

## SEE's contribution to EC's consultation on the Performance of the EU budget

Social Economy Europe (SEE) welcomes the opportunity to provide feedback on a Regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities under the post-2027 Multiannual Financial Framework (MFF). The present document addresses thoroughly SEE's contribution around the 3 main following points:

1. Framework for budget expenditure tracking and performance.
2. Horizontal Principles.
3. Intervention fields and indicators.

Finally, a short section about Social Economy Europe might be found at the end of the text.

### Introduction

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 163 million members of cooperatives, 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 SE demonstrates that adequate public funding is essential to ensure its continued contribution to a resilient economy and the welfare of EU citizens.

Social Economy Europe (SEE) welcomes the proposal for a Regulation establishing a budget expenditure tracking and performance framework and other horizontal rules for the Union programmes and activities under the post-2027 Multiannual Financial Framework (MFF). As stated in the regulation, the performance framework of the EU budget refers to the systems and tools designed to ensure that spending delivers the intended results, and to monitor and report on how effectively the EU budget is achieving its objectives. For the social economy, it represents a decisive opportunity to ensure that its contribution to inclusion, social cohesion, green transition, made in the EU (or locally rooted economy) and democratic resilience is visible, measurable, and accessible.

## 1. Framework for budget expenditure tracking and performance

This Regulation aims to establish a single framework for budget expenditure tracking and performance post-2027 MFF in a manner that aims to be simpler, more consistent and less burdensome than what is currently the case.

Simplification, without support, risks leading to unsuitable funding

The *Social Economy Europe's contribution to Multiannual Financial Framework Consultation*<sup>1</sup> contained a clear call for simplification to tackle the “extremely complex” 2021-2027 MFF structure. SEE aligns with the objectives of simplification and less burdensome rules in the post-2027 budget proposal.

In fact, Social economy organisations and enterprises face a disproportionate administrative burden and financial difficulties when accessing EU Funds, just like SMEs. Complex administrative requirements, lengthy reimbursement procedures, and rigid co-financing rules often exclude smaller, not-for-profit entities from participation. To remedy accessibility barriers, targeted measures that combine simplification and adaptation to local needs, such as simplified cost options (lump sums, unit costs, flat rates) and financial support to third parties, enabling micro-grants and cascading funding, have proven their efficiency. This has been demonstrated through the findings of the [Helpdesk project](#) or through the feedback of social enterprises benefiting from financial support to third parties through projects as for example the [GreenBoost4WISEs project](#).

- ✓ **The regulation should enable increased financial and tailor-made non-financial support to make EU funds accessible to social economy organisations and enterprises, in particular small entities** —capacity-building, advisory, and outreach actions. These measures would translate the

---

<sup>1</sup> <https://www.socialeconomy.eu.org/wp-content/uploads/2025/08/Social-Economy-Europes-contribution-to-Multiannual-Financial-Framework-Consultation.pdf>

Regulation's principle of proportionality into real access for social economy entities while maintaining accountability and performance.

Proposed amendment in yellow:

"Article 3 Objectives:

This Regulation aims to strengthen the design, monitoring and implementation of the Union's strategic priorities, reduce administrative burden and increase transparency by:

*(f) increasing accessibility of EU funds for beneficiaries, particularly Micro, Small & Medium Enterprises, from all across economic sectors and from the 14 European industrial ecosystems, including Proximity and Social Economy.*

Article 9 Budget performance monitoring and reporting:

"1. (...) Data shall be collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on recipients of Union funding, *and support mechanisms shall be provided to Micro, Small & Medium Enterprises, from all across economic sectors and from the 14 European industrial ecosystems, including Proximity and Social Economy.* Data shall be collected regularly and stored electronically."

-> Proposed new Annex:

*An annexe VI should be developed to list the financial and non-financial support measures for EU funds accessibility for EU funds for beneficiaries, notably Micro, Small & Medium Enterprises, from all across economic sectors and from the 14 European industrial ecosystems, including Proximity and Social Economy, whereas:*

#### **ANNEX VI**

#### **Financial and Non-Financial Support Measures to Improve Accessibility of EU Funds for Beneficiaries**

##### **1. Financial Support Measures**

**a. Simplified Cost Options (SCOs)**  
*Managing authorities and implementing bodies shall promote the use of simplified cost options, including:*

*i. Lump sums, defined in advance based on transparent cost models;*

*ii. Unit costs, linked to quantifiable deliverables such as training hours or participants supported;*

*iii. Flat-rate financing, calculated as a percentage of the eligible costs to cover indirect expenses.*

*b. Financial Support to Third Parties (Cascade Funding)*

*c. Pre-financing and Interim Payments*

*d. Guarantee and Blending Facilities*

## *2. Non-Financial Support Measures*

*a. Capacity-Building and Technical Assistance*

*b. Advisory and Helpdesk Services*

*c. Model Project Templates and Guidance Material*

*d. Outreach and Awareness Actions*

*e. Monitoring Committees and Co-Design Mechanisms*

*f. Communities of Practice and Peer Learning*

Protect and enhance partnership practices

Moreover, effective involvement of beneficiaries in monitoring committees ensures continuous feedback on proportionality and accessibility, but current practices have shown that formal representation of social economy actors and their representative organisations is inconsistent across EU member states, with some managing authorities merely engaging in a ‘tick-box’ exercise.

**✓ The European Code of Conduct on Partnership Practices<sup>2</sup> should be mainstreamed to all funds of the MFF.**

The European Code of Conduct on Partnership (ECCP) is currently applicable only to shared-management funds (through Article 8 and Annex III of Regulation (EU) 2021/1060 — the Common Provisions Regulation). Because the new horizontal Regulation will apply to all programmes and instruments under the MFF, integrating the ECCP in the regulation would mainstream the partnership principle across every EU spending mode — shared, direct, and indirect management.

---

<sup>2</sup> [https://eur-lex.europa.eu/eli/reg\\_del/2014/240/oj/eng](https://eur-lex.europa.eu/eli/reg_del/2014/240/oj/eng)

Proposed amendment:

*“Article 14 Implementation through plans by Member States – performance monitoring and reporting:*

*6. Member States shall ensure that the preparation, implementation, monitoring and evaluation of plans and programmes under this Regulation follow the principles set out in the European Code of Conduct on Partnership (Commission Delegated Regulation (EU) No 240/2014) or its successor act.*

*The Commission shall promote the application of these principles across all funds and management modes, ensuring meaningful participation of regional and local authorities, social partners and civil-society organisations, including social economy actors and their representative organisations.”*

Ensuring a performance framework that is fit for use by small entities will optimise the impact of the EU budget and help create a harmonised and enabling environment in which the social economy can thrive.

A single-entry point that complements the Social Economy Gateway

Social Economy Europe welcomes the creation of a single website providing comprehensive data on the implementation and performance of the EU budget and on available funding opportunities.

A single-entry point can greatly improve transparency and user access, particularly for smaller organisations with limited administrative capacity. However, this tool must remain beneficiary-oriented and designed around users’ diverse needs, not solely institutional reporting.

- ✓ **The new Single Gateway should therefore complement, not replace, existing sectoral platforms—notably the Social Economy Gateway**—which provide tailored guidance, terminology and examples relevant to specific ecosystems. Interlinking the Single Gateway with such thematic portals will ensure consistency of information while preserving the accessibility and expertise that beneficiaries rely on.

## 2. Horizontal Principles

The horizontal social principle must be backed by adequate funding.

Social Economy Europe supports Article 6 that places “Social Policies” as a horizontal principle, monitored through the expenditure tracking and performance framework, while reaffirming respect for fair working and employment conditions. This provision must anchor social progress at the core of the Union’s budgetary governance and reinforce the EU’s commitment to the European Pillar of Social Rights. By linking funding to compliance with ILO conventions, collective agreements and national labour standards, Article 6 should promote explicitly quality employment, decent work, and social cohesion—principles that are central to the mission and daily practice of social-economy organisations across Europe, and include a guarantee that a significant target of the entire budget should be allocated to social objectives, with an additional target for social inclusion. Delivering on a strong social EU is a shared commitment that should be reflected in a minimum target for social investments across the entire budget.

- ✓ **Mainstreaming the minimum target of 14% on social objectives to the entire MFF budget proposal, and not only to the NRPPs, and including a 40% minimum target exclusively dedicated to social inclusion.**

Proposed amendment

### **Article 6 Social policies**

- 3. (new) Programmes and activities shall be implemented with a view to achieving an overall spending target of at least 14% of the total amount of the budget on social objectives (‘social spending target’) over the entire 2028-2034 multiannual financial framework. 40% of the total amount of spending to social objectives shall be ringfenced for social inclusion.**
- 4. (new) EU programmes and instruments shall contribute to reaching the social objectives target defined in paragraph 3, in order to support the social economy, a just transition, delivering quality jobs and wellbeing to the people in Europe, in accordance with the objectives of art 9 of the TFEU.**
- 5. (new) Where there is insufficient progress towards the social spending target in one or more of the relevant programmes, the Institutions, in accordance**

*with their responsibilities and the relevant legislation, will consult each other on appropriate measures to be taken to ensure that Union spending on social objectives over the 2028-2034 multiannual financial framework corresponds to at least 14% of the total amount of the Union budget.*

6. *(new) Where there is insufficient progress towards the achievement of the social targets in one or more of the relevant programmes, the Institutions, in accordance with their responsibilities and the relevant legislation, will consult each other on appropriate measures to be taken to ensure that Union targets for social objectives over the 2028-2034 multiannual financial framework are achieved.*

The proposed regulation replaces the former system of enabling conditions—which required Member States to have strategic policy frameworks in place—with a set of broad horizontal principles on Climate and biodiversity (art.4), ‘Do no significant harm’ to environmental objectives (art.5), social policies (art.6), and gender equality (art.7). While these principles are essential, they do not provide the same ex-ante assurance that national strategies and administrative systems are ready to deliver effective investments.

Social economy organisations are uniquely positioned to support compliance with the “Do No Significant Harm” (DNSH) principle and to advance gender equality objectives. Rooted in democratic governance and community benefit, they operate on business models that naturally integrate social and environmental value creation. Many social economy enterprises and organisations deliver circular economy, renewable-energy, and sustainable agriculture that directly prevent or mitigate environmental harm, aligning their missions with EU climate and biodiversity goals. At the same time, the social economy’s emphasis on participatory decision-making and fair working conditions fosters gender balance, women’s leadership and inclusive employment pathways. It provides solutions to many EU challenges such as housing, Care and demographic transition, upskilling and reskilling of workers. To sustain this crucial contribution to the Horizontal principles of the regulation (cf Chapter 2), Social economy entities must see their specific social and environmental added value embedded in thematic enabling conditions.

Re-embedding the Social Enabling Condition Within the Horizontal  
Principle of the MFF

**The absence of thematic enabling conditions, including the former social-inclusion framework, may weaken the quality and long-term impact of EU spending and make enforcement more politically sensitive.**

- Social Economy Europe calls for a revision of Chapter 2 “Horizontal Principle”, to reintroduce Thematic Enabling Conditions, as stated in the 2021-2027 Common Provision Regulation, enabling condition 4. “A more social Europe by implementing the European Pillar of Social Rights” (Regulation (EU) 2021/1060, Annex IV), which required a national framework for social inclusion and poverty reduction.

Proposed amendment

*Article 6 Social policies*

**7. new**

*In order to ensure the effective contribution of Union programmes and activities to the implementation of the European Pillar of Social Rights and to promote a more social Europe, Member States shall establish and maintain a national strategic policy framework for “A more social and inclusive Europe implementing the European Pillar of Social Rights”. Progress will be integrated into the European Semester, reviewed and monitored with the Social Scoreboard, and supported by at least one Country-Specific Recommendation, underpinned by the Employment Guidelines and risks assessed through the Social Convergence Framework.*

### 3. Intervention fields and indicators

As pointed out by the Court of Auditors in its review of the performance orientation of the Recovery and Resilience Facility (RRF)<sup>3</sup>, if poorly defined, indicators risk assessing more “implementation progress rather than performance”.

Moreover, the budget design and tracking are likely to be fixed following national level, centralised negotiations, which tend to create barriers for locally driven initiatives. Such an approach favours large-scale infrastructural investments, a pattern that has already been observed under the Recovery and Resilience Facility (RRF). If unchanged, the proposal will weaken social policy implementation and hinder efforts to close gaps.

Social Economy Europe along with over 50 other prominent EU-level organisations, in their [Joint Statement: 100 billion Euros for social spending? The devil's in the details](#), voiced its concern that, unlike in previous programming periods, **no specific budget is earmarked for the European Social Fund (ESF) within the proposed framework**. Instead, a minimum allocation of 14% of the National and Regional Partnership Plans' (NRPP) funding envelope—excluding the Common Agricultural Policy (CAP)—is designated for social objectives, corresponding to an estimated €100 billion.

The proposed coefficient system used to track social spending further dilutes this allocation by counting 40% of social infrastructure expenditure—including construction and renovation of schools, hospitals, student housing, and social housing—within the 14% allocation.

These investments were previously financed through the ERDF. Consequently, the new system attempts to finance a broader range of actions with comparatively fewer resources, undermining the EU's social ambition and risking underinvestment in people and communities.

---

<sup>3</sup> [Review 02/2025: Performance-orientation, accountability and transparency – lessons to be learned from the weaknesses of the RRF | European Court of the Auditors](#)

Therefore, to ensure that performance assessment reflects the true impact of EU spending, it is more important than ever that the indicators should focus not only on quantitative progress—such as the number of projects or participants—but also on qualitative measures and outcomes. Incorporating qualitative and outcome-based indicators for the social objectives will make the performance framework a genuine tool for learning and improvement rather than a mere compliance exercise.

- ✓ **Sharpening the definition of social objectives with a specific social inclusion coefficient that doesn't include climate and environmental, nor defence, nor infrastructure spending.**

The *ANNEX I “Intervention fields and indicators documentation”* should include a specific coefficient for social inclusion. The “SOI” coefficient would calculate the amount of budget of national plans targeted to social inclusion, which shall be a minimum of 35% of the social objectives. Only activities and programmes categorised as policy area (level 1): social and policy area (level 2) social inclusion, would be eligible and would count for 100% of the calculation.

*ANNEX I  
Intervention fields and indicators*

CCM: climate change mitigation

CCA: climate change adaptation and resilience

ENV: environment

SOC:

social

**SOI: Social Inclusion**

Policy area (level 1)	Policy area (level 2)	#	Intervention field	CCM	CCA	ENV	SOC	SOI	Output indicator	Result indicator

- ✓ **Include an indicator tracking the implementation of reforms for the social economy.** This indicator would be fully in line with the Council recommendation for social economy<sup>4</sup>, which calls on Member states to implement national and

<sup>4</sup> COUNCIL RECOMMENDATION of 27 November 2023 on developing social economy framework conditions, (C/2023/1344), [https://social-economy-gacallsteway.ec.europa.eu/council-recommendation\\_en](https://social-economy-gacallsteway.ec.europa.eu/council-recommendation_en)

regional strategies, and report their progress to the European Commission by 2027 and 2032.

Policy area (level 1)	Policy area (level 2)	#	Intervention field	CCM	CCA	ENV	SOC	SOI	Output indicator	Result indicator
Social	Reforms	476	Social economy	0%	0%	0%	100%	100%	<ul style="list-style-type: none"> <li>• Number of laws adopted or entered into force;</li> <li>• Number of policy preparations or evaluations finalised;</li> <li>• Number of stakeholder consultations finalised;</li> <li>• Number of implementing regulations or guidelines in force;</li> <li>• Number of strategies or framework adoption finalised;</li> <li>• Number of public services or processes developed;</li> <li>• Number of TAIEX events organised in support of non-EU countries' public administrations;</li> <li>• Number of TWINNING projects organised in support of non-EU countries' public administrations;</li> <li>• Number of relevant public policies developed/revised and/or under implementation in third countries;</li> </ul>	

- ✓ **Include an output indicator tracking the social economy and social enterprises supported by legal status and by sector.** This indicator would be fully in line with the Council recommendation for social economy<sup>5</sup>, which call Member states to “monitor the development and performance of the social economy by stimulating research and collecting statistics and quantitative and qualitative data in a cost-efficient way” (cf art 22).

Policy area (level 1)	Policy area (level 2)	#	Intervention field	CCM	CCA	ENV	SOC	SOI	Output indicator	Result indicator
Social	Social inclusion	484	Support for social economy and social enterprises	0%	0%	0%	100%		<ul style="list-style-type: none"> <li>Number of enterprises supported – by micro, small &amp; medium, large; by legal status (association, mutual, limited benefit company, cooperative, foundation, etc...), and by sector (care, social, reuse, finance, etc...)</li> <li>Number of participants – by gender, by labour market status, by age and by level of education;</li> </ul>	<ul style="list-style-type: none"> <li>Number of jobs sustained or created in supported entities – by gender; by labour market status, by age and by level of education</li> <li>Increase in employment within supported social economy enterprises;</li> </ul>

Brussels, November 12<sup>th</sup>, 2025

<sup>5</sup> COUNCIL RECOMMENDATION of 27 November 2023 on developing social economy framework conditions,(C/2023/1344), [https://social-economy-gateway.ec.europa.eu/council-recommendation\\_en](https://social-economy-gateway.ec.europa.eu/council-recommendation_en)



## About Social Economy Europe

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.

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 Parliament<sup>6</sup>, 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 Committee<sup>7</sup>.

<sup>6</sup> 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).

<sup>7</sup> 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).

Social Economy Europe  
Square Ambiorix 10  
1000 Brussels  
[www.socialeconomy.eu.org](http://www.socialeconomy.eu.org)  
+32 2 342 07 43