

SEE's contribution to EC's consultation on the European Competitiveness Fund regulation

Social Economy Europe (SEE) welcomes the opportunity to provide feedback on the proposal for a regulation on establishing the European Competitive Fund (ECF). The present document addresses thoroughly SEE's contribution around the 3 main following points:

1. Integrate the Social Economy Across the Regulation and Fund:
 - a) Fostering cross-sectorial collaboration and Value Chain integration.
 - b) Target Skills Development, Research and Innovation.
 - c) From InvestEU to the ECF.
2. Ensure Social Economy representation in the monitoring committee.
3. Ensure that Social Economy and Proximity remain a key industrial ecosystem.

Finally, a conclusion and a short point about Social Economy Europe may be found at the end of the document.

Introduction

Social Economy Europe (SEE) welcomes the opportunity to provide feedback on the proposal for a regulation on establishing the European Competitiveness Fund (ECF). The European Competitiveness Fund (ECF) will invest in strategic technologies for

- clean transition and decarbonisation (€11 billion)
- digital transition (€51 billion)

- health, biotechnology, agriculture and the bio-economy (€20 billion) and
- defence and space (€125 billion).

As part of a single regulatory framework, offering a single portal for funding applicants, the ECF will aim at simplifying and speeding up EU financing and will catalyse private and public investments.

A share will be dedicated to skills development, supported by a European skills guarantee, business partnerships, academies for a “net-zero” industry, and skills mobility — helping people to retain or find quality jobs in key sectors.

SEE supports these objectives and wishes to remind that the single market competitiveness also relies on social protection. To shape a budget that will support member states in driving policies and programmes fostering resilient societies and sustainable markets, the NRPPs need to acknowledge the crucial role and exclusive added value of the social economy.

The Social Economy (SE) is a major economic force in Europe, encompassing over 4 million enterprises and organisations that employ more than 11 million people, supported by more than 53 million active volunteers and generate over €912 billion in turnover (2021), placing it on par with key sectors such as automotive and tourism. Beyond its substantial economic contribution, the SE delivers significant societal value by providing goods and services to underserved urban and rural areas, fostering social cohesion, strengthening democratic participation, and building social capital and resilience. Its role and impact have been acknowledged globally through key initiatives such as the UN Resolutions on [promoting the social and solidarity economy for sustainable development](#), the [ILO Resolution on decent work and the social economy](#), the [OECD Recommendation on the social and solidarity economy and social innovation](#), and the [EU's Social Economy Action Plan](#) and [Council Recommendation on developing social economy framework conditions](#).

With its proven capacity to act effectively both within and beyond market mechanisms, the Social Economy demonstrates that adequate public funding is essential to ensure its continued contribution to a resilient economy and social cohesion. Social Economy Europe understands the EU must incorporate new challenges in its policies, strategies, and funding. A fair, green, and digital transition remains an important challenge that the EU should continue to embrace because they are crucial, but also because keeping those objectives will allow the EU to stay ahead of the game in the medium and long run.

The European Competitiveness Fund (ECF) represents a crucial opportunity to reshape Europe's competitiveness around a locally rooted economy that has a proven track record of providing inclusion, sustainability, and resilience. Social Economy Europe (SEE) welcomes the proposal and calls for a regulation that fully recognises the social economy as a key partner in achieving these goals. To ensure that the ECF delivers on its promise of a fair, innovative, and sustainable European economy. By focusing only on export businesses, the EU will fail to develop the made in EU and a strong, locally rooted economy that answers the needs of its citizens. **Diversifying the EU economic strategy** is the best way to ensure its resilience and to make the continent less dependent on multinationals eager to delocalize whenever it suits their own interest.

To ensure that the European Competitiveness Fund (ECF) delivers on its promise of a fair, innovative, and sustainable European economy, Social Economy Europe (SEE) proposes the following key actions:

1. Integrate the Social Economy Across the Regulation, systematically include social economy organisations and enterprises in all relevant provisions of the Regulation, in line with the Social Economy Action Plan and recognising its essential contribution to competitiveness, innovation, and resilience.
 - a. Foster Cross-Sectoral Collaboration and Value Chain Integration: create mechanisms that promote collaboration between social economy organisations, traditional industries, research institutions,

and public authorities, enabling the integration of the social economy into industrial value chains across all policy windows of the Fund.

- b. Target Skills Development, Research, and Innovation: establishing dedicated measures and funding streams for skills development, research, and social innovation explicitly targeting social economy actors, strengthening Europe's human capital and capacity for inclusive innovation.

c. From InvestEU to the European Competitiveness Fund: enhance transparency on approved operations and beneficiaries of the fund, harmonise decision-making, reporting and state aid procedures, simplify access to Guarantees, and develop new financial instruments to boost equity financing, sustainability and innovation.

2. Ensure Representation in Governance and Monitoring, with the participation of the social economy within the ECF's governance, monitoring, and advisory structures to promote transparency, co-creation, and inclusive decision-making.
3. Ensure Social Economy and proximity remain a key industrial ecosystem that monitors, in particular, territorial and social cohesion and caters to locally rooted SMEs, which are the backbone of the EU economy.

1. Integrate the Social Economy Across the Regulation and Fund

SEE is glad that "Social enterprises" are mentioned in ECF general objectives, it would be best that the entire **Social Economy ecosystem be acknowledged**, hence also cooperatives, mutuels, associations and foundations. Indeed, Article 3(1)(g) – General Objectives, states that the ECF aims to strengthen the competitiveness of SMEs and small mid-cap companies established in the Union and their ability to grow and scale up, in particular by improving their access to finance, including cooperative and ethical

finance, microfinance, philanthropy and social investment, mutual and insurance-based solidarity mechanisms.

This clause formally includes social enterprises within the ECF's strategic target groups for financing and competitiveness support, and paves the way for deeply needed streamlined investment for social enterprises. However, the term **“social enterprises” remains exclusive** and incomplete. According to the EU Council Recommendation - already mentioned above - and the Action Plan, the social economy “means a set of private law entities providing goods and services to their members or to society, encompassing organisational forms such as cooperatives, mutual societies, associations (including charities), foundations or social enterprises, as well as other legal forms, that operate in accordance with the following key principles and features:

- (i) the primacy of people as well as social or environmental purpose over profit;
- (ii) the reinvestment of all or most of the profits and surpluses to further pursue their social or environmental purposes and carry out activities in the interest of their members/users ('collective interest') or society at large ('general interest'); and
- (iii) democratic or participatory governance.”

To extend the impact of this article to the entire social economy ecosystem and maximise its positive contribution, we call upon the following:

✓ **Inclusion of a definition of social economy in Article 2**

Proposed Amendment

Article 2 Definitions

1. For the purposes of this Regulation, the following definitions apply:

(...)

(22) “Social Economy” means the set of entities as referred to in the Council Recommendation of 27 November 2023 on developing social economy framework conditions.

This amendment aims at identifying the social economy among the priorities of the European Competitiveness Fund, in line with the Social Economy Action Plan (2021), the Council Recommendation of 27 November 2023 on developing social economy framework conditions and the [Transition Pathway for the Proximity and Social Economy ecosystem](#) (2022) as part of the [Proximity and Social Economy Industrial Ecosystem](#). According to the [Annual Report on European SMEs \(2025\)](#), the **Proximity and Social Economy industrial ecosystem** represents a major part of Europe's productive base, contributing around **8 – 10% of EU GDP and 13% of SME employment**. It has demonstrated remarkable growth and resilience, with SME numbers rising by 3.2% and employment by 2.5% between 2021 and 2024.

As indicated by the [European Economic and Social Committee \(2025; Opinion ECO/662\)](#), “the next MFF needs a strong Competitiveness Fund to leverage investment in the green and digital transitions by reinforcing the EU's value chains and Europe's open strategic autonomy, supporting all types of enterprises in the EU, from large business groups to SMEs and social economy enterprises.”

- ✓ **Replace the wording “social enterprises” with the term “*Social economy enterprises and organisations*”** in all mentions of in the regulation.

Proposed Amendment

Article 3(1)(g) – General Objectives

*strengthening the competitiveness of SMEs and small mid-cap companies established in the Union and their ability to grow and scale up, in particular by improving their access to finance, including to cooperative and ethical finance, philanthropy and social investment, micro-finance and support to social **economy organisations and***

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enterprises as facilitating access to Union funding, through faster, simplified and harmonised procedures; reducing and ensuring a proportionate reporting burden;

The Social Economy as an EU preference: This amendment **ensures policy and terminological coherence** with EU social economy initiatives (Council Recommendation, Action Plan, Transition Pathway) and broadens the scope of the European Competitiveness Fund (ECF) to include the **entire social economy ecosystem**, not only social enterprises. While the EFC should **recognise the full economic and industrial role** of the social economy - beyond the narrower notion of social enterprises - the Fund should also contribute to reducing territorial disparities by supporting the role of the social economy in promoting **place-based competitiveness**. Social economy organisations are deeply rooted in local and regional ecosystems, providing unique support in rural, remote, and less developed areas. The ECF can strengthen local value chains, promote inclusive industrial transitions, and ensure that no region is left behind in the EU's competitiveness agenda.

- ✓ **The ECF must explicitly recognise the Social Economy's contribution in the EU preference section.** This would strengthen the territorial anchorage of the EU preference article, complement cohesion policy objectives and maximise the Fund's impact on sustainable growth and social resilience across Europe.

Proposed amendment

Article 10

EU Preference

Article 10(3a) (new)

In implementing the EU Preference, the Fund shall promote territorial cohesion and recognise the role of social economy organisations and enterprises as key actors in strengthening local and regional competitiveness and resilience.

Particular attention shall be given to ensuring the Social Economy's participation in projects and investments that contribute to sustainable development, quality

employment, and social innovation in rural, remote, and less developed regions, including the Union's outermost regions.

Business support for the social economy: In addition, Social Economy Europe supports the initiative of integrating an EU for Business Network within the ECF, in which “special support may be granted for access to and the availability of finance for micro-finance, support for social enterprises.” The Union business network's goal is to bolster SMEs and startups to promote their growth, access to Union funding and investments through advisory and partnering services. The EU business network will be part of the Project Advisory established to support the objectives of the ECF, building on the work of the InvestEU Advisory Hub.

- ✓ **Social Economy Europe calls for support provided to all social economy organisations and enterprises, and adds this reference to the article in order to strengthen recognition.**

Proposed amendment

Article 27

EU for Business Network

“EU for Business” Network shall be established to help Union businesses become more competitive and innovate, grow and scale in the Single Market and beyond, with a particular emphasis on SMEs, startups, scaleups and small mid-cap companies, microfinance and social economy organisations and enterprises. The network shall have a Union-wide and geographically balanced coverage, taking into account the specificities of all types of regions in the Union, including the less developed regions and the Union outermost regions.”

Article 28

Business support

(e) increasing the access and the availability of finance for SMEs including microfinance and support to social economy organisations and enterprises, and for small mid-cap companies;

a. Fostering cross-sectoral collaboration and integration of the social economy into all value chains

The creation of the European Competitiveness Fund (ECF), bringing together multiple Union programmes under a single, streamlined framework, represents a major opportunity to foster synergies across sectors and policy areas. By consolidating funding instruments and simplifying access through a unified architecture, the Regulation enables a more coherent, cross-cutting approach to competitiveness that integrates industrial, technological, social, and territorial dimensions. If fully recognised, this comprehensive structure can offer a favourable environment for social economy organisations and enterprises to collaborate across policy windows and to contribute their full potential to Europe's sustainable competitiveness.

By creating mechanisms that allow social economy enterprises and organisations to participate in partnerships, consortia, and value chains alongside traditional industries, research entities, and public authorities, the ECF can foster innovation that is both competitive and inclusive. Enabling such collaboration would ensure that the Fund's investments contribute not only to technological and industrial advancement but also to quality employment, social cohesion, and the just transition.

- ✓ **The Regulation should explicitly enable cross-sectoral collaboration involving social economy organisations**, recognising their capacity to bridge economic, social, and environmental objectives across all policy windows of the European Competitiveness Fund (ECF). Embedding this principle in the Regulation would position the social economy as a key enabler of sustainable competitiveness in Europe.

Proposed amendment

Article 28

Business support

(h) promoting entrepreneurship, including women, youth, and social economy entrepreneurship and the acquisition of entrepreneurial and business skills.

(i) (new) The Fund shall promote cross-sectoral collaboration and the integration of social economy organisations and enterprises into industrial value chains across all policy windows of the European Competitiveness Fund.

b. Targeted Support for Skills, Research, and Innovation in the Social Economy

The Regulation should also ensure that the ECF's support for skills development, research, and innovation explicitly targets social economy organisations and enterprises. These actors play a vital role in providing quality employment, fostering inclusive innovation, and addressing social and territorial challenges, yet they often face barriers in accessing EU programmes designed for larger market players.

- ✓ **By dedicating specific measures and funding streams to the upskilling and reskilling of workers in the social economy**, as well as by promoting research partnerships that strengthen social innovation and community-based business models, the ECF can help unlock the sector's full contribution to Europe's competitiveness. Integrating this focus would align the Fund with the Union's objectives on the social economy, the just transition, and the creation of a resilient and fair European labour market.

Proposed amendment

Article 30

Support for skills development

1. The ECF shall finance activities in support of skills development, in particular in the strategic sectors, building strong links between higher education, vocational education and training providers, applied research and businesses for an agile, innovative and competitive economy. This shall include support for a European Skills Guarantee to support value chain transitions in favour of strategic growth sectors or occupations across the labour market through upskilling and reskilling of the workforce and Vocational Education and Training (VET) partnerships to strengthen cooperation between VET providers and businesses, especially SMEs and connecting them with

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regional industrial ecosystems. **This shall include support for strategic ecosystems for the single market resilience and convergence, such as the proximity and social economy ecosystem, ensuring they are fully embedded into the single market value chains.**

c. From InvestEU to the European Competitiveness Fund: implications for social economy organisations and enterprises

The European Competitiveness Fund (ECF) builds directly on the experience of InvestEU, incorporating its financial mechanisms and governance into a broader, strategic framework for competitiveness. Through the creation of the “ECF InvestEU Instrument” (art 21), the new Fund retains InvestEU’s model of budgetary guarantees, blending, and partnerships with the EIB Group and national promotional banks, while expanding its scope to cover all policy windows of the ECF, from clean transition and digitalisation to health, bioeconomy and resilience. In practice, the ECF functions as an evolution of InvestEU, unifying access to finance under a single rulebook and simplifying procedures across sectors. For social enterprises, this means the continuation and reinforcement of InvestEU’s social investment dimension: access to loans, guarantees, and advisory support will remain available, but embedded within a competitiveness agenda that recognises social enterprises as actors contributing to innovation, inclusion, and the Union’s sustainable growth. If the support provided by InvestEU was significant, the lack of transparency and accessibility has constrained the sector’s capacity to effectively assess its impact on the final beneficiaries.

- ✓ **Social Economy Europe calls for the integration of its recommendations to ensure a [stronger InvestEU program for social economy](#) organisations and enterprises. Namely:**
- Increased transparency by adding more information on operations approved and beneficiaries to the single portal.
- Harmonised requirements and process between - standardised decision process and reporting mechanism, and unify state aid requirements.
- Simplify the application and granting process of InvestEU Guarantees.
- Development of new financial instruments ensuring the availability of equity and quasi-equity financing to strengthen the sustainability, innovation and growth potential of social economy entities.

Proposed amendment

SECTION 2
ECF INVESTEU INSTRUMENT
Article 21
General Framework

5.b. (New) The investment guidelines set out by the Commission shall include harmonised and transparent reporting requirements outlining operations approved, beneficiaries, and intermediaries involved under the ECF InvestEU Instrument. This shall be publicly available through the Union funding portal.

5.c. (New) The investment guidelines set out by the Commission shall define in detail the means to enhance accessibility for microfinance and support of social economy enterprises and organisations.

2. Social Economy represented in the monitoring committees

As the Social Economy represent about 8% of the EU GDP, over 11million jobs across Europe and is active in all sectors of activity, Social Economy Europe requests that the Regulation explicitly ensures the representation of social economy organisations in the governance and monitoring structures of the European Competitiveness Fund (ECF). An effective participation of social economy organisations and enterprises in the monitoring committees must be secured to ensure that the specific needs, financing models, and societal impact of cooperatives, mutuals, associations, foundations, and social enterprises are duly considered in the design, monitoring, and evaluation of ECF programmes. Their intangible added value is another strong argument for their targeted implication in the governance and monitoring structures of the ECF.

- ✓ **Ensure the social economy committee is fully involved in the "committee procedure"**, to guarantee that the Fund effectively supports all economic actors contributing to inclusive and sustainable competitiveness. This should

be done through the participation of Social Economy Europe in the ECF General Committee. Additionally, a social economy committee should be created for specific objectives set out in article 3 (1), point (g) “.

Proposed amendment

Article 83

Committee procedure

1. The Commission shall be assisted by a committee, which shall be the committee within the meaning of Regulation (EU) No 182/2011, and may convene in the following configurations:

(g) (new) Social Economy committee for matters concerning specific objectives set out in Article 3 (1), point (g)

3. Ensure Social Economy and proximity remain a key industrial ecosystem that monitors, in particular, territorial and social cohesion and caters to locally rooted SMEs, which are the backbone of the EU economy



As the Social Economy represent about 8% of the EU GDP, over 4 million enterprises and organizations, over 11 million jobs across Europe and is active in all sectors of activity, and its intangible values are unique and recognised by the EC, ILO, UN and OECD, this ecosystem must remain one of the key EU industrial ecosystems of the new EU Industrial strategy. Indeed, the intangible added values of SE are those that allow social and territorial cohesion, democracy, and a pillar of social protection. All these are essential for a competitive EU based on Made in the EU, and for the defence of the EU values and territories. Furthermore, in times of great change, it is the only economy that brings resilience to communities. In a world in which rapid IT and AI evolutions swiftly transform our societies, our ways of producing and consuming, it is essential to support the only economy that provides strong social added value and allows participatory governance, the only one that can help design the solutions that respond to altogether to economic, ecological and people's needs.

Conclusion

Social Economy Europe supports the European Commission's ambition to strengthen the Union's global competitiveness and stands as a key ally in building an economy rooted in local needs and shared prosperity. The social economy develops solutions for every context — from major urban centres to remote rural areas, from dynamic industries to communities facing structural challenges. As an ecosystem active across all sectors of the economy, including clean energy, sustainable food systems, housing, care, and education, the social economy contributes to both the entrepreneurial and social pillars of competitiveness. Together with the social finance sector — microfinance institutions, ethical and cooperative banks, and foundations — it builds a strategic foundation of Europe's industrial autonomy and resilience.

However, access to EU funding remains a major challenge for many social economy actors. Complex administrative procedures, the absence of tailored financial instruments, and limited recognition of their specific contribution hinder their participation in Union programmes. Strengthening the financial instruments of the ECF and ensuring simplified, harmonised access to its funding streams would enhance the capacity of social economy organisations and enterprises to deliver on Europe's twin green and digital transitions. Closing the persistent social investment gap — estimated at nearly €192 billion per year — and improving access to finance for social economy

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SMEs are essential steps to unlock their full potential for inclusive and sustainable growth.

Social Economy Europe (SEE) is the voice of over 4 million social economy enterprises and organisations across the Europe of all sizes and that operate in all sectors of activity. The network federates the social economy ecosystem and represents the collective interests of all social economy actors as cooperatives, mutuals, associations, foundations, social enterprises, and other social economy legal forms. Social economy enterprises and organisations employ over 11 million persons, mobilize over 250 million association members and cooperators and volunteers.

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About Social Economy Europe

Social Economy Europe (SEE) is the voice of the 2.8 million social economy enterprises and organisations Europe. Created in November 2000, under the name of CEP-CMAF¹, SEE represents the collective interests of all social economy actors as cooperatives, mutuels, associations, foundations, social enterprises, and other social economy legal forms. Social economy enterprises and organisations of all sizes operate in all socio-economic sectors.

As of 2025, SEE has 28 members:



As the main network representing Social Economy ecosystem at European level, SEE holds the co-secretariat of the Social Economy and Services of General Interest Intergroup of the European Parliament², is represented at the Civil Society Liaison Group of the European Economic and Social Committee, is part of the Commission Expert Group on the Social Economy (GECES), is observer member of the United Nations Taskforce on the Social and Solidarity Economy and supports the work of the Luxembourg Monitoring Committee³.

¹ European Standing Conference of Cooperatives, Mutuels, Associations and Foundations

² *European Parliament – Intergroup on the Social Economy and Services of General Interest*, official webpage, available at:

<https://www.europarl.europa.eu/meps/en/intergroup/details/7907/Intergroup%20on%20the%20Social%20Economy%20and%20Services%20of%20General%20Interest> (accessed on 10 October 2025).

³ *Social Economy Europe*, “Institutions we work with”, official webpage, available at: <https://www.socialeconomy.eu.org/our-work/institutions-we-work-with/> (accessed on 10 October 2025).