

Civil Society Europe's Reaction to the Multiannual Financial Framework 2028-2034: Progress for Some, Setbacks for Others

The proposal for the Multiannual Financial Framework (MFF), the 7-year EU budget, for 2028 - 2034 is out. How does it hold up for civil society?

Despite some important improvements, Civil Society Europe is concerned by the current MFF proposal, both in its size and structure. In a time when Europe is confronted with rising challenges, a slightly increased, renationalised budget which deprioritises social cohesion is not the way forward. In the context of attacks on civic space at the national and EU level, we support the increase of support to civil society through the AgoraEU programme. However, we are highly concerned by the lack of structures to involve civil society in the development and management of the programmes, and by the apparent widespread disappearance of structural support to EU-wide civil society networks through operating grants.

We find the proposed size of the Multiannual Financial Framework insufficient to meet the needs of its new priorities. While the current MFF for 2021-2027 amounted to €1.8 trillion (including [NextGenerationEU](#)), the size of the proposed MFF is €1.76 trillion. The current MFF's size, without taking into account NextGenerationEU, amounts to 1.13% of EU's Gross National Income (GNI), while the proposed MFF's size amounts to 1.15% of GNI, plus an additional 0.11% to repay NextGenerationEU. This is clearly not enough to support new EU policy priorities without cuts, which look to be mainly at the expense of previously shared management funds, regrouped under the National and Regional Partnerships (NRPs).

We welcome the proposal of new revenue sources (called 'new own resources'), which proposes taxes on carbon emissions from imported goods, greenhouse gas emissions, e-waste, plastic packaging and tobacco products. We support the proposal of a corporate tax for companies with an annual net turnover of more than €100 million. However, we are truly concerned with the lack of real progressiveness in said taxation.

We support the introduction of further own resources linked to the polluter-pays principle, fairness and progressiveness during discussions on the own resources. This is crucial for the repayment of NextGenerationEU, and for the necessary increase of the MFF. We also welcome the proposed permanent crisis mechanism that would allow the EU to borrow from the financial markets to support Member States (albeit via loans). The EU will also be able to borrow funds from financial markets to help cover the gap between what national investment programs under the National and Regional Partnerships (NRPs) need and what the EU and national governments are contributing. However, these proposals fall short from the suggestions in the report by Mario Draghi, where he calls for common debt instruments that would be used to finance joint investment projects, boosting EU security and competitiveness.

We see that several aspects of the MFF's structure are puzzling. There are important elements of built-in flexibility, for instance via special instruments that are over and above the expenditure ceilings of the budget. On the other hand, we find it problematic that all shared management funds have been merged into a single programme under the NRPs. How spending will be allocated to these merged funds (for example, the European Social Fund - ESF) under the NRPs remains unclear. We are therefore concerned about the inclusion of ESF

in these NRPs. 14% of the NRPs should go to social policies, amounting to around €121 billion euros, higher (in nominal terms) to the ESF+ budget in the current MFF. However, this is still insufficient if considering inflation and that other shared management instruments in the current MFF had to comply with objectives under the European Pillar of Social Rights. Furthermore, this 14% is merely a target for Member States and not a requirement, which risks underspending on social initiatives. While mechanisms that require all Member States to uphold Fundamental Rights and the Rule of Law are strengthened, thematic ones have disappeared, apparently substituted by the indicators under the horizontal performance framework. A similar puzzle can be found in the newly merged funds under direct EU management: we are sceptical of the European Solidarity Corps being merged with Erasmus+ without a specific investment in solidarity, volunteering and civic engagement (beyond youth). Further examples include Creative Europe being merged with the CERV programme in the new AgoraEU programme, and of the external action instruments being merged into the new Global Europe Instrument. On the other hand, it is undeniable that these consolidated programmes all received a welcome increase in funding. It needs to be seen, depending on each programme, whether the merger is the most functional in delivering the policies, ensuring that no one is left behind. However, we are worried by the merging of the LIFE programme into the European Competitiveness Fund. The proposal to include 'LIFE actions' into the fund remains vague and cannot replace the ambitions of the LIFE Programme. This setback comes at a time when funding to environmental civil society, and civil society in general, has come under attack at EU and national level.

On the horizontal principles, applicable to all programmes, we welcome the mainstreaming of the 'Do no significant harm principle' (DNSH) and of gender equality across most of the MFF. However, we are concerned that giving the Commission the power to issue a guide on the DNSH principle may weaken it, since the guide could end up deciding how the principle is applied and allow possible exceptions. Furthermore, we regret the lack of common rules for operating grants to civil society, but we appreciate a seeming generalisation of the lump-sum model for the granting of EU funds. On Rule of Law (RoL), while there is not a direct strengthening of the RoL conditionality regulation, the linkage between failure to implement RoL recommendations and the freezing of parts of the funds under the NRPs can be a powerful tool to strengthen the RoL conditionality, as well as the programmes providing agreed support to RoL reforms. The proposal to recommit the frozen funds to other programmes in support of civil society under direct management, as a way to mitigate the negative impact of frozen funds on civic space, is welcomed.

Civil society is a crucial actor in upholding fundamental rights, supporting our communities particularly in the areas of resilience and preparedness, and also implementing EU programmes. However, civil society is much more absent from the programmes of the proposed MFF than the current one. We salute the substantial increase to almost €3.6 billion in the funds dedicated to the CERV+ Strand in the new AgoraEU programme. While we support the thematic priorities of the CERV-related strand, as well as the presence of new strands related to the priorities of the Democracy Shield, we regret the reduction of the space given to citizens' engagement and participation, as well as the lack of a dedicated strand to support Human Rights Defenders. Furthermore, we are concerned about the consequences of the restriction in the type of organisations eligible for operating grants. The setback in the cancellation of the Civil Dialogue Group from the legal basis, compared to the previous CERV regulation, remains a concern. On the other hand, the streamlining of the re-granting mechanism to the whole AgoraEU programme is an encouraging sign. Furthermore, we regret

a general lack of involvement of civil society in the design and management of almost all the direct-indirect management programmes (with possible exceptions under the Civil Protection Mechanism and the Global Europe Instrument). For the NRPs, while the national plans should be designed and monitored under the partnership principle, the need for them to be presented by January 2028, with a first draft by June 2027, leaves very little time to write a 7-year programme by meaningfully involving stakeholders. We also find it problematic that Member States can have an exemption from the partnership principle for border management and internal security. On the other hand, the annual meeting of the European stakeholders involved under the partnership principle to monitor the implementation of the NRPs can be useful, if well implemented. On the issue of Operating Grants, we sound the alarm of very little language found in the regulations that could support their introduction through open calls for proposals in the next MFF cycle. While clear language about it is present in the NRPs (possibly under direct-indirect management, but not clearly stated) in CERV and in the Global Europe Instrument (for third-country CSOs), and in Erasmus+ (but for a specifically indicated set of beneficiaries), in all the other programmes the language is about supporting 'actions', which makes it shift even more clearly from structural support to EU-wide networks to project-based support. We underline how the CERV+ strand and the NRPs cannot be the only funds to structurally support civil society: in many sectors, civil society organisations contribute to sectoral policy-making with their grassroots expertise, and their work should be supported by the programmes covering those sectors.

The Multiannual Financial Framework will shape the direction of the EU for the years to come. Civil society is ready to be proactive in proposing the needed solutions for our communities, to protect and promote civic space, and to guarantee a fair, sustainable, and equal society for all those living on our continent. We stand ready to work with the Parliament and the Council to remove the clear pitfalls of the proposal on the table and take the necessary steps towards a new MFF with clearer structures and better support for civil society.

Civil Society Europe (CSE) is the coordination of civil society organisations at European (EU) level, representing 24 European networks and federations of civil society organisations (CSOs). Through its membership, CSE reaches out to millions of people who are active in or supported by not-for-profit organisations and CSOs across the EU. Established in 2014, CSE has carved out a unique space as the most representative organisation gathering CSOs interested in strengthening the role of civil society and civic space at the EU level. It is recognised as the point of reference for EU institutions on all matters regarding civic space and civil society involvement in policy-making, which is defined by the term 'civil dialogue'. CSE's mission is to contribute to EU and national institutions' recognition of the essential role and value of independent and plural civil society organisations (CSOs) in building and nurturing a democratic society based on fundamental rights. We strive to create the conditions for the development of a strong and independent civil society voice at EU level, as well as a thriving and enabling civic space across the European Union.