committee on the proposal for a performance framework, for example, calls for a 'focus on tangible results and impacts' instead of 'procedural milestones or reform-related commitments' (European Parliament, 2026, recital 3a). An overemphasis on outputs was a perceived shortcoming of the RRF by the ECA: 'although the RRF Regulation does not explicitly require member states to set up specific result indicators, we consider them essential for assessing performance' (ECA, 2025: 118).

Such a focus is laudable: as one interviewee put it: 'what you want with social policies is not that 1000 people attended a training on digital skills, but that 70% of those who attended found a job.' Yet when it comes to social policy, the discussion in section 4.1.1 on the challenges of measuring performance in social policy cannot be ignored. The same interviewee cautioned against the use of results at all in performance-based budgeting: 'I would not commit to getting someone a job. Maybe I can commit to train[ing], to retrain[ing] someone'. To reiterate, demonstrating results – let alone impacts – in social policy fields is an uncertain science, and many stakeholders may think twice about applying for EU funds if they work in more complex, yet potentially more impactful fields.

Ways to resolve these challenges have been put forward by experts and featured prominently in the remarks of interviewees for this study. One is to acknowledge the limitations of quantitative indicators and to opt, instead, for context-specific, qualitative judgements. Another is to use a combination of meaningful output indicators that are not simply procedural, results and, to the extent possible, shorter term impact-based indicators in an integrated way, as per the ECA definition. A third is to make a careful selection of output indicators that can serve as proxies for intended results that cannot be gamed (see James et al. 2026 for further discussion).

Overall, having appropriate social indicators has consistently been identified as a key foundation for the success of the proposed MFF regulation – and a key technical challenge. Yet it is also a political challenge: the choice of performance indicators defines what will count as 'performance in the EU budget' and thus, beyond pre-financing, how and when disbursements of funding happen. The architecture of indicators and interventions is an important opportunity for the Parliament to influence

the outcome, not a technical after thought. One interviewee familiar with the regulation noted that '[MEPs] will have a key role in spelling out what kind of social output they want to measure.' A key message is, nevertheless, that going beyond outputs will be markedly more difficult for social policies than for other interventions.

4.1.3. Monitoring, audit and budgetary control

The current MFF proposal intends to simplify the budgetary framework and reduce administrative burdens. As has already been made clear, the proposed MFF draws heavily on the RRF model. A good place to begin discussion of monitoring and budgetary control is the numerous budgetary safeguards proposed as means of improving on the RRF model. They include greater flexibility in revising plans, a shift to a reporting cycle for milestones that is annual, rather than milestone-by-milestone, and a shift from stringent 'objective circumstances' requirements to a more flexible 'reasoned request' standard for deviations from milestones.

These can be helpful, but what is prone to be under-estimated is the need for all sides to learn how to use a new framework. Despite claims that the RRF would greatly simplify use of EU funding, Begg et al. (2025) identified many shortcomings in easing burdens for final recipients and managing authorities. According to the ECA, the prospects for genuine simplification will depend on the design and implementation of control and audit arrangements, among other practical matters (ECA, 2025), and the proposed simplification may be mainly achieved at the level of the Commission and Member States, not at regional or beneficiary level (ECA, 2026).

The shift to performance-based budgeting complicates budgetary control in two ways relating to transparency. First, it makes tracing the flows of money and how they are used – especially in programmes that merge multiple strands or management approaches – more complicated, with no systematic cost-verification. Tracking actual expenditure and results is easier under systems based on incurred costs or using simplified cost options. Second, milestone-based payments can lack clear and rigorous definitions and oversight, which can undermine financial control. Under the RRF, the ECA and others widely reported that definitions of milestones were insufficient and heterogenous, often varying from a few lines to several pages (ECA, 2025). This led to an emphasis on procedural compliance.

Another issue relating to budgetary governance is management capacity. This arises in three cases. First, the proposed regulation entails a greater managing role for the Commission. The ECA highlights the substantial reduction in shared management (a shift from 66 % to 46 % of total spending) (ECA, 2026). While this rebalancing is part of the Commission's design for the next MFF, auditors signal that it may pose administrative challenges and have implications for control frameworks—particularly the capacity of authorities (both Commission and Member States) to oversee expenditure effectively.

A second concern stems from centralising management of EU funds in national ministries, risking a loss of the institutional memory and the tacit knowledge of current, largely regional, managing authorities. It is intended to streamline – the ministry responsible for economic governance would now both negotiate CSRs and manage funding. However, regional managing authorities have built up the human capital and expertise to handle EU money for programmes under the current system. As an interviewee explained: a national ministry often 'has no management expertise; it has expertise in coordination and orientation, not in managing European funds.'

Third, for federal or highly decentralised Member States, management complexity intensifies. Regional authorities may find their funding contingent on the passing of reforms that can only occur at the national level: 'There is a discrepancy between the political level being able to implement these reforms and the beneficiaries, this risk making everything more complicated,' according to one interviewee. Indeed, in this interviewee's country, they are now discussing creating a dedicated agency to coordinate

regional monitoring committees to mitigate this challenge. This can result in duplication and administrative uncertainty, the opposite of the promised simplification.

4.2. The semester and the evolution of conditionality

The proposed Performance Regulation will accentuate the link between the MFF and the European Semester. The measures in the NRP Plans should 'effectively address' challenges identified in the European Semester and set out in Country-Specific Recommendations (CSRs) for 2026 and possibly 2027. There are again qualified advantages to this development. Interviewees note the heightened potential for better CSR-fulfilment and see this conditionality as a consistent way to align funds with European strategic objectives. Further, because of flexibility in how CSRs are acted upon, they do not overly constrain Member State policy choices. Crucially, therefore, the Member State will have the 'final say' on policy: as an interlocutor explained, 'the CSRs are drafted broadly enough [for Member States] to decide what to finance and then to pick up the CSR'.

However, there are several potential concerns about the use of CSR-related conditionalities for social objectives. A first is that the Semester is primarily an economic and financial coordination instrument. Some interviewees argued that CSRs are too macro-level and economically focused to capture the complexity of poverty and social exclusion. While they can provide general orientations – for example, on education or employment – they may insufficiently reflect social realities. An interviewee suggested that 'social and poverty analyses are extremely important, but they are not necessarily covered by country-specific recommendations.' Moreover, in certain Member States, CSRs are primarily handled by economic authorities, reinforcing the perception that social policy could be over-shadowed. However, having the Commission proposals discussed in both the Employment Committee and the Social Protection Committee ahead of their adoption by the Council (a result of recent changes), together with the use of indicators in the social scoreboard, mitigates these concerns. The changes also help to ensure alignment with the EPSR.

Conflict could arise, according to another interviewee, if this emphasis on economic priorities 'runs counter to the social dimension, particularly due to fiscal consolidation requirements.' CSRs identifying challenges relating to public finances may put the Commission in a position to pressure Member States towards fiscal consolidation, to the detriment of social objectives. One interviewee spoke of a 'new troika institution', referring to the (often contested) adjustment programmes during the sovereign debt crises that followed the global financial crisis of the late 2000s.

Although efforts have been made in recent years to socialise the European Semester, including through the Social Scoreboard, linking MFF disbursements to Semester-driven reforms might accentuate fiscal-driven policy choices at the expense of social objectives, especially due to the explicit provision in Article 22 that NRPPs must be consistent with Member States' national medium-term fiscal structural plans.

A further cause for concern is that Member State governments (usually the central or federal level, rather than sub-national authorities) would typically be held responsible for non-fulfilment of CSRs, yet the price might be paid by unrelated programmes or projects which have disbursements withheld until the condition is met. It is unclear whether this would result in suspension of activity or, perhaps, an expectation that another budget would have to be used to cover the shortfall of funding. Worries were also raised regarding the quality of reforms promoted through the Semester. Country-specific recommendations are often broad and vague, especially in the social field (e.g. labour market reforms), making it difficult to assess whether the reforms implemented genuinely enhance social aims.

The experience of the RRF cast doubt on the appropriateness of this Semester-based approach for social and employment objectives. While labour market reforms included in national Recovery and Resilience Plans largely achieved expected milestones and outputs, the ECA concluded that they only partially addressed the *structural* labour market challenges identified in the European Semester (ECA 2025b): Only just over a third of labour market-related CSRs were (largely or fully) addressed by RRF reforms, and around a third were not addressed at all. Even when labour market reforms were implemented, they frequently failed to improve the Commission's assessment of CSR progress, suggesting that many measures were narrow or cosmetic rather than addressing structural challenges (ECA, 2025b). Only around half of the time did Member States provide evidence of results of their reforms, further impeding assessment of CSR-related performance.

A corollary is that, in bolstering the role of the Semester, the proposed regulation may extend the Semester beyond its original technocratic, evidence-driven function. Unpopular reforms or withheld funds may be easily politicised, potentially fuelling political backlashes in Member States. This may be equally true in the other direction, if the Commission's discretion in determining whether milestones and targets have been fulfilled opens the door to politicisation of processes intended to be technocratic and evidence-driven.

The current European Semester remains a largely top-down process, negotiated between national governments and the Commission. Civil Society Organisations (CSOs) have limited influence within the Semester, and meaningful engagement with them in the RRF, though nominally mandatory, was frequently felt to be insufficient. If extended to the MFF, there are concerns this will only further limit their involvement. This said, one interviewee raises the issue that meaningful engagement with CSOs and regions is already heterogenous at best.

Some interviewees questioned whether the European Semester inhibits the involvement of social partners and regional authorities. While national governments could incorporate regional chapters in their plans, incentives to do so may be weak. Concerns about national misuse of funds appear here, with one interviewee stating, 'I don't see any guardrails against pork-barrel politics. [...] It's just not clear to us how there are protections to avoid [EU funds] becoming your pet vanity project or [...] channelling [EU funds] to where your electorate is but not necessarily the need'. Fears of a dilution of EU added value – particularly in fostering upward convergence – resurface here.

5. CONCLUSIONS, QUESTIONS AND RECOMMENDATIONS

KEY FINDINGS

- Overall, spending on employment, social and related policy priorities will fall in the next MFF.
- Assessments of the 'adequacy' of support for 'social' should be nuanced because Member States have discretion to exceed the 14% minimum. However, the base for the 14% minimum is well below the full NRPP allocation, while loans are qualitatively different from grants because they become a future burden on Member States, and thus an imperfect substitute for spending.
- Risks of administrative challenges resulting from the extensive changes in the architecture of the MFF may have been under-estimated.
- The priorities and actions under the European Pillar of Social Rights could be undermined by inadequate funding for relevant policies and programmes.
- The future role of the European Parliament, and specifically EMPL committee, should be clarified to ensure that legitimisation is assured and the obligations of the Budgetary Authority are fulfilled.
- Eighteen recommendations are put forward (succinctly summarised in figure 2), under three headings covering:
 - How social spending might be enhanced;
 - The practicalities of implementation;
 - The EPSR and the role of the European Parliament.

Despite the provision that 14% of the funding allocated to NRPPs (excluding the CAP) will have to be spent on social policies, with the recast ESF+ expected to be the main instrument for this purpose, the overarching conclusion from this study is that the proposed 2028–2034 MFF will devote less to 'social' than the current MFF. This conclusion has to be nuanced because of the discretion afforded to Member States to spend more than the minimum proportion of national allocations on social policies: some may do so, but others may choose to stick close to the minimum.

An evident difficulty is ascertaining how much of the spending under the European Competitiveness Fund, with its primary focus on the second word in its name, will be spent on demonstrably social-related policies. Recital 21 of the proposed ECF Regulation is forthright, asserting that 'the competitive strength of the Union lies in its people. The same recital quotes from the Conclusions of the 5 March 2025 European Council: 'efforts should be made to enhance the acquisition, recognition and retention of skills across the EU, from the building of basic skills to engaging in life-long learning, reskilling and upskilling, in line with the European Pillar of Social Rights and its Action Plan'. It also alludes to 'a Skills Guarantee that should enable workers in sectors undergoing restructuring to upskill and reskill, in line with relevant national, regional and/or sectoral transition strategies'. However, 'skills' are less visible in the Articles of the proposed regulation.

A further issue is the scope for funding EU social initiatives through loans, rather than grants, bearing in mind qualitative differences in how Member States view and use borrowed funds. On the one hand,

borrowing from the Catalyst Europe Fund⁹ can raise social policy budgets, providing increased resources for social spending, though subject to whatever conditions are applied to the loans. On the other hand, borrowed funds incur debt servicing costs and the need to provide in national budgets for eventual amortisation of the debt. Loan funding can, to some extent, be regarded as a means of spending in the present while having to curb future spending, whether on social or other national programmes. Several Member States will, moreover, be able to borrow directly from financial markets on better terms.

5.1. Detailed conclusions and questions

Building on these overall conclusions, the mapping between the current and next MFFs, together with the implications of many of the procedural and other governance changes envisaged for the next MFF, give rise to more detailed conclusions and a variety of open questions relevant to this study's recommendations.

5.1.1. Adequacy and uncertainty

'Is it sufficient?' is an obvious question, yet one which is too often unsatisfactory. In any budgeting process compromises are unavoidable and the advocates for any policy priorities will invariably argue that they need more resources and have been short-changed in the negotiations. A crucial question for social priorities in the next MFF is, consequently, what constitutes adequacy? Is it purely about amounts of money (in real terms), compared to the past, or about how that money is used?

Users and beneficiaries from established instruments, such as the ESF+, will look at the figures presented in chapter 2 of this study and infer that the MFF proposals are not adequate and therefore ought to be revised upwards. The question that follows is: if 'social' requires more, should this be achieved by raising the headline total for the MFF, as the rapporteurs of the BUDG Committee have called for, or be at the expense of other budget items, whether within the NRPPs or in the MFF as an aggregate?

How should a shortfall in adequacy, if acknowledged, be redressed in practical terms? One answer could be to raise the 14% minimum, no doubt provoking a backlash from stakeholders associated with the other components of the NRPPs. Could other devices be used to guarantee social spending and if so, how feasible would they be? For example, would altering the denominator of the 14% minimum to include a lower proportion of the CAP spending or removing it entirely be an option? A related question is whether loans can be a satisfactory mechanism for funding EU social policies.

The new ESF is expected not to have earmarked amounts for specific goals, a change which could see some which vulnerable social groups rely on losing from the new MFF. NRPPs will entail an intensive process of negotiation within the Member State and between the Member State and the EU level, predominantly the Commission. Can EU level social priorities be protected? How will the decisions regarding 27 national plans relate to EU wide social aims?

These and other questions exemplify the uncertainty around the proposed 2028-2034 MFF from a number of perspectives, making it hard to be definitive about how to interpret certain provisions, let alone to identify possible solutions. For the EP to fulfil its role in relation to the MFF, having clarity in texts and the details of allocations is vital.

⁹ The Catalyst Fund is to be used in programming NRPP spending across many headings, so that while it has a parallel with SURE (which had a clear social objective) in being loan based, it will not necessarily contribute extensively to social priorities.

5.1.2. Practicalities of implementation and the performance framework

Given its radical governance changes, the MFF proposal can be expected to raise many challenges of implementation. A first is that adapting to the new administrative architecture of the four funds may generate costs of transition that have not been sufficiently taken into account. For beneficiaries at local level, especially, such adaptation could be particularly problematic and could too easily be overlooked.

Another source of concern – and, again, uncertainty – is whether the skills dimension of the proposed European Competitiveness Fund could be vulnerable to a preference within that fund for technology science and innovation?

Engagement of the social partners is conducive to the successful implementation of EU policies at all levels of government. Several interviewees for this study expressed concerns about their role being undermined in the next MFF.

The performance framework also engenders questions. EU policies focused on employment and social policies are harder to fit into the performance-based framework than other EU interventions, leading to risks that inappropriate procedures and forms of monitoring will be adopted. For example, how amenable are social milestones and targets to quantification (indicators for targets) or qualitative judgements (legislative or 'softer' reforms)? The suitability of the link to the semester for social goals could also be queried, insofar as many of these change only slowly and are also subject to other influences, both policy-related and societal.

5.1.3. The European Pillar of Social Rights

Many of those interviewed for this study expressed concern over a likely weakening of ambition on the EPSR. Across the proposed NRPP regulation, there are reasons to think it is being deprioritised in favour of a competitiveness agenda. Narratives around competitiveness were highlighted by interviewees as a possible threat to the EPSR, especially social protection and inclusion (Chapter 3) There are also shortcomings in EU level actions supportive of gender equality, social dialogue, and just transitions. The EPSR is principally referenced in the draft legislation in recitals rather than in operative articles.

This is also visible in the fact that the ESF+ is set to lose its own budget line, putting 'social' into competition with other priorities, both in the NRPPs and in the ECF. It is also visible in the removal of thematic earmarks – including the 25% floor for social inclusion, the 5% allocation for child poverty, and the 3% ring-fence for the most deprived, a move which eliminates one of the most visible 'hard' EPSR actions targets. Much the same applies to the Child Guarantee and material deprivation: they are mentioned as priority areas (in Annex VI of the draft NRPP regulation), and the Commission has launched its first anti-poverty strategy, but there is no guidance on allocation (let alone explicit earmarking) for the Guarantee, and no financial support for the anti-poverty strategy, prompting questions about the likelihood that these, and the Pillar underpinning them, will be effectively pursued.

The governance changes compound these risks because the EPSR's traction has always depended heavily on whether financial incentives in the MFF can be leveraged to deliver on its goals. A framework in which social spending competes with other priorities, without mandatory sub-targets, weakens that leverage considerably. The risk is not merely that less money reaches social objectives in aggregate, but that the distribution of whatever is spent will be shaped by national political priorities rather than EU-level commitments to convergence. The resort to PBB may also dilute the redistributive, inclusive logic of the EPSR in favour of a narrow, efficiency-based one. On social dialogue, the shift to a Commission–Member State bilateral governance model, in which social partners become consultees rather than co-designers, threatens one of the EPSR's explicit institutional commitments.

How can the more vulnerable aspects of the EPSR be safeguarded? Will gender, for example, still be mainstreamed in the next MFF and, even assuming it is, how effectively in the negotiation of NRPPs, given that its resonance differs markedly among Member States? Can the social partners maintain their roles in shaping and overseeing projects, or is the social dialogue dimension of the EPSR at risk?

5.1.4. The roles of the European Parliament

The core challenge for the EP is to remain relevant, in a constructive manner, to decision-making and other facets of future EU budgets. Several interviewees alluded to the importance of legitimation; how can it be achieved when a Commission to Member States nexus is set to dominate NRPPs? Can the EP (and the ECA) role in budgetary control be assured?

The proposed 2028-34 MFF introduces several structural changes that, taken together, risk significantly eroding the Parliament's budgetary oversight role. Most fundamentally, NRPPs are designed and negotiated bilaterally – between the Commission and capitals – without Parliament's formal involvement or oversight. This nexus is the central governance logic of the proposed MFF's framework, such that substantive decisions – which intervention areas to fund, under what conditions, and towards which goals (not least the EPSR) – will be effectively settled before the Parliament can engage. The Parliament's role will mainly be the initial, co-legislative moment – agreeing the regulations that set the framework – rather than discussions about how the NRRP funding will be deployed.

Beyond this, several other proposed changes could further constrain Parliamentary oversight. The simplification of nomenclature, from 60 to 19 programmes, and eight main headings to four (of which, almost all 'social' aspects are in one), mean the Commission could have increased scope to transfer funds 'within' programmes and headings without requiring Parliamentary oversight. Questions will arise about the extent to which the Commission can use delegated acts to transfer funds autonomously between instruments, without the approval of the Budgetary Authority. The linkage of disbursements to the European Semester further displaces Parliament from meaningful oversight – primarily because the Parliament simply has no formal oversight of the Semester process.

The shift to performance-based budgeting is a compounding factor for all of the above, making financial control more complex – for both Parliament and the ECA. Limited systematic cost-verification makes tracking actual expenditure harder, and milestone-based payments often lack clear definitions.

The Parliament's clear interest is in proposing changes potentially acceptable to other EU institutions and making changes to legal texts that lock-in spending on 'social'. However, many of the provisions with explicit or implied social aims are subject to uncertainties of different sorts. Where there is ambiguity, how can the EMPL committee ensure or influence greater certainty? Sub-national governments have been accustomed to a meaningful role in the governance of the ESF+ and other EU instruments; will that role be diminished or undermined?

5.2. Recommendations

Not all the foregoing questions are amenable to easy answers. The recommendations which follow try to strike a balance between changes in legislation and funding in the next MFF deemed desirable from a 'social' perspective and what is politically plausible, taking account of other dimensions of feasibility. Figure 2 provides a succinct summary of the recommendations.

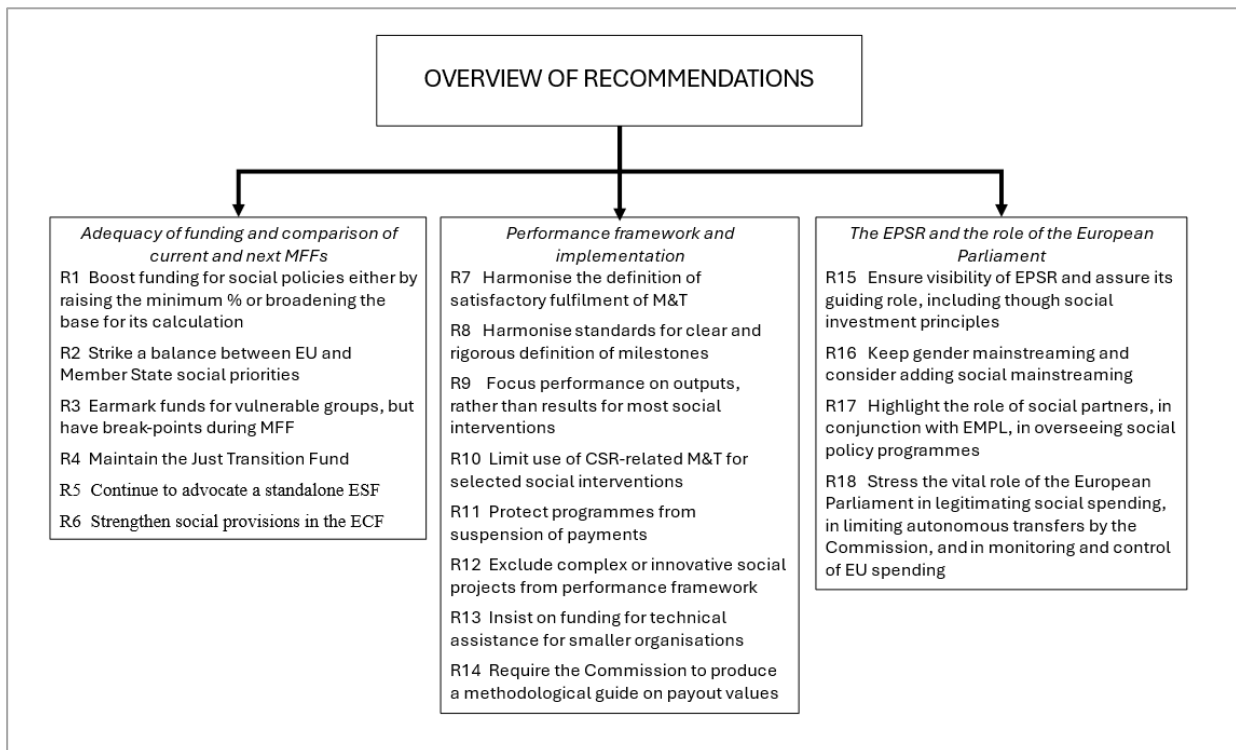
5.2.1. Adequacy of the proposals and options for enhancing social spending

Although the evidence is compelling that the social components of the NRRPs will be lower than in the current MFF, 'adequacy' is harder to assess. On the one hand, the lower allocation calculated in this study (section 2.2) for the future ESF+ will disappoint social stakeholders, as many of those interviewed

for this study have stressed. From this perspective, any recommendation should not be so much *whether* to boost provision for social in the next MFF as *how*: [R1]. On the other hand, social challenges vary markedly among Member States, so that they have an opportunity to tailor their plans to what makes sense for them, instead of being obliged to conform to a top-down prescription. Adequacy in this latter sense is about the extent to which the funding is commensurate with the challenges, not the funding envelope as such, but also whether it pays enough attention to EU level priorities and added value [R2].

An especially tricky choice around adequacy is how extensively earmarking or ring-fencing should be used. Earmarks (such as the 14% minimum for 'social') to be applied for the full seven years of the next MFF plainly protect the policy area, as well as conferring predictability for authorities and beneficiaries. In this regard, a strong assumption of this study, confirmed in informal contacts with the Commission (as explained in section 2.2.1.a, above) is that the 14% will be calculated on the ex-ante figures expressed in the two tables at the end of the MFF proposal (noting that these are bound to change in the course of negotiations). An important implication is that the headline total derived from the 14% minimum would not change if the choices made by Member States in developing their plans raise or lower allocations for the CAP. Similarly, if spending on the CAP is brought forward to before the mid-term review it would not alter the calculation because it relates to the entire seven-year period. This interpretation, though based on reasonable evidence, could nevertheless be a further source of legal uncertainty.

Figure 2: The recommendations summarised



Source: Own elaboration.

Much of transformative social policy is slow-acting, justifying the 14% minimum. A counter-argument is that more specific social challenges are certain to emerge or evolve: full or partial solutions may be found; others may worsen. Overdoing long term ring-fencing may prove to be too rigid, hence more flexible earmarking could help to respond to changing priorities [R3].

Even though there are solid reasons for simplifying the MFF by curbing the proliferation of funds (other than those with Treaty legal bases, such as the ESF, ERDF and the CF) the protection of a policy area can also be realised by having a dedicated fund with specific aims (section 3.2). The Just Transition Fund was cited as a prime example by some interviewees [R4]. A difficult matter is whether a similar logic should be applied to the ESF, in line with the EMPL Committee opinion of 26th February 2026¹⁰ which called (proposed amendment 27 to the draft Interim report on the MFF) explicitly 'for a self-standing, reinforced, strong ESF with a dedicated and sufficient budget, separated from the NRPP'. Having this would help to resolve some of the concerns raised in this study about the probable weakening of commitments to social Europe.

However, if a standalone ESF were agreed, it could result in demands for other sectoral funds to be similarly treated, which would call into question the entire NRPP approach. This entails a risk of aggravating inter-institutional confrontation. Despite this risk, the EMPL Committee should persevere (R5), now that the EMPL amendment has been approved by the BUDG Committee¹¹.

Under heading 2, the articles of the proposed ECF Regulation appear to offer less support for 'social', than the recitals relating to social priorities (R6).

- R1: Boost funding for social policies and priorities either through raising the minimum percentage within NRPPs or by enlarging the base for calculating it.
- R2: Strike a balance between pursuit of EU level social objectives and national choice of priorities, thereby addressing worries about a diminution of EU added value.
- R3: Provide earmarking selectively within the NRPP Regulation (sub-targets to the overall social horizontal target), so as to protect the most vulnerable social groups, but build-in break-points for reviewing and even terminating specific earmarks.
- R4: Maintain the Just Transition Fund instead of allowing it to be absorbed into other MFF budget lines.
- R5: The EMPL committee should continue to make the case for keeping the ESF outside the NRPPs, but should engage with other Committees (and the Commission) to identify solutions that would safeguard the positive gains expected by the overall MFF proposals.
- R6: Strengthen the social provisions in the ECF Regulation to lessen the risk of the Skills Guarantee becoming an empty shell.

5.2.3. Practicalities of implementation and the performance framework

Performance-based budgeting has the potential to improve the quality of public spending by obliging authorities managing EU funding and beneficiaries to focus on what the spending achieves. It would represent a change from more traditional cost-based methods for triggering disbursements. Although PBB was central to the governance of the RRF, evidence on how well it worked is, at best, mixed: in particular, it proved to be much easier to focus on the 'direct outputs' of policies and programmes than on whether they yielded transformative 'results'. There are both conceptual and empirical challenges to resolve, suggesting performance-based budgeting cannot always be applied as readily in 'social' as for other areas of the MFF, and risks being a flawed or even implausible approach. Interviewees highlighted the potential contrast between easily verifiable milestones, such

¹⁰ https://www.europarl.europa.eu/doceo/document/EMPL-AD-781335_EN.pdf.

¹¹ https://www.europarl.europa.eu/doceo/document/A-10-2026-0105_EN.pdf

as investments in buildings, and smaller-scale interventions, especially for vulnerable groups, for which milestones or targets are hard to specify.

In the proposed performance framework, how amenable are social milestones and targets to quantification (indicators for targets) or qualitative judgements (legislative or 'softer' reforms for various milestones)? The suitability of the link to the semester for social goals could also be queried, insofar as many of these change only slowly and are also subject to other influences, both policy-related and societal, raising a question of asymmetric responsibilities.

Even so, establishing robust means of assessing social programmes will be required and vital for demonstrating their value (R7, R8) (as examined in section 4.1 of this study). Reporting requirements should not be too onerous and should favour outputs rather than results, together with qualitative rather than quantitative indicators (R9). A particular concern is whether conditions associated with the semester process could be hard to fulfil if, for example, a beneficiary falls short of a milestone or target for reasons outside its control (section 4.2, above). Examples could be as diverse as macroeconomic trajectories or unpredictable social developments, leaving the programme or project at risk with no good reason. With some restrictions, 'social' could be left out of CSR-related conditionalities (R10) and efforts should be made to clarify what happens if a programme is denied subsequent stages of funding (R11). Complex or innovative social initiatives should have special treatment to allow for a higher prospect of failing (R12).

The challenges of making the transition to a new administrative framework in which the Commission-Member State nexus is central may have been underestimated. Authorities at all levels, stakeholders and beneficiaries from EU social and related policies will have to become accustomed to the extensive recasting of rules and procedures. They might cause delays and possible complications, despite the ambitions to simplify, possibly to the detriment of vulnerable groups. Sufficient provision in the NRPPs for technical assistance could provide a solution (R13). In response to concerns highlighted by the ECA (2026) around 'payout values' – defined as the amounts to be paid out when milestones or targets are achieved – Alcidi and Rubio (2026) proposed that the Commission develop a methodological handbook (R14). Their recommendation is likely to be especially pertinent for 'social'.

- R7: Harmonise the definition of 'satisfactory fulfilment' across Member States to avoid unequal treatment and ensure greater transparency and consistency in the assessment process. This could involve input from the ECA and the EP where there are justifiable fears about the Commission to Member State axis being too dominant, and contribute to effective budgetary control.
- R8: Harmonise standards for clear and rigorous definition of milestones and targets, and maintain the annual reporting cycles for milestones as proposed, rather than the milestone-by-milestone approval process.
- R9: Focus performance monitoring of most 'social' programmes on outputs, not results, giving preference to qualitative assessments and ensure that the risk is contained of Member States choosing easily achievable milestones and targets rather than those with the greatest social benefits.
- R10: Remove suitably selected 'social' disbursements from CSR-related milestones and targets, or devise – and be explicit about their implementation – safeguards to prevent beneficiaries from being penalised for falling behind as a result of developments outside their control.

- R11: Clarify how to avoid programmes and projects faced with interruptions of funding for reasons outside their control from being damaged and provide a safety net (perhaps from the EU Facility) to prevent undue disruption.
- R12: Exclude some complex or innovative social interventions from PBB and, in such cases, allow for cost-based or simplified-cost options for reimbursement.
- R13: To avoid 'lost years' at the start of the next MFF as a result of new or changing administrative procedures, funding for technical assistance should be provided to help smaller organisations and local authorities to adapt to them, especially those dealing with social inclusion and social services.
- R14: A methodological handbook on payout values should be required from the Commission.

5.2.4. The European Pillar of Social Rights and the role of the European Parliament

The goals and actions of the EPSR most vulnerable to opposition from certain stakeholders or interests should be safeguarded, especially in the context of a narrative of competitiveness dominating discourse on the proposed 2028–2034 MFF (R15). Will gender, for example, still be mainstreamed in the next MFF and, even if it is, how effectively in the negotiation of NRPPs, given that its resonance as a priority differs markedly among Member States (R16)? The EU could also be a leader in using its budgetary capacities to promote mainstreaming of other social aims. Can the social partners maintain their roles in shaping and overseeing projects or is the social dialogue dimension of the EPSR at risk (R17)?

A core challenge for the EP is to remain relevant, in a constructive manner, to decision-making and other facets of future EU budgets. Several interviewees alluded to the importance of legitimation; how can it be achieved when a Commission to Member States nexus is set to dominate NRPPs? Can the EP (and the ECA) role in budgetary control be assured (R18)?

- R15: Do not allow the EPSR to lose visibility, because its key guiding role remains vital; in particular, social investment principles should be defended against an over-emphasis on the competitiveness agenda. Require that each NRPP includes a dedicated section demonstrating how its measure conforms to EPSR principles, including in reporting.
- R16: Gender mainstreaming should continue to feature in the next MFF, and wider social mainstreaming should be considered.
- R17: The common interest of the social partners and the EMPL Committee in contributing to the design, implementation and monitoring of EU funded programmes should be highlighted. For the former, one option could be to extend the proposed 'regional check' in the draft NRPPs to social partners and civil society organisations.
- R18: Especially in relation to social aims, ensure that the European Parliament's role (overall and through the EMPL Committee) in legitimating the budget is both sustained and transparent in all stages of the negotiations of the next MFF. Ensure that each NRPP-funded programme area corresponds to a distinct budget line (with own objectives, actions and reporting requirements). In line with Article 30 of the Financial Regulation, the Parliament should insist on restricting autonomous transfers between budget lines by the Commission. The EMPL Committee could, reasonably, also call for regular reporting on spending counting towards the 14% minimum, its contribution towards EPSR actions.

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ANNEX 1: COMPARISONS OF LEGISLATION

Annex 1.1: ESF Comparison

Dimension	ESF 2021–2027	ESF 2028–2034 (Proposed)	Assessment
Legal basis	Articles 46(d), 149, 153(2)(a), 164, 175 (3) and 349 TFUE	Articles 162, 163, 164, 174, 175 TFUE	Continuity
General objectives	Explicit EPSR reference; employment, social protection, poverty reduction	Linked to NRPP objectives; green transition & democracy added; no explicit EPSR	Expansion
Specific objectives	13 clearly defined ESF objectives	No dedicated ESF list; refers to NRPP objectives	Shift/Gap
Scope / Priorities	Dedicated strands (EaSI, YEI, FEAD) with specific rules & rates	Social innovation, demography & material deprivation integrated; no specific rates	Shift/Gap
Total budget	EUR88billion (8.15% MFF)	No ESF envelope; ~4.4% MFF (social target)	Gap
Thematic allocation	Clear ring-fencing (25% inclusion, 12.5% youth, etc.)	No thematic allocation. Broader social spending categories via coefficients	Gap
Implementation mode	Shared + direct/indirect (EaSI)	Shared management only	Shift
Managing authority	Programme-based management authorities	NRP Plan-based; single entry point + coordinating authority	Shift
Delivery model	Cost-based reimbursement	Milestones & targets (performance-based)	Shift
Governance	ESF Committee; partnership principle; monitoring committees	ESF Committee maintained; partnership principle with stricter representation, coordinating committee	Continuity (marginal shifts)
Link with EPSR	Explicit legal reference in binding text	Mentioned mainly in recitals; or in relation to the European Semester	Gap

Dimension	ESF 2021–2027	ESF 2028–2034 (Proposed)	Assessment
Link with European Semester	Used for programming	Binding condition for approval and payout	Expansion
Conditionalities / Horizontal principles	Charter, gender mainstreaming, enabling conditions	Stronger Charter enforcement; rule of law conditionality; gender scoring via Performance Regulation	Expansion

Source: Own elaboration based on the relevant regulations.

Annex 1.2: ERDF/CF Comparison

Dimension	ERDF/CF/Interreg 2021–2027	ERDF/CF/Interreg 2028–2034 (Proposed)	Assessment
Legal basis	Articles 177(2), 178, and 349 TFEU Additional mention of Articles 176 and 174 TFEU	Articles 177, 178 and 349 TFEU Additional mention of Articles 176 and 174 TFEU	Continuity
General objectives	Economic, social & territorial cohesion; reduce regional disparities; TEN-T & env. (CF)	Linked to NRPP objectives; cohesion maintained + democracy & values added	Expansion
Specific objectives	5 Policy Objectives; 26 detailed specific objectives (incl. PO4 social/EPSS)	No dedicated ERDF/CF list; objectives embedded in NRPP; fewer clustered objectives	Shift/Gap
Scope / Structure	Interreg under ERDF; dedicated articles on disadvantaged areas, urban dev., outermost regions	Interreg maintained but functionally separated; new emphasis on industrial base, defence, housing, "right to stay"	Shift / Expansion
Total budget	Dedicated envelopes (EUR200billion ERDF; EUR42billion CF; EUR8billion Interreg) Around EUR 19 bn allocated to PO4 through ERDF	No dedicated ERDF/CF envelope; part of EUR865billion NRPP	Shift

Dimension	ERDF/CF/Interreg 2021–2027	ERDF/CF/Interreg 2028–2034 (Proposed)	Assessment
Thematic allocation	<p>Strong concentration requirements (PO1/PO2), regional GDP-based criteria for PO allocation and cofinancing</p> <p>Min 8% for urban dev. (local partnerships)</p> <p>Overall climate objective</p> <p>Specific allocation Interreg</p>	<p>Minimum for less developed regions (90–112.5% rule);</p> <p>Possible 10% rural target</p> <p>14% social target; 43% climate target (NRPP)</p> <p>Specific envelope Interreg</p>	Shift
Implementation mode	Mostly shared management (limited direct/indirect components)	Mostly shared management (some elements moved to Facility)	Continuity
Managing authority	One managing authority per programme	Plan-based structure; possible multiple authorities + coordinating authority	Shift
Delivery model	Cost-based reimbursement	Milestones & targets (objective-based, NRPP logic)	Shift
Governance	Programme-based monitoring committees; partnership principle	Plan-based committees; coordinating committee; same partnership logic	Shift
Link with EPSR	PO4 explicitly linked to EPSR	No explicit PO; indirect only	Gap
Link with Semester	Limited / indirect	Stronger link via NRPP milestones & CSRs	Expansion
Conditionalities / Horizontal principles	Enabling conditions; do-no-significant-harm; Charter safeguards	Performance Regulation; stronger rule-of-law & Charter payment conditionality	Expansion

Source: Own elaboration based on the relevant regulations.

Annex 1.3: Erasmus Comparison

Dimension	Erasmus+ 2021–2027	Erasmus+ 2028–2034 (Proposed)	Assessment
Legal basis	Articles 165(4) & 166(4) TFEU, and Art. 214(5) for ESC	Articles 165(4), 166(4), and 214(5) TFEU	Continuity
General objectives	Lifelong learning, personal development, social cohesion, EU identity; ESC focused on solidarity & volunteering	Stronger emphasis on competitiveness, resilience, Union values; solidarity integrated into core programme	Continuity
Specific objectives	3 objectives via 3 Key Actions; ESC separate objective	7 thematic objectives; ESC integrated; 2 broader Key Actions	Continuity
Scope / Structure	Separate chapters (education, youth, sport, Jean Monnet); ESC standalone	Restructured strands; ESC absorbed; new "Talent & excellence" strand incl. strategic scholarships	Shift / Expansion
Total budget	EUR 27.3 billion (2.25% MFF)	EUR40.8 billion (2.25% MFF)	Continuity
Thematic allocation	Fixed minimum % per sector (education, youth, sport, ESC)	No fixed sectoral allocation; flexible distribution	Gap
Implementation mode	Direct + indirect management (National Agencies central)	Direct + indirect management maintained	Continuity
Managing authority	Commission/EACEA + National Agencies	Same structure; ESC absorbed into Erasmus framework	Continuity (Shift ESC)
Delivery model	Mixed; reimbursement of costs common; simplified options	Performance-based logic; cost reimbursement as last resort	Shift

Dimension	Erasmus+ 2021–2027	Erasmus+ 2028–2034 (Proposed)	Assessment
Governance	Separate work programmes; committee assistance	Unified work programme; streamlined rules	Shift
Link with EPSR	Mentioned in recital (Principle 1)	No recital reference; mainly Union of Skills focus	Shift / Gap
Link with European Semester	None	None	Continuity
Conditionalities / Horizontal principles	Charter, gender equality, do-no-harm (recitals); ESC humanitarian safeguards	Implemented under Performance Regulation; incl. charter/rule of law, gender, do-no-harm remain	Continuity

Source: Own elaboration based on the relevant regulations.

Annex 1.4: DEP/InvestEU/ECF Comparison

Dimension	2021–2027 (DEP + InvestEU)	2028–2034 Competitiveness Fund (ECF)	Assessment
Legal basis	DEP: Articles 172 and 173(3) TFUE InvestEU: Articles 173 and 175(3) TFUE	For relevant issues within ECF: Article 172, Article 173(3) & Article 175 TFEU	Continuity
General objectives	Growth, sustainability, cohesion, digital transformation; explicit social resilience & social investment window	Increase EU competitiveness in strategic sectors; skills & just transition referenced but framed under competitiveness	Shift
Specific objectives	Explicit digital skills objective (DEP); dedicated social investment & skills window (InvestEU)	No mention of skills, support to workers or social enterprises in the SOs; treated as cross-cutting	Shift

Dimension	2021–2027 (DEP + InvestEU)	2028–2034 Competitiveness Fund (ECF)	Assessment
Scope / Structure	Separate programmes (DEP, InvestEU) with dedicated policy windows	Single integrated fund; skills (incl. European Skills Guarantee) & defence logistics included	Shift / Expansion
Total budget	~EUR33billion (DEP + InvestEU guarantee)	EUR234.3billion	Expansion
Thematic allocation	Dedicated envelopes (e.g. social window; advanced digital skills)	Large sectoral envelopes (digital, defence, decarbonisation, etc.); EUR11billion cross-cutting incl. skills	Shift
Implementation mode	Direct (DEP) + indirect (InvestEU guarantee via EIB etc.)	Direct + indirect management	Continuity
Managing authority	Commission + implementing partners (e.g. EIB)	Commission + executive agencies + external bodies	Continuity
Delivery model	Objective-based (DEP); demand-driven guarantee logic (InvestEU)	Objective-based under Performance Regulation	Shift
Governance	Multiple boards & committees (DEP committee, InvestEU advisory & investment boards)	Streamlined structure; Investment Committee maintained	Shift
Link with EPSR	Explicit support via social investment window; strong recital references	EPSR mentioned marginally; focus on Competitiveness Compass & Union of Skills	Gap

Dimension	2021–2027 (DEP + InvestEU)	2028–2034 Competitiveness Fund (ECF)	Assessment
Link with Semester	Semester used to guide investment priorities (InvestEU)	Stronger link via objective-based delivery & CSRs	Expansion
Conditionalities / Horizontal principles	Standard EU financial rules	Implemented under Performance Regulation; stronger horizontal conditionalities	Shift

Source: Own elaboration based on the relevant regulations.

ANNEX 2: LIST OF SOCIAL INDICATORS UNDER THE DRAFT PERFORMANCE REGULATION

Annex 2.1: Intervention Fields with 100% Social (SOC) Tracking

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Education and skills	Education	111	Early childhood education and care (excluding infrastructure)*	100%	Number of teachers trained; Number of curricula developed; Number of organisations involved; Number of new childcare places	Number of children benefitting from curricula/equipment/trained teachers
Education and skills	Education	112	Primary education (excluding infrastructures)	100%	Number of teachers trained; Number of curricula developed; Number of organisations involved	Number of children benefitting from curricula/equipment/trained teachers
Education and skills	Education	113	Secondary education (excluding infrastructures)	100%	Number of teachers trained; Number of curricula developed; Number of organisations involved	Number of children benefitting from curricula/equipment/trained teachers
Education and skills	Education	114	Tertiary education (excluding infrastructures)	100%	Number of teachers trained; Number of curricula developed; Number of organisations involved; Number of new childcare places	Number of children benefitting from curricula/equipment/trained teachers
Education and skills	Education	115	Initial vocational education (excluding infrastructures)	100%	Number of participants; Number of apprenticeships; Number of teachers trained; Number of curricula developed	Number of students benefitting from curricula/equipment/trained teachers
Education and skills	Education	116	Improving access of people with disabilities to education	100%	Number of participants – by gender and by age	Number of participants in education or trainings – by gender
Education and skills	Education	117	Improving access of marginalised communities such as the Roma to education	100%	Number of participants – by gender and by age	Number of participants in education or trainings – by gender
Education and skills	Education	119	Teacher training – education level unspecified	100%	Number of participants to trainings – by gender	Number of students benefitting – by gender
Education and skills	Education	120	Learning mobility (education sectors incl. non-formal and informal education and youth)	100%	Number of staff – by gender and age; Number of learners; Number of participants in activities promoting EU values	Share of participants considering they have benefitted/increased key competences/increased sense of belonging
Education and skills	Reforms	123	Early childhood education and care reforms*	100%	Number of laws adopted; Number of policy preparations or evaluations finalised	(Not specified in table)
Education and skills	Reforms	124	Education, youth and sport reforms	100%	Number of laws adopted; Number of policy preparations or evaluations finalised	(Not specified in table)

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Education and skills	Reforms	125	Skills and adult learning reforms	100%	Number of laws adopted; Number of policy preparations or evaluations finalised	(Not specified in table)
Education and skills	Reforms	126	Education and initial vocational education and training policy and regulatory framework	100%	Number of stakeholder consultations; Number of laws/regulations; Number of TAIEX/TWINNING projects	(Not specified in table)
Education and skills	Skills	127	Basic skills (incl. literacy, mathematics, science, and citizenship, excl. digital and green skills)	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification/skills improvement; Number of organisations involved in cross-border activities
Education and skills	Skills	128	Advanced digital skills	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification/skills improvement; Number of organisations benefitting from cross-border cooperation
Education and skills	Skills	129	Basic digital skills	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification/skills improvement; Number of participants reached basic digital skills
Education and skills	Skills	130	Green skills	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification; Number of organisations involved in cross-border activities
Education and skills	Skills	131	Financial literacy skills	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification; Number of organisations involved in cross-border activities
Education and skills	Skills	132	Up-skilling and re-skilling for marginalised communities such as the Roma	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification; Number of organisations involved in cross-border activities

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Education and skills	Skills	133	Up-skilling and re-skilling for persons with disabilities	100%	Number of participants; Number of organisations involved in transnational cooperation	Number of participants gaining a qualification; Number of organisations involved in cross-border activities
Education and skills	Skills	134	Adult learning	100%	Number of participants; Number of curricula developed; Number of school equipment and digital means provided	Number of participants gaining qualification; Number of adult learners benefitting from curricula/equipment
Education and skills	Youth	136	Non-formal and informal education and learning (excluding infrastructures)	100%	Number of participants; Number of organisations involved in cross-border partnerships	Number of participants considering they have benefitted/increased key competences/sense of belonging
Education and skills	Youth	137	Volunteering	100%	Number of participants; Number of organisations involved in cross-border partnerships	Number of participants considering they have benefitted/increased key competences/sense of belonging
Housing and infrastructure	Social and affordable housing	312	Development and construction of new zero-emission... buildings for student accommodation	100%	m ² constructed and Number of student housing places renovated or added	(Not specified in table)
Housing and infrastructure	Social and affordable housing	313	Rehabilitation and provision (including energy measures... non-core activity) of buildings for student accommodation	100%	m ² renovated/added and Number of student housing places renovated or added	(Not specified in table)
Housing and infrastructure	Social and affordable housing	314	Development and construction of new zero-emission... buildings to combat homelessness	100%	m ² constructed and Number of housing places added	(Not specified in table)
Housing and infrastructure	Social and affordable housing	315	Rehabilitation and provision (including energy measures... non-core activity) of buildings to combat homelessness	100%	m ² renovated/added and Number of housing places renovated or added	Annual GHG emissions avoided; MWh energy savings; Average kWh/m ² primary energy

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Rights, equality and justice	Democracy and rights	418	Women's rights organisations and movements, and government institutions*	100%	Number of organisations supported	(Not specified in table)
Rights, equality and justice	Democracy and rights	419	Ending violence against women and girls and other groups at risk...	100%	Number of civil society organisations supported; Number of measures to support survivors	Number of people reached by activities – by gender
Social	Employment and labour market	438	Improving access to employment	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	439	Modernising and strengthening labour market institutions	100%	Number of public administrations or services supported; Number of staff trained; Number of skills forecasting tools	(Not specified in table)
Social	Employment and labour market	440	Promoting women's participation and gender equality in the labour market*	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	441	Increasing participation of third-country nationals in the labour market	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	443	Specific support to youth employment	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	444	Improving access of marginalised communities such as the Roma to employment	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	445	Improving access of people with disabilities to employment	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	446	Adaptation of workers, enterprises and entrepreneurs to change	100%	Number of enterprises supported; Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Employment and labour market	447	Self-employment and business start-ups	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of businesses established; Number of participants newly in self-employment
Social	Employment and labour market	448	Health and safety at work	100%	Number of labour inspectorates staff trained; Number of workers/managers trained; Number of enterprises supported	Number of employees benefiting from improved health and safety conditions

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Social	Employment and labour market	449	Support to social partners	100%	Number of social partners supported – by trade unions and employer organisations	(Not specified in table)
Social	Food and material support	450	Addressing material deprivation through food and/or material assistance...	100%	Number of end recipients – by gender, by age and by type of support	(Not specified in table)
Social	Food and material support	451	Household food security	100%	Number of programmes or measures implemented	Number of people benefiting – by gender and by age
Social	Food and material support	452	Services to combat malnutrition...	100%	Number of women of reproductive age, adolescent girls, and children under 5 reached	(Not specified in table)
Social	Health	453	Performance of health systems (excluding infrastructure and digitalisation)	100%	Number of new or improved services; Number of equipment or mobile assets purchased; Number of health staff trained	Annual users of new or modernised health care services
Social	Health	455	Health promotion and disease prevention...	100%	Number of health campaigns carried out; Number of 1-year olds fully immunised with EU support	Vaccination coverage; Screening coverage; Population covered by Cancer Registries
Social	Health	457	Prevention of climate-induced health impacts	100%	Number of health campaigns carried out	Value of assets and/or Population benefitting from climate resilience measures
Social	Reforms	464-475	Active labour market policies; Functioning of the labour market; Gender equality; Healthcare; Housing; Long-term care; Pension systems; Poverty; Wages; Social policy; Food security; Insurance	100%	Number of laws adopted; Number of policy preparations/evaluations; Number of stakeholder consultations; Number of regulations/guidelines; Number of public services developed; TAIEX/TWINNING projects	(Not specified in table)
Social	Social inclusion	476	Social inclusion of young people	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Social inclusion	477	Social integration including access to quality services of third-country nationals	100%	Number of participants – by gender, by labour market status, by age, by education level and by type of support	Number of participants – by status after participating; Number of participants to trainings who report 3 months after the activity that they are using the skills

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Social	Social inclusion	478	Measures for the social inclusion and access to quality services for people with disabilities	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Social inclusion	479	Measures to address child poverty	100%	Number of children supported – by gender	(Not specified in table)
Social	Social inclusion	480	Measures for the social inclusion including access to quality services for marginalised communities such as the Roma	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Social inclusion	481	Long-term care, including the delivery of family and community-based care services (excluding infrastructure)*	100%	Number of new or improved services implemented	Number of people benefiting – by gender
Social	Social inclusion	482	Measures for the social integration including access to services for people at risk of poverty or social exclusion	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Social inclusion	483	Measures to address homelessness	100%	Number of participants – by gender, by labour market status, by age and by level of education	Number of participants – by status after participating
Social	Social inclusion	484	Support for social economy and social enterprises	100%	Number of enterprises supported – by micro, small & medium, large; Number of participants – by gender, by labour market status, by age and by level of education	Number of jobs sustained or created; Increase in employment within supported social enterprises
Social	Social inclusion	488	Direct income support to households addressing specific vulnerabilities... regard to ETS2	100%	Number of households supported	Reduction in number of vulnerable households and those in energy/transport poverty

Annex 2.2: Intervention Fields with 40% Social Tracking

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Agriculture and fisheries	Agriculture	27	Support for the distribution of agricultural products to schools (EU School scheme)	40%	Number of children	Share of children benefitting
Culture, tourism and media	Culture and creative sectors	87	Creative, cultural and arts activities and services	40%	Number of specific projects supported; Number of artists/cultural professionals; Organisations supported; Number of transnational cooperations	Number of people accessing European cultural works; Number of jobs sustained or created; Number of artists/cultural professionals who acquired new skills
Culture, tourism and media	Media	90	Enhance detection and countering of disinformation and media literacy	40%	Number of fact-checking initiatives; Number of disinformation cases formally reported; Number of supported actions	Number of people reached by disinformation countermeasures and media literacy measures
Culture, tourism and media	Tourism	93	Protection, development and promotion of cultural heritage and tourism services (excluding infrastructures)	40%	Number of sites supported; Number of capacity and skills development activities; Number of promotion activities	Number of visitors; Number of people reached; Number of jobs sustained or created; Number of partnerships created
Culture, tourism and media	Tourism	94	Tourism financial support	40%	Number of hospitality tourism sector businesses supported; Number of DMOs supported	Number of visitors; Number of people reached; Number of jobs sustained or created
Culture, tourism and media	Tourism	95	Tourism financial support for sustainable tourism activities	40%	Number of DMOs supported	Number of visitors; Number of people reached; Number of jobs sustained or created
Education and skills	Education	121	Early childhood... schools and universities - Development... zero-emission or nearly zero-emission buildings	40%	m ² constructed combined and New capacity (number of students)	Annual GHG emissions avoided; MWh energy savings; Average kWh/m ² primary energy; Number of annual users
Education and skills	Education	122	Early childhood... schools and universities - Development... other buildings	40%	m ² constructed combined and New capacity (number of students)	Annual GHG emissions avoided; MWh energy savings; Average kWh/m ² primary energy; Number of annual users

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Education and skills	Sport	135	Promotion of sport and physical activity	40%	Number of cooperation partnerships; Number of participants; m ² of outdoor sport facilities; Number of sport initiatives	Number of participants considering they have benefitted/increased key competences; Number of annual users
Energy	Energy efficiency	191	Electricity, heat or cold generation... Renewable Energy Communities... support to prosumer	40%	Number of communities/initiatives/households supported; Number of energy communities established; Number of vulnerable people supported	MWh of energy savings; Roll-out of projects for smart energy systems
Energy	Energy efficiency	205	Deep renovation of buildings for social housing, including climate resilience measures	40%	m ² renovated and Number of social housing units renovated or added	Annual GHG emissions avoided; Pollutant reduction; MWh energy savings; Average kWh/m ² primary energy; Number of annual users
Energy	Energy efficiency	206	Medium renovation of buildings for social housing, including climate resilience measures	40%	m ² renovated and Number of social housing units renovated or added	Annual GHG emissions avoided; Pollutant reduction; MWh energy savings; Average kWh/m ² primary energy; Number of annual users
Energy	Energy efficiency	207	Light renovation of buildings for social housing	40%	m ² renovated and Number of social housing units renovated or added	Annual GHG emissions avoided; Pollutant reduction; MWh energy savings; Average kWh/m ² primary energy; Number of annual users
Energy	Energy efficiency	208-213	Deep, Medium, Light renovation of buildings for early childhood education or student housing	40%	m ² renovated and Modernised capacity for education facilities / Number of student housing places renovated or added	(Standard energy efficiency results as above)
Energy	Energy efficiency	214-216	Healthcare infrastructure - Deep, Medium, Light renovation of buildings	40%	m ² renovated and Capacity of modernised health care facilities	Annual GHG emissions avoided; MWh energy savings; Average kWh/m ² primary energy; Number of annual users

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Energy	Energy efficiency	217-219	Other social infrastructures... Deep, Medium, Light renovation*	40%	m ² renovated and Number of places improved – by types	(Standard energy efficiency results as above)
Energy	Energy efficiency	220-222	Deep, Medium, Light renovation of buildings to combat homelessness	40%	m ² renovated and Number of housing places renovated or added	(Standard energy efficiency results as above)
Environment and climate	Circular economy	257	Circular economy services (e.g. Repair, refurbishment... marketplace for second-hand goods)	40%	Number of products supported by these services	Annual GHG emissions avoided in tCO ₂ e
Housing and infrastructure	Social and affordable housing	309	Development... new zero-emission... residential buildings for social and affordable housing	40%	m ² constructed and Number of social and affordable housing units renovated or added	Annual GHG emissions avoided; MWh energy savings; Average kWh/m ² primary energy; Number of annual users; % Proportion social housing
Housing and infrastructure	Social and affordable housing	310	Rehabilitation... residential buildings for social and affordable housing	40%	m ² renovated and Number of social and affordable housing units renovated or added	(Standard housing results as above)
Housing and infrastructure	Social and affordable housing	311	Change of purpose... residential buildings for social and affordable housing	40%	m ² renovated/repurposed and Number of social and affordable housing units renovated or added	(Standard housing results as above)
Housing and infrastructure	Social and affordable housing	316	Development... new zero-emission non-residential buildings related to social and affordable housing	40%	m ² constructed and Number of housing places renovated or added	(Standard housing results as above)
Housing and infrastructure	Social and affordable housing	317	Rehabilitation... non-residential buildings related to social and affordable housing	40%	m ² constructed and Number of housing places renovated or added	(Standard housing results as above)
Migration and border	Migration – EU	328	Strengthening and developing legal migration to the Member States and early integration...	40%	Number of participants in pre-departure measures; Number of people resettled/admitted; Number of staff trained	Share of participants who applied for qualification/skills; Share of participants who applied for residence status

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Research and innovation	Health	371	Health Research	40%	Number of supported researchers; Share of research outputs; Number of supported enterprises; Number of IPR applications	Individual impact in their field; Citations of research outputs; Number of granted IPR; Public and private investments mobilised
Research and innovation	Social sciences	386	Social sciences, civil society, democracy and culture	40%	Number of supported researchers; Share of research outputs; Number of supported enterprises; Number of IPR applications	Share of researchers with increased individual impact; Citations of research outputs; Value of European defence R&D
Rights, equality and justice	Democracy and rights	422	Support to fundamental rights, rule of law, equality... digital rights and data protection	40%	Number of civil society organisations supported; Number of projects supported	Number of people reached by activities; Awareness of fundamental rights; Awareness of GDPR
Rights, equality and justice	Democracy and rights	424	Support to civil society organisations	40%	Number of civil society organisations supported	(Not specified in table)
Rights, equality and justice	Gender	427	Support for inclusive gender equality policies*	40%	Number of actions	(Not specified in table)
Rights, equality and justice	Justice	430	Legal empowerment of people and access to justice	40%	Number of people directly benefiting from local aid interventions	(Not specified in table)
Social	Health	454	Digitalisation in health care	40%	Number of public institutions supported; Number of CE-marked health record systems; Number of services deployed	Number of people having access to categories of their electronic health records; Number of users of upgraded services
Social	Health	462	Healthcare infrastructure – Development... zero-emission or nearly zero-emission buildings	40%	m ² constructed and capacity of new health care facilities	Annual GHG emissions avoided; MWh energy savings; Number of annual users; Pollutant reduction
Social	Health	463	Healthcare infrastructure – Development and construction of other types of buildings	40%	m ² constructed and capacity of new health care facilities	Annual GHG emissions avoided; MWh energy savings; Number of annual users; Pollutant reduction

Policy area (level 1)	Policy area (level 2)	#	Intervention field	SOC	Output indicator	Result indicator
Social	Social inclusion	486	Other social infrastructures... Development... zero-emission or nearly zero-emission buildings*	40%	m ² constructed and increased capacity (number of places)	Annual GHG emissions avoided; MWh energy savings; Number of annual users of new facilities; Pollutant reduction
Social	Social inclusion	487	Other social infrastructures... Development and construction of other types of buildings*	40%	m ² constructed and increased capacity (number of places)	Annual GHG emissions avoided; MWh energy savings; Number of annual users of new facilities; Pollutant reduction

ANNEX 3: FUNDING STREAM COMPLETE COMPARISON TABLE WITH SOURCES (EUR MILLION)

2021-2027 MFF							PROPOSED 2028-2034 MFF				
	a (2018 prices)	Source	b (current prices 2021-27, after adjustments)	Source	c (2025 prices)	Source		c (2025 prices)	Source	d (current prices 2028-2034)	Source
GRANTS											
Total MFF (revised)	1079523	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02020R2093-20240101	1223339	https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-Statement-of-Estimates_new%20SP.pdf	1381789	Estimation based on a 1.28 multiplier, calculated from 2018 prices. Source for 2018 prices: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02020R2093-20240101	Total MFF (proposed - NGEU)	1613760	Total commitments - NGEU = 1763056 - 149296 (https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01))	1816894	Total commitments - NGEU = 1 984 894 - 168000 (https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01))
ESF (revised)	87995	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02021R	95781	https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB20	112634	Estimation based on a 1.28 multiplier, calculated from 2018 prices. Source for	Social objective as part of the NRPP Regulation	71194	Own calculation : 14% of EUR 508.5 billion (NRPP - CAP)	79700	Own calculation : 14% of EUR 569.4 billion (NRPP - CAP)

		1057-20250920		26-Statement-of-Estimates_new%20SP.pdf		2018 prices: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02021R1057-20250920			
%	8,15%		7,83%		8,15%				
ERDF (PO4 Social Europe)	16824	Own estimation based on concordance tables	18981	https://cohesiondata.ec.europa.eu/cohesion_overview/21-27/#financing	21535	Estimation based on a 1.28 multiplier, calculated from estimated 2018 prices. Source for current prices: https://cohesiondata.ec.europa.eu/cohesion_overview/21-27/#financing			
	1,56%		1,55%		1,56%			4,39%	
JTF (estimated social and employmen	1500	Around 20% of EUR 7.5 bn Estimation based on the JTF total (not counting NGEU	1690,6	Same method. Total in current prices available at: https://commission.europa.eu/doc	1920	Same method. Estimation of the total based on a 1.28 multiplier, calculated			

relevant activities)		top up) - Source and the estimated % of activities related to social and employment under this Fund - Source : JTF mid-term review		ument/download /525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-Statement-of-Estimates_new%20SP.pdf		from 2018 prices. Source for 2018 prices: https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R1056					
%	0,14%		0,14%		0,14%			4,41%			
SCF							SCF - Part of NRPP Regulation but external revenues	45443	https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01)	50100	https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01)
%							%	2,82%***		2,76%***	
Erasmus (revised)	23 408	https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf	25893	https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-Statement-of-Estimates_new%20SP.pdf	29962	Estimation based on a 1.28 multiplier, calculated from 2018 prices. Source for 2018 prices : https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf	Erasmus	36186	https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01)	40827	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025PC0549

						es.pdf					
%	2,17%		2,12%		2,17%						
ESC (revised)	895	https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf	1015	https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-Statement-of-Estimates_new%20SP.pdf	1146	Estimation based on a 1.28 multiplier, calculated from 2018 prices. Source for 2018 prices : https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf					
%	0,08%		0,08%		0,08%		%	2,24%		2,25%	
Digital Europe Programme (Advanced Digital Skills)	430	Estimation based on the amount of EUR 483 million in current prices from the 2024 MFFR https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:320	482,64	https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-Statement-of-Estimates_new%20SP.pdf	550	Estimation based on a 1.28 multiplier, calculated from estimated 2018 prices. Estimation for 2018 prices based on the amount of EUR 483 million in	ECF - Project Advisory, SME Collaboration, skills development and Access to Funding (Chapter III)	883	Estimation based on the conversion rates from the tables in Annex https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025PC0555	1000	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025PC0555

		<p>21R0694 and using the ratio from the fund's total amount 2018 prices (https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf) and current prices (https://commission.europa.eu/document/download/31a0d09a-2548-49b8-8d85-d6342ad76d29_en?filename=mff_2021-2027_breakdown_current_prices.pdf)</p>				<p>current prices from the 2024 MFFR https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32021R0694 and using the ratio from the fund's total amount 2018 prices (https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf) and current prices (https://commission.europa.eu/document/download/31a0d09a-2548-49b8-8d85-d6342ad76d29_en?filename=mff_2021-2027_breakdown_current_prices.pdf)</p>			<p>X:52025DC0570R(01)</p>		
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%	0,04%		0,04%		0,04%		%	0,055%		0,06%	
EU4Health (revised)	4225	https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf ; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02020R2093-20240101	4168	https://health.ec.europa.eu/document/download/1c3532d2-d0c8-43bd-ae3d-abd3692bce4c_en?filename=funding_eu4Health_2021-2024_interim-evaluation_study_en.pdf ; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025DC0709 ; https://commission.europa.eu/document/download/525beef4-12c6-4bac-9dc0-e48282def1db_en?filename=DB2026-	5408	Estimation based on a 1.28 multiplier, calculated from 2018 prices. Source for 2018 prices: https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf ; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:02020R2093-20240101	ECF Pillar 2 - Support to Health, Biotechnology, Agriculture and Bioeconomy	18009	Estimation based on the conversion rates from the tables in Annex https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01)	20393	https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52025PC0555

				Statement-of-Estimates_new%20SP.pdf							
%	0,39%		0,34%		0,39%		%	1,12%		1,12%	
Social total (grants)	135277	Own calculations	148011	Own calculations	173155	Own calculations	Social total (grants) + SCF	171715	Own calculations	192020	Own calculations
							<i>Social + SCF total %</i>	10,64%		10,57%	
							Social total (grants)	126272	Own calculations	141920	Own calculations
%	12,53%		12,10%		12,53%		<i>Social total %</i>	7,82%		7,81%	
Social total excluding health (grants)	131052	Own calculations	143843	Own calculations	167747	Own calculations	Social total excluding health (grants)	108263	Own calculations	121527	Own calculations
%	12,14%		11,76%		12,14%		%	6,71%		6,69%	

LOANS AND OTHER INSTRUMENTS											
InvestEU social policy window	2539	Estimation based on the conversion rates from the tables https://commission.europa.eu/document/download/31a0d09a-2548-49b8-8d85-d6342ad76d29_en?filename=mff_2021-2027_breakdown_current_prices.pdf & https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf	2782	Annex 1 : https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32021R0523	3250	Estimation based on a 1.28 multiplier, calculated from estimated 2018 prices. Estimation of 2018 prices based on the conversion rates from the tables https://commission.europa.eu/document/download/31a0d09a-2548-49b8-8d85-d6342ad76d29_en?filename=mff_2021-2027_breakdown_current_prices.pdf & https://commission.europa.eu/system/files/2021-01/mff_2021-2027_breakdown_2018_prices.pdf	Non-thematic support of the ECF InvestEU Instrument (Chapter II, Section 2)	8831	Estimation based on the conversion rates from the tables in Annex https://eur-lex.europa.eu/legal-content/EN/TXT/HTML/?uri=CELEX:52025DC0570R(01)	10000	
%	0,24%		0,23%		0,24%		%	0,55%		0,55%	

							Social objectives within the Catalyst Europe Programme	18760	Own calculation : 14% of the EUR 134 billion allocation for Catalyst Europe loans.	21000	Own calculation : 14% of the EUR 150 billion allocation for Catalyst Europe loans
							%	1,16%		1,16%	
Social total (loans & other)	2539		2782		3250	Estimation based on a 1.28 multiplier, calculated from 2018 prices	Social total (loans & other)	27591		31000	
%	0,24%		0,23%		0,24%		%	1,71%		1,71%	

*** Externally assigned revenue, cannot be counted as a % of the MFF.

ANNEX 4: INTERVIEW GUIDE AND LIST OF INTERVIEWEES

The text of the guide sent in advance to the interviewees follow. As can be seen it makes clear that not all questions will necessarily be covered.

Interview Guide

The aim of the study is to assess the adequacy of the Commission proposals for the next MFF in relation to employment and social policies, as well as progress on achieving the goals of the European Pillar of Social Rights (EPSR). The study also seeks to assess the new National and Regional Partnership Plans, by exploring the consequences of the shift away from a sectoral approach (including familiar instruments of governance) to 'national envelopes', and how it will change the implementation of EU policies and achievement of priorities. The study will also examine key governance changes, such as the adoption of performance-based budgeting (PBB), links with the European Semester and conditionalities.

To complement what the study team finds from examination of documents and other 'desk' research, the purpose of the interviews is to deepen our understanding of how what is proposed for the 2028-34 MFF achieves the goals in question. The core objective of the interviews is to gather information and, from this perspective, we stress that this is not an opinion survey or a questionnaire. Rather, we want to learn from our interviewees. The questions that follow are indicative and we know that some of the questions may not be relevant to your areas of expertise.

In line with the European Parliament's terms of reference for the study, the questions are structured into three groups, with some broader additional questions designed to tease out potential recommendations for the Parliament's EMPL Committee.

Part A Comparison between the forthcoming MFF and the 2021-27 MFF.

How will the new MFF proposals alter the overall resources available for the EU's policies on employment and social domains?

Specifically, where do you see (or foresee) increases or decreases in funding allocations?

Will key EU policies be strengthened or weakened?

How will any shifts in spending envelopes affect the advancement towards the EPSR 2021 Action Plan's headline targets?

Part B The proposed new NRPP Fund

The consolidation of many previous spending lines in the MFF into the NRPPs can be portrayed as a welcome simplification, but are there associated risks?

What uncertainties can you identify at this stage of the negotiation of the MFF about how the NRPPs will function and the amount of funding for employment and social objectives?

Is the earmarking of 14% of the NRPP for 'social' goals credible?

How coherent is the mix of legislation associated with employment and social actions?

Part C Innovations in governance mechanisms for the MFF

Is the move towards PBB to be welcomed?

Can a focus on results be readily implemented or are there concerns about how it will function and how it will influence the allocation of EU money?

- Generally
- More specifically in relation to EU employment and social policies

What is your view on using indicators to track performance in the various mechanisms foreseen to deliver employment and social policies?

Is tying EU funding to satisfactory progress on responding to country-specific recommendations emanating from the Semester process (as was supposed to happen under the Recovery and Resilience Facility) a valuable incentive or not?

Part D A few broader questions

Do you have any comment on how the NRPP approach will affect the scope for the European Parliament to influence, monitor and control EU spending?

Are there particular dimensions of the EPSR likely to gain or lose funding in the next MFF and how will this affect the prospects for realising the Pillar's objectives?

Does greater flexibility in the next MFF mean greater uncertainty, particularly in the areas of EU funded employment and social policies?

How will the new MFF structure affect the multi-level governance principle and the meaningful involvement of stakeholders in the programming process?

Have we missed any questions you consider to be crucial?

Interviewees

The list of interviews is provided in the table below.

Table 8: List of interviewees

Name	Affiliation
Ruth Paserman	European Commission (EMPL)
Raquel Cortés Herrera	European Commission (Secretariat General)
Maria Jepsen	Eurofound
Massimiliano Mascherini	Eurofound
Judith Kirton-Darling	IndustriALL
Isabelle Barthès	IndustriALL
Tea Jarc	European Trade Union Confederation (ETUC)
Robert Plummer	Business Europe
Marco Cilento	European Trade Union Institute (ETUI)

Annie Gauvin	French ESF Committee
Dominika Biegón	The European Economic and Social Committee (EESC); Deutscher Gewerkschaftsbund (DGB)
Slavina Spasova	European Social Observatory (OSE)
Francesco Corti	European Commission (EMPL)
Catalin Gheran	European Commission (EMPL)

EU funding for employment and social objectives has long been a substantial component of multi-annual financial frameworks. The proposals for the next MFF will see a new approach in which funding for these objectives will be encompassed within National and Regional Partnership Plans. This study compares the proposals for the current and next MFFs, the relevant legislation and expected governance reforms. It pays particular attention to the ramifications for the European Pillar of Social Rights and concludes with a set of recommendations for the European Parliament to consider in responding to the MFF proposal.

This document was prepared at the request of the Committee on Employment and Social Affairs (EMPL).

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Administrator responsible: Cecilia NAVARRA
Contact: Poldep-cohesion@ep.europa.eu

Editorial assistant: Roberto BIANCHINI

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