

Making the EU Budget Work for Citizens

Policy report





Joint Civil Society Proposal for a Democratic and Values- based MFF

Civil Society Europe (CSE) has coordinated a vast coalition of civil society organisations from different sectors to ensure a coherent approach to civil society demands across the different programmes under the package of the 2028-2034 Multiannual Financial Framework (MFF). This paper is the synthesis of a year of work to ensure that the MFF is up to the challenges of the next decade, that fundamental rights and rule of law are upheld by the EU budget, and that civil society involvement and support is embedded in the programmes.

Executive Summary

Civil Society Europe supports the proposal of the European Parliament to allocate 1.27% of EU GNI for the Multiannual Financial Framework 2028-2034, excluding the repayment of Next Generation EU from it, as well as the proposal of a package of new genuine own resources of at least 60 billion euros per year in revenue. On the structure of the programme Civil Society Europe supports strong, standalone European Social Fund +, LIFE and EU4Health programmes, and a clear earmarking for the different (clusters of) strands within the AgoraEU programme.

Civil Society Europe believes that the partnership principle in the preparation, implementation and evaluation of the activities of the programmes should become a horizontal principle within the performance framework regulation. For some programmes and activities, we propose that a Civil Dialogue Group is set up for the purpose of ensuring a regular, open and transparent dialogue with the beneficiaries of all sectors covered by the programme and other relevant stakeholders. The Civil Dialogue Group would elect at least one representative in the programme committee in representation of the position of the Civil Dialogue Group position on the work programme. Involvement of civil society in the programmes comes also with adequate funding, both for the structures of civil dialogue as well as for the partners.

Furthermore, Civil Society Europe supports the introduction of structural support for civil society organisations in a variety of programmes, including for activities of advocacy, watchdog activities, policy engagement, participation in EU policymaking and campaigning in line with the Civil Society Strategy. Civil Society Europe supports a clear earmarking for the strand(s) covering CERV+ activities, with at least 85% of that budget being allocated to civil society organisations, and the

commitment that the programme would be implemented via direct management. Regranting mechanisms ('financial support to third parties') should be further supported and extended. Commitment to funding civil society via the funding programmes must also be reflected in the indicators (under Annex I) of the performance framework regulation.

To further protect fundamental rights and rule of law, Civil Society Europe supports establishing a stronger link between the lack of implementation of the country specific recommendations to the triggering of the conditionalities, an involvement of the Fundamental Rights Agency in the evaluation of the rule of law related aspects of the NRPPs, as well as the creation of accessible, transparent and confidential complaint mechanisms. Civil Society Europe calls for a stronger automatism between decommitment of NRPPs funds for lack of respect of fundamental rights and rule of law and reassignment to such programmes (mainly AgoraEU), in particular to civil society organisations of the country whose funds have been decommitted. Revenues from fines against digital platforms under the Digital Services Act, Digital Markets Act, and AI Act shall be made available as an additional allocation of commitment and payment appropriations to AgoraEU. Civil Society Europe supports a clear fund allocation for a rapid response mechanism to protect human rights defenders in the EU.

In terms of civil society involvement, we call on formal consultations of civil society on all the aspects of the MFF package, and on Member States to associate their national stakeholders, in particular civil society

organisations, in shaping their country's position on the different elements of the negotiation. Member States should already start involving the currently existing monitoring committees for the shared management funds in order to prepare the pieces, in terms of investments and reforms, that will compose the country's NRPP.

The Size and Structure of the MFF	6
Civil Society Involvement in the EU Programmes	10
Funding Civil Society: A Matter of the Whole Budget	15
Protecting Fundamental Rights and Rule of Law via the EU Budget	18
The Role of Civil Society in the MFF Negotiations	21
About Civil Society Europe	22

The Size and Structure of the MFF

01

Civil Society Europe supports the proposal of the European Parliament to allocate 1.27% of EU GNI for the Multiannual Financial Framework 2028-2034, excluding the repayment of Next Generation EU from it, which would be included over and above the ceilings.

While this proposal should not be considered an increase, it would allow to boost the size of several programmes, especially of those, under the Heading 1, that were underfunded in the Commission's proposal. Furthermore, it would mean reinforcing some key programmes for citizens: AgoraEU (10.72 billion) Erasmus+ (47.39 billion, however lower than the proposal of 60 billion made by beneficiaries to meet inflation and programme demand), Horizon Europe (200.0 billion), Union Civil Protection Mechanism+ (12.42 billion), Global Europe (225.00 billion - all figures in current prices).

The topic on how to finance the MFF is crucial: the revenue side is as important as the expenditure side. Civil Society Europe considers that the debate about the size of the budget and on the own resources cannot result in a zero-sum between net and recipient countries, based on calculations between GNI-based contributions (from the revenue side) and the national envelope and the NRPPs (from the expenditure side). For this reason, Civil Society Europe supports a stronger focus on the new genuine own resources, which affects categories across the EU.

A summary of key figures

1.27%

of EU GNI devoted to new investments via the MFF 2028-2034

€200B

to Horizon Europe

€60B

per year in revenue by new genuine own resources

€60B

to Erasmus+

€10.72B

to AgoraEU

€12.42B

to Union Civil Protection Mechanism

85%

of CERV+ strand(s) to be allocated to civil society organisations

In this context, **Civil Society Europe supports the call of the Parliament for a package of genuine new own resources of at least 60 billion euros per year in revenue**, including the proposal of possible new levies on major digital platforms, online gambling and betting services, a uniform call rate on capital gains from crypto assets and the extension of the Carbon Border Adjustment Mechanism.

Still on the revenue side, Civil Society Europe notes that the Commission proposes two forms of joint borrowing, to provide Member States with loans in times of crisis, or, upon their request, to fill the gap between the investments planned in the NRPPs and the sum of the national envelope plus the national co-financing of the plans. We underline the importance of having joint borrowing mechanisms: however, the proposal falls short of 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.

Regarding the structure of the MFF, Civil Society Europe supports the proposals to provide funding clarity and foreseeability for the beneficiaries, in particular a **strong, standalone European Social Fund + programme, and a clear earmarking for the different (clusters of) strands within the AgoraEU programme**. While we appreciate the proposal of having clear budget lines for LIFE and EU4Health within the European Competitiveness Fund, we believe that this comes short of ensuring that the EU budget will implement the EU's environmental and biodiversity commitments and will maintain a holistic approach to public health. For that reason, **Civil Society Europe supports the proposal of fully reinstating LIFE and EU4Health as standalone programmes**.

€60B

per year in revenue by new genuine own resources

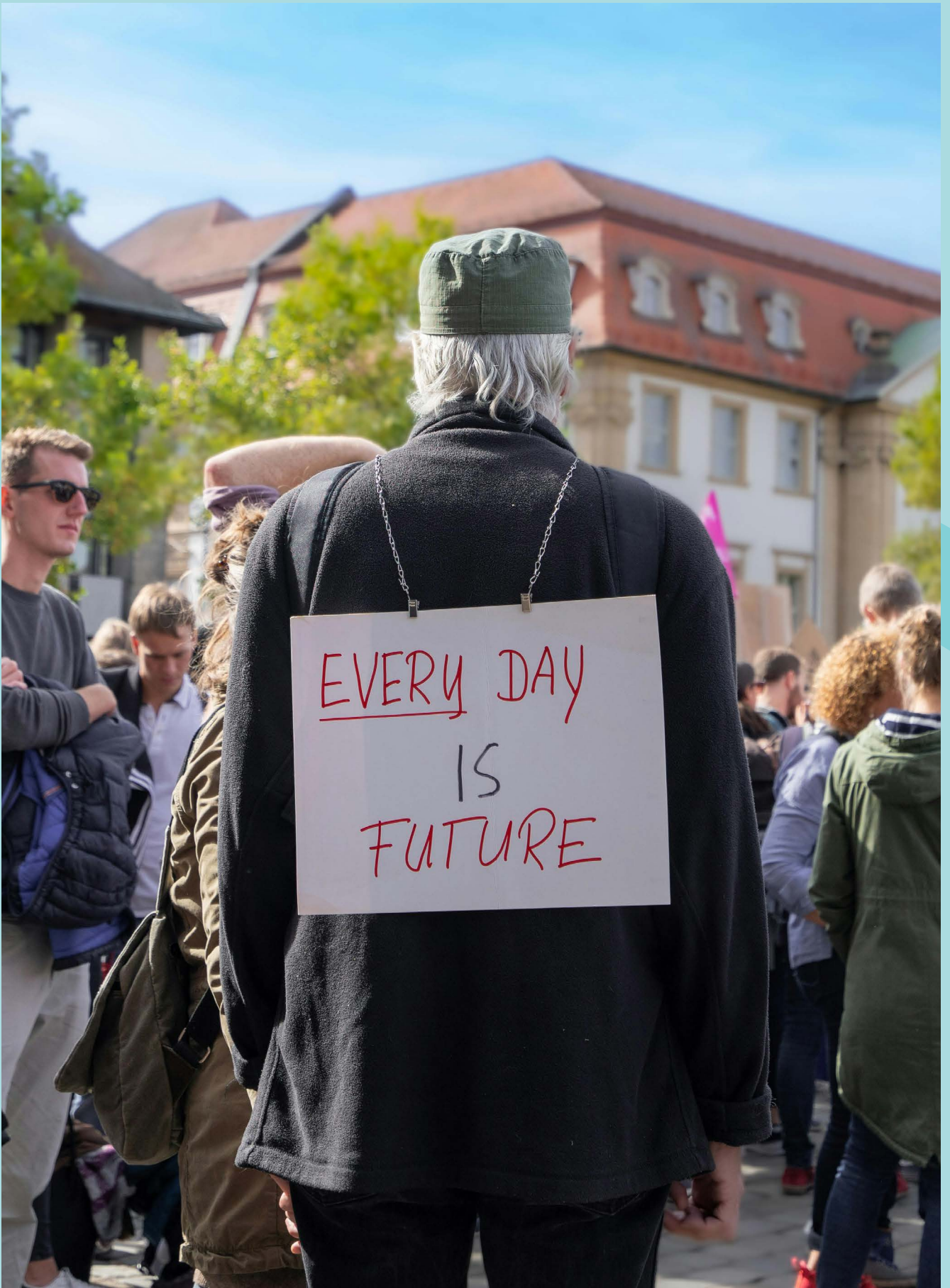


Civil Society Involvement in the EU Programmes

02

Organised civil society plays a key role in facilitating participation and expressing the diversity of views, needs and aspirations of individuals and societal groups. Civil society participation is therefore a fundamental component of European democracy: it enhances the legitimacy of EU policies and helps ensure that legislation and funding instruments respond effectively to the realities faced by citizens.

Structural dialogue between the EU institutions and civil society, known as 'civil dialogue', is both a Treaty-based obligation, under Art. 11.2 TEU, and a legal requirement anchored in EU secondary law and international conventions, notably the European Code of Conduct on Partnership and the Aarhus Convention. In the current Multiannual Financial Framework, this structural dialogue has mainly been implemented within the programmes under shared management, under the name of the "partnership principle", via the Common Provisions Regulation.



While its practical implementation has not always been up to the standards of the regulation, its presence is crucial to ensure an effective and efficient spending of EU funds. However, such a principle remains limited to the programmes under shared management - in the proposal for the 2028-2034 MFF, to the National and Regional Partnership Plans (NRPPs). The principle of partnership is nevertheless a key element for the implementation of civil dialogue within the European Commission, as promoted by the European Strategy for Civil Society. Furthermore, the involvement of a variety of stakeholders in the policy design, implementation and feedback ensures that the policies are more tailored to the realities on the ground, which narrows the gap between the aims stated at the stage of policy design and the results of its implementation, enhancing the efficiency of the process. For this reason, the partnership principle should apply also to the programmes under direct and indirect management, therefore covering almost the entirety of EU funds.

For this reason, **Civil Society Europe believes that the partnership principle in the preparation, implementation and evaluation of the activities of the programmes should become a horizontal principle within the performance framework regulation.** A streamlined application of the partnership principle would be facilitated by a single and simple guidance, which sets out general principles and criteria and, where necessary, specific criteria at the level of relevant programmes. The guidance should respect the principles for civil dialogue set out in the EU Strategy for Civil Society and refer to the European code of conduct on partnership for shared management programmes. Furthermore, **for programmes under direct-indirect management, we propose that the Commission sets up a Civil Dialogue Group for the purpose of ensuring a regular, open and transparent dialogue with the beneficiaries of all civil society sectors covered by the programme and other relevant stakeholders.** The purpose of the Group shall be to exchange experiences and good practices and to discuss policy developments within the areas and objectives covered by the programme and related areas, and to be consulted upon the drafting of the work programme. The Civil Dialogue Group would meet at least annually, before the drafting of the work programme. Should a programme have a programme committee, **the Civil Dialogue Group would elect at least one representative in the programme committee to contribute to the preparation of the work programme.**




An effective participation of civil society would require a strengthening of the partnership principle in the NRPPs, making it a horizontal principle alongside the Rule of Law and Fundamental Rights' Charter ones. **The partnership principle would need to be implemented for all the sections of the NRPPs, with no exceptions, and it should be applied in all the dimensions of the drafting, implementation and monitoring of the plans.** In that, the monitoring committees would continue to play a crucial role: their members should be selected via an open call, ensuring their representativeness, as well as the involvement of civil society organisations. The members of the monitoring committees not representing the national public administrations (social partners and civil society) should

collectively hold at least 50% of the voting rights. We consider that there should be one monitoring committee per chapter of the plans, and their members should also be invited as observers to the reviewing meetings on the state of the plans implementation. Furthermore, the Union-level organisations representing the partners shall be consulted by the Commission twice per year on the implementation of the plans and on the quality of the involvement of the partners: where participation is found to be insufficient, the Commission, in cooperation with the partners, shall propose measures to ensure full and effective compliance with the partnership principle.

at least

50%

of voting rights in the national monitoring committees for the NRPPs



The partnership principle would need to be applied also to the programmes under direct and indirect management. In particular, Civil Society Europe proposes the creation of a specific **Civil Dialogue Groups in some of the main programmes:** AgoraEU, Erasmus+, Horizon Europe, Justice Programme, Single Market Programme, Aid Programme for the Turkish Cypriot community, Overseas Countries and Territories (involving the “actors of cooperation” identified by the related Council decision), and the EU Facility under the NRPs. The partnership principle in the Union Civil Protection Mechanism shall be implemented via civil society participation in the Union Civil Protection Knowledge Network; its implementation in the Global Europe instrument shall be done through regular, structured and inclusive dialogue with civil society, including but not limited to the Policy Forum on Development, and throughout the programming cycle. In the European Competitiveness Fund, civil society organisations would be involved in the high level stakeholder forum as well as in the sectoral policy groups to be consulted for the sectoral work programmes.

Involvement of civil society in the programmes via the partnership principle is a key element to implement EU Treaties and international obligations, secondary EU legislation, including the EU Strategy for Civil Society, and to ensure the effectiveness of the policy design and implementation. However, it does not come for free: civil society organisations live in a constant funding crisis where the shrinking of the variety and depth of the sources of funding make it difficult to continue their operations, while their contribution to address societal challenges becomes ever more relevant. That is why it is crucial that **involvement of civil society in the programmes comes also with adequate funding, both for the structures of civil dialogue as well as for the partners.**

In particular, for the NRPPs, the **technical assistance** is a powerful tool to support the capacity of the partners in meaningfully participating in monitoring committees - it has however been used very little for that purpose in the current MFF. That is why Civil Society Europe proposes that Member States allocate 10% of their technical assistance to ensure meaningful participation of the social partners and civil society organisations in the implementation of the programmes under the NRPPs; furthermore, the Commission should support the capacity of partners, including through technical assistance, in order to facilitate their effective involvement in Monitoring Committees and in the implementation of programmes.

Funding Civil Society: A Matter of the Whole Budget

03

Ensuring adequate funding is one of the commitments under the EU Strategy for Civil Society, ‘to carry out their vital work, effectively engage with decision-makers, and continue making meaningful contributions to our societies’.

EU funding for civil society, via operating grants, is crucial to cover fixed costs for organisations (including office rentals, administrative expenses, accounting systems) that are essential for their work and yet are not eligible for funding under project grants. At the same time, the Civil Society Strategy also recognises that such funding shall cover the whole spectrum of civil society’s activities: including advocacy activities, that are in compliance with article 2 TEU on values, while fully respecting their independence from the institutions. This is crucial to ensure that the voice of public interest is heard in the European debate. In that sense, EU funding via the MFF represents

an important source for civil society organisations at different levels. It is also a “whole-of society” endeavour: it ensures a level-playing field for participation of non-profit actors in a policy making field that would otherwise be filled only by corporate interests, but it is also a recognition of the expertise and evidence based contribution that civil society organisations give to EU policy making. For this reason, Civil Society Europe supports the introduction of structural support for civil society organisations in a variety of programmes: in the NRPs via the EU Facility (to organisations working on social issues, on migration, and on environment); in Erasmus+ (to organisations working on education and training, on youth, on volunteering, and on sports); in the European Competitiveness Fund (to organisations working on public health, in particular patients’ organisations); in the Single Market Programme (to organisations representing consumers and the public interest in the financial sector); in Global Europe (to EU-based organisations working on international cooperation, and to third-country civil society organisations).




As proposed by the Commission the main programme in support of civil society organisations (particularly working on fundamental rights, democracy and anti-discrimination) will be AgoraEU, the merger of the current Creative Europe and CERV programmes. The programme will continue to support all the activities under the current CERV programme, as well as activities to implement the EU Strategy for Civil Society and the Democracy Shield. It will **support activities of advocacy, watchdog activities, policy engagement, participation in EU policymaking and campaigning as eligible activities, in line with the Civil Society Strategy**. Unrestricted core, sustainable, multiannual funding is rare but essential to the functioning of civil society organisations, allowing them

to work strategically, independently, with greater flexibility and adaptability, and to maximise their impact. For this, **Civil Society Europe supports a clear earmarking for the strand(s) covering CERV activities, with at least 85% allocated to civil society organisations, and ensuring its implementation via direct management**. To support local and grassroots organisations, **regranting mechanisms ('financial support to third parties')** should be further supported and extended.

Such **commitment to funding civil society** via the funding programmes should also be reflected in the **indicators (under Annex I) of the performance framework regulation**, which will concretely guide EU spending and calls.

85%

of CERV+ strand(s) given to civil society organisations



Protecting Fundamental Rights and Rule of Law via the EU Budget

04

Protection of fundamental rights and rule of law has become an increasingly important topic in EU internal policy: not only as a way to preserve democracy in the EU Member States, but also to ensure that EU funds are properly spent to support the communities they are intended to serve.

In this sense, the suspension of voting rights in the Council under article 7 TEU has proven ineffective to avoid democratic backsliding due to requested unanimity of Member States; on the other hand, the rule of law conditionality regulation introduced during the previous MFF, coupled with the measures on protection of EU financial interests in Next Generation EU, has enabled a more thorough actionability of its provisions. However, criticism remains in terms of 'political threshold' for its usage, as well as on the lack of an evident link between such conditionality and the (lack of) implementation of the country specific recommendations under the annual rule of law cycle, as well as of the sentences of the European Court of Justice. In drafting the MFF, the Commission committed to strengthen the rule of law conditionality.



The result is the introduction of the horizontal conditionalities of rule of law and fundamental rights in the NRPPs, which includes the follow-up of the country specific recommendations of the rule of law report in the drafting of the NRPPs. While this is a welcome development, we believe that such provisions can be further strengthened, including by **establishing a stronger link between the lack of implementation of the country specific recommendations to the triggering of the conditionalities, an involvement of the Fundamental Rights Agency in the evaluation of the rule of law related aspects of the NRPPs**, as well as the creation of accessible, transparent and confidential **complaint mechanisms** enabling individuals and organisations to report cases of non-compliance to an independent body designated by the Member State, such as national human rights institutions, with safeguards to protect complainants from retaliation which shall be taken in consideration during the evaluation of the implementation of the plans. In this sense, the monitoring committees should play a crucial role.

Another important novelty is the possibility of using the NRPP funds decommitted due to lack of respect of the horizontal conditionalities to programmes, under direct and indirect management, in support of democracy, civil society and the fight against corruption. **Civil Society Europe supports this proposal, and calls for a stronger link between decommitment and reassignment to such programmes (mainly AgoraEU), in particular to civil society organisations of the country whose funds have been decommitted.**

This in order to avoid that such a measure further weakens civic space, aggravating the rule of law crisis that triggered the decommitment in the first place. In a similar fashion, **revenues from fines against digital platforms under the Digital Services Act, Digital Markets Act, and AI Act be made available as an additional allocation of commitment and payment appropriations to AgoraEU.** This would follow the precedent of the programme-specific adjustment established under the 2021–2027 MFF. Such an approach would help address the significant risks and negative effects that digital market dominance poses to culture, media, democracy, and fundamental rights, including job losses, market distortion, and the spread of foreign information manipulation and interference.

Finally, an important element of the EU Strategy for Civil Society is the development of a **rapid response mechanism to protect human rights defenders in the EU.** In this context, we support the inclusion of such a mechanism under AgoraEU, with clear and stable funding, and with the possibility to disburse also emergency low-value grants without the need for co-financing.

The Role of Civil Society in the MFF Negotiations

Civil society, in its variety and diversity, is profoundly invested in ensuring that the voice of civil society, underrepresented groups and of the public good is heard in the negotiations for the MFF package.

We call for formal consultations of civil society in the discussions of all the aspects of the MFF package: the general regulation, the own resources decision, the performance framework as well as the programme regulations. This shall be done both by the European Parliament, with formal hearings of the affected stakeholders (as it is already happening for several programmes), as well as by the Council. In particular, we believe that Member States should associate their national stakeholders, in particular civil society organisations, in shaping their country's position on the different pieces of the negotiation.

Furthermore, as the timeline to draft the NRPPs is very short (the first draft having to be presented by mid-2027), we urge all the Member States to start involving the currently existing monitoring committees for the shared management funds in order to prepare the pieces, in terms of investments and reforms, that will compose the country's NRPP. The lesson learnt from Next Generation EU is that, without such involvement, reforms and investments are misaligned with real needs, and they end up being delayed, halted or completely changed upon implementation. Involvement of stakeholders from the designing phase, on the other hand, ensures that the policy implementation will be closer to the designed initial policy.

The Multiannual Financial Framework is not a technical discussion: it is the single most important strategic decision the European Union will need to make in this decade. Its provisions must be debated in a broad, transnational discussion, as everyone living in the EU will feel the effects of the choices made. Civil society is already playing its part in informing citizens, engaging them and making their voice heard in negotiations that sometimes appear closer to a conclave: it is up to the institutions now to broaden the debate and be up to the stakes.

About Civil Society Europe

06

Civil Society Europe (CSE)

is the coordination of civil society organisations at EU level. Through its membership, CSE unites EU-level membership-based organisations that reach out to millions of people active in or supported by not-for-profits and civil society organisations across the EU. CSE was created by several civil society organisations as a follow-up to the European Year of Citizens and was established as an international not-for-profit under Belgian law in 2016. Since then, it has become the point of reference for EU institutions on transversal issues concerning civil dialogue and civic space.

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