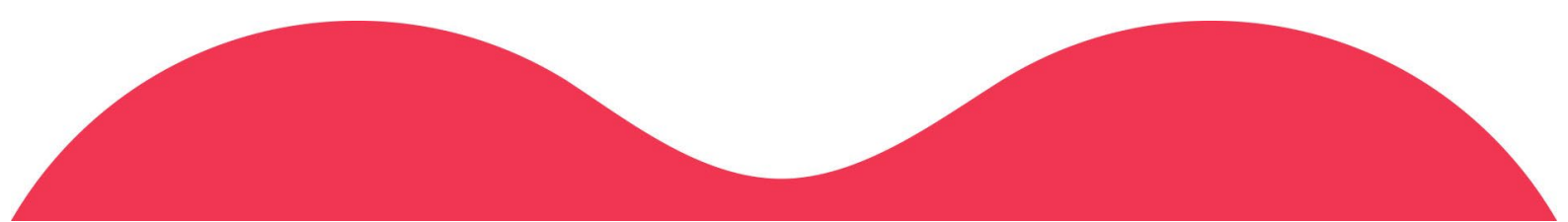


06/05/2025

Response to the "EU's next long-term budget (MFF)" consultation

Philanthropy Europe Association - Philea



Leveraging more philanthropy in the next Multi-Annual Financial Framework (MFF)

Introduction: the MFF and philanthropy

We welcome the opportunity to contribute to the next EU Multi-Annual Financial Framework (MFF) consultation with a view to leverage clear entry points for philanthropy towards common objectives with the EU around an economy that works for people and the planet.

Philanthropic actors can:

- provide expertise and networks and bridges to local level actors that can help move EU policies and support local economic development
- complement EU efforts using their own systems and approaches including trust-based funding, flexible pooled mechanisms and impact investing and social innovation
- share experience from philanthropies testing out new ideas/initiatives;
- use their programme resources as well as their endowments to collaborate (co-invest/co-grant) with the EU in areas of common concern if the right tools are developed
- come in as recipients of EU funding or implementers of EU funding
- anchor more dialogue and participatory approaches and support watchdog functions around the MFF
- use their experience in multi-stakeholder dialogue and collaboration and can access and engage a wide range of actors including CSOs, private sector, government officials, donors etc.

Philea's European Philanthropy Manifesto of 2024 recognises philanthropy as a vital actor in society in supporting democracy, equality, sustainability and solidarity and green and digital transitions in Europe and globally. It calls for an enabling environment for philanthropy to be able to work in partnership with others to address systemic challenges. The MFF provides a timely opportunity to make that partnership and collaboration more tangible, with philanthropy contributing in different ways and roles.



Philanthropic organisations bring unique added value and partnerships to the EU and its MFF through their long-term commitment to move societal issues, their ability to take risks and test out innovative solutions as well as their connections to the local level. As part of the broader philanthropic ecosystem, community foundations are important actors to involve citizens in their communities. Supporting the development of the community foundation field across Europe is an effective investment in capacity at local level to offer civil protection, preparedness and response to crises. Philanthropy infrastructure plays a key role to support and develop the diverse field of philanthropy.

With this note we want to make some recommendations to leverage philanthropy's unique value and foster meaningful partnerships within the EU MFF framework.

Multilevel entry-points for philanthropy

The philanthropic sector is very diverse and philanthropic organisations/foundations have different entry points into the MFF depending on the size, mission and approach of the foundation. Philea provides the latest [data on the institutional philanthropy landscape in Europe](#). Up until now, philanthropic organisations have been considered mostly at the same level as other CSOs and therefore using the same channels to access EU funding and not so much (with of course several exceptions) at the level of co-designers or co-investors.

They play a relevant role as:

A. Co-investors/co-granters/donors/partners

- 1) Co-grant/Co-invest by providing matching funding and other support (financial and non-financial) for other EU applicants
- 2) Co-invest alongside EU funding programmes with grants and support beyond grants (repayable and non-repayable financial support and capacity building support) and (mission related) investments of endowments or a mixture of those

B. Recipients/partners next to other civil society organisations and stakeholders

- 3) Applicants for EU funding mechanisms
- 4) Implementers of EU funding programs

This note summarises recommendations for the partner/donor/co-investor entry for philanthropy and foundations and lists some recommendations on the wider entry for foundations including as recipients alongside other civil society organisations. Points for the latter were developed in collaboration with Civil Society Europe and Social Economy Europe. This note was developed by the Philea [Legal Affairs Committee](#).

A. Suggestions to enable the partner and co-investor role of philanthropy

Working towards more collaboration between foundations and the EU

Over the past years, conversations around opportunities for greater collaboration between foundations and EU institutions have intensified, also involving Philea and its members. Specifically, it has been discussed how EU projects can be co-financed and co-managed by foundations in their respective territories, to ensure a greater degree of proximity to citizens, e.g. through “cascade” regranting activities, within the framework of shared rules and objectives.

EU institutions have shown interest and openness towards this possibility, as shown by the ongoing discussion with EIB/EIF about the creation of dedicated tools within the InvestEU programme, and by the first steps in the direction of co-management and co-financing undertaken via a specific call, within the scope of Horizon Europe Missions (*see below for more details*).

This debate and these first initiatives are in line with the objectives of the European Social Economy Action Plan (SEAP), which foresees the creation of local and regional partnerships (section 3.3 of the SEAP) and the mobilisation of private resources to achieve common objectives (section 4.2 of the SEAP). On this last point, the SEAP confirms that *“the Commission is assessing the launch of dedicated co-investment mechanisms with foundations and philanthropic organisations around target mission areas, with the aim of channelling additional capital towards sustainability, inclusion, social innovation, housing and homelessness, media pluralism, and developing social impact ecosystems.”*

Benefits of collaboration

Foundations and philanthropic organisations facilitate and finance interventions in many areas where EU programmes also operate. They help build project capacities in their respective domains and territories. They

practically support at local level EU values and EU citizenship. They have resources, knowledge, experience and operational capacity that can improve the impact of European programmes at local level. Specific measures to promote their co-participation in the 2028-2034 EU programmes would bring the following advantages:

- 1) **Increasing the amount, the effectiveness and the efficiency** of funds available on European territories, thanks to (1) the joint action of EU and foundations' funds, (2) the focus on common objectives and priorities and (3) the sharing of operational procedures and tools;
- 2) **Getting closer to citizens' needs** and making EU action more impactful at local level. EU foundations are active in specific territorial or thematic areas, have solid governance structures, have a large capital base, have solid track-records and procedures in granting activities;
- 3) **Capitalising at EU level** the experience of foundations and philanthropic organisations in the field of social innovation. These organisations are by nature experimenters in the field of social innovation and are attentive and flexible in adapting to the needs of their respective territories and areas of expertise. Their involvement in EU programmes would allow their most innovative and successful practices to emerge and scale-up more effectively.

A possible model to involve foundations in the co-management and co-financing of EU funds has already been developed by the call [Horizon Europe Framework Partnership Agreement for a European Networked Catalyst Fund for Social Innovation in Support of the Missions](#). This model includes two main distinctive elements:

- 1) The creation of a fund, which pools resources from EU programmes (Horizon Europe) and from philanthropic organisations
- 2) The possibility for foundations to finance projects on their territory, through the creation and management of this fund.

This model for collaboration could be further improved and be used in related EU programmes also of interest to foundations.

How to strengthen this collaboration

Below we provide some ideas for strengthening this collaboration in the context of the EU seven-year programming (2028-2034) building on the ongoing momentum and on the first experiences in this domain:

1. Establish regular dialogue among public and private donors around MFF

We welcome the increased exchange and collaboration among foundations and the European Commission around civic space issues and beyond (research/social/green etc) over the past years and would like to advocate for a regular and further strengthened dialogue and exchange among public and private donors. Such an exchange should include a better overview on who is doing what and how (different ways of working) in different countries on different issues (issue specific and country specific) also with a view to identify gaps and opportunities for collaboration.

2. Create a single entry-point for foundations at the level of the European Commission

We have over the past years seen much more interest and willingness among the philanthropy sector and the European Commission's different DGs to exchange views and collaborate and co-grant and co-invest with the foundation sector around key EU policies and funding programmes. We advocate for a central facility / entry point in the European Commission to support engagement with philanthropy across the DGs to strengthen dialogue and collaboration opportunities. A central facility / entry point equipped with an understanding of modalities and opportunities to collaborate would greatly increase efficiency on the end of both the Commission and the philanthropic sector.

3. Consider foundations as supporters of CSOs and SE organisations with grantmaking and in non-financial terms

Foundations can thematically or regionally support ecosystems for CSOs and SE start-ups. This can be through creating work spaces, shared facilities in specialised equipment. It can also be through skills and advocacy training and training activities for applying for (EU) funds or be through networking and other non-financial support.

Foundations can also support the capacity-building for CSO and SE start-ups for those organisations to be able to apply for EU funding, as well as through a mentoring programme for new applicants.

The next MFF should provide more entry-points for foundations to play the above-mentioned roles.

4. Develop tools for co-investment and co-granting, allowing philanthropic resources and endowments to align with EU priorities in EU financial instruments

The European Commission and EIB Group are looking for co-investors into products developed under InvestEU and beyond - social window//research/other priority areas. Philea and Impact Europe have been discussing this with the European Commission DG EMPL, DG GROW, DG ECFIN and EIF/EIB for some years. We urgently call on the next MFF to provide for one InvestEU type instrument and ensure that philanthropic organisations are brought in from the start to enable co-investments and impact investing approaches. Philanthropy cannot be left out of the co-investment programmes, as they are part of the solution and can - if desired - provide additional and much-needed private capital aligned with their missions.

The tools to be developed should consider that foundations generally have two sets of capital at their disposal: The programme side (grants and in some cases repayable finance), which can take high risk and on the other side the endowment side, which needs to deliver a certain financial return and can hence take less risks.

Following the example of the European Social Innovation Catalyst Fund above to advance EU Mission Objectives, simpler set ups should be developed to enable foundations to co-grant/co-invest with program or endowment money as well as additional resources and expertise. There are also interesting examples stemming from the foundation sector that could serve as an example how to collaborate/co-grant. The European Cultural Foundation (ECF) is collaborating with foundations active at the local/regional level. While the ECF provided the general framework, the local foundations each cover their own territory. ECF also encouraged international partners to come on board and for this initiative to be replicated also by EU institutions.

<https://culturalfoundation.eu/programmes/category/european-culture-of-solidarity>

5. Matching funds for EU applications (grantmaking and in some cases senior or convertible loan) and post- EU fund for EU projects

EU Grants currently only fund 70/90% of the costs of the applicant for the grant part. CSOs have reported to be struggling with this co-funding

requirement. Seeing also that some larger philanthropic donors have been shifting their regional scope or operational approach it seems more and more difficult for CSOs to secure the matching funding. We hence want to support CSOs in their call to reduce or even remove the matching funding part in the new MFF.

If the new MFF will continue with the matching funding requirement, we want to suggest for the EU and philanthropy sector to develop ideas on how to support the "matchmaking" among CSOs and philanthropy. If the matching funding remains a criterion, applicants will continue to seek co-funding for the grant part, either at the application or in the process of the award decision. This co-funding can be seen as a donation, or can in some cases also be considered as a senior loan or convertible loan. Could the EU and philanthropy infrastructure play a support role in "matchmaking"?

6. Consider developing an EU Seal of Excellence (private donors could value and benefit from the due diligence done by the EU)

Many credible CSOs/SE organisations are applying for EU Funding with high quality applications but are not selected for a grant. This demonstrates the need to dedicate more EU Funding towards the support of civil society and social economy's vital work. However, the efforts undertaken by the CSOs to put together the application and the due diligence work undertaken by the European Commission could potentially be of interest to foundations.

We recommend that the European Commission further develops the 'Seal of Excellence' idea to highlight the high quality of a proposal which was not selected for funding. Select parts of the European Commission such as the European Innovation Council seem to already have some experience with the "Seal of Excellence" idea, which could be explored for wider use. At national levels, for instance in Portugal, public institutions are already doing this collaboration with philanthropy.

7. Participating in follow-up funding

Additionally, at the end of the EU projects, organisations may be looking for funding to continue and/ or expand the activities of the project. Some projects are unaware of or don't have access to philanthropic funding; thus the project just ends.

This option addresses the increasingly urgent matter of securing follow-up funding for CSOs essential for Europe's pluralistic societies. We recommend that the European Commission in its MFF also considers exit strategies and potential creation of bridges to philanthropy for follow-up funding. This

should not be to the detriment of providing sufficient funding for civil society and the social economy at large.

B. General considerations on the MFF

A simplification of the MFF

We welcome the European Commission's commitment to make the next EU Budget simpler, more flexible and faster to deploy. Below some recommendations in this regard:

- Simplify access to EU funding for beneficiaries and financial intermediaries since current complexity delays and sometimes hinders access to finance
- Simplify the programmes in consultation with recipients/civil society, and complement them with awareness and support mechanisms including on EU environmental, social and fundamental rights standards
- Ensure that the merging or splitting up of the current programmes is done in a way to uphold objective and thematic coherence and to safeguard the capacity of the programmes to address a wider range of EU objectives and target groups
- Increase awareness of EU funding deployed at the EU versus national levels. National helpdesks could act as one stop shops for guidance on funding deployed at EU and national levels

A strengthened partnership with philanthropy, civil society and social economy

- The MFF should provide for adequate resources to ensure consistency with the upcoming European civil society strategy, and develop a strong accountability mechanism engaging with civil society and other stakeholders in the implementation of the different programmes
- Ensure that the national reform and investment plans under the new MFF are drafted in timely and meaningful consultation with local and regional authorities, civil society and philanthropy and other stakeholders, and that are complementary and consistent with existing planning procedures on transition to climate neutrality, nature protection and restoration, adaptation and just transition efforts, such as the National Energy and Climate Plans, Social Climate Plans, the Prioritised Action Framework and the future National Restoration Plans

- Renew the conditionality for the usage of shared management funds (called 'enabling conditions' in the MFF 2021-2027) to the implementation of EU policy frameworks upholding human and social rights such as the European Pillar of Social Rights and the EU Fundamental Rights Charter, and of international human rights conventions such as the United Nations Convention on the Rights of Persons with Disabilities and the Revised European Social Charter.

An MFF open to the accession countries

- Allow civil society and philanthropic organisations from the accession countries to participate in the different EU programmes as programme countries when suitable agreements with sufficient checks and balances with the relevant Member States are established.

On the Operating Grants and advocacy role of CSOs

- Allocate operating grants, across the different programmes of the MFF, to enable organised civil society participation in dialogue and advocacy on all European policymaking thematic priorities, with a long-term, predictable outlook, ensuring that, when evaluating the activities proposed in the operating grants, no activities or policy outcomes are mandated or banned from the operating grants, as long as they are compliant with EU values enshrined in Article 2 TEU
- Develop a structured mechanism to ensure adequate and regular dialogue and information flow between civil society and public donors on the design and implementation of funding programmes
- Increase the dedicated funding to support the timely and meaningful engagement of local communities, organisations and the public in the implementation of EU funding programmes, including at Member State level.

C. Considerations on the MFF different programmes

With a view to contributing more specifically to the EU programming for the next seven-year period 2028-2034, we highlight the sectors and the EU programmes where the participation of foundations could bring more meaningful added value:

Domain 1: Competitiveness, Single Market, Innovation and Digital Europe

A social and sustainable dimension of the economy

- Ensure that the economic dimension of the MFF also supports policies contributing to sustainable development, social and economic cohesion through quality employment, social inclusion of vulnerable groups, promoting culture and education, investing in research and innovation, the protection of patients and consumers, international cooperation and humanitarian aid, while addressing new challenges and priorities such as climate change, cyber security, rule of law, fundamental rights, equality and democracy all issues foundations are working on
- Strengthen the link between the Rule of Law conditionality mechanism, the country-specific recommendations of the annual Rule of Law report, and the respect of the EU Charter of Fundamental Rights
- Renew the commitment to gender budgeting as an overall principle for the MFF

Under the **Digital Europe programme**, funding should support assistive technologies and the development of accessibility solutions and technologies that enhance the autonomy of persons with disabilities, in full collaboration with impacted communities. Furthermore, funding should also support digital accessibility innovations, upskilling for social service providers and interoperability of assistive technologies with mainstream digital tools, including in the field of volunteering encouraging diversity in participation.

Invest EU and/or Competitiveness Fund - the wider social economy plays a vital role in Europe by addressing social, economic, and environmental challenges while prioritising people and purpose. The current budget of the Social Investment and Skills Window does not meet the objectives of the Social Economy Action Plan and the European Pillar of Social Rights Action Plan. Therefore, we strongly recommend a significant increase in the budgetary allocation for InvestEU, especially the Social Investment and Skills Window within the next MFF. We also call on the Commission to:

- Create a co-investment facility with philanthropy and foundations to enable more foundations to do mission related asset allocation of their endowments in addition to their engagement at the grant/programme level (as was announced in the SEAP)
- Strengthen and expand blending facilities that combine guarantees with grants and other forms of non-reimbursable support and also the role that

foundations can play in this to enhance the impact of InvestEU for social economy organisations

- Diversify the financial instruments available under InvestEU to better meet the diverse needs of social finance providers, including low-cost loan capital options for Microfinance Institutions and other social finance providers
- Actively involve social economy stakeholders and the philanthropy sector in the design and implementation of financial instruments to ensure they are tailored and effective

EU funding must include investments in quality green jobs that guarantee people's and planet's well-being, fostering a real just transition that leaves no one behind. A prospective **European Competitiveness Fund** should strengthen and improve existing EU funds that are providing support for the domestic manufacturing of strategic clean technologies, reducing overlaps and improving coordination between existing funds. A toolbox of financial instruments should be offered from the development to the production scale-up phases. Access for smaller and innovative firms that lack access to funding should be prioritised. Climate and environmental considerations should be mainstreamed under the Fund.

The philanthropic sector can potentially play a stronger role to support such investments with grants and other programme support as well as more mission related investment of philanthropic endowments. We strongly urge an acceleration in the **development of a suitable and daring co-investment facility for philanthropy under InvestEU**. This facility, in collaboration with the European Investment Bank (EIB), National Promotional Banks (NPBs), and other InvestEU implementing partners, would provide innovative products, tools, and funding vehicles. These offerings, based on a co-investing or blended finance approach, would be designed to encourage philanthropic organisations to invest their endowments in mission-related financial instruments while effectively minimising the associated risks. The facility should be open to grants as well as endowments of foundations.

Research & Innovation - we believe that the EU through its different programmes has to keep a strong investment in research and development and also level it up to the new challenges that we are facing. Developing innovative new education and learning experiences by investing in educational research will also be very important (Education for the Future of Europe). The inclusion of AI in Science will also be important to move into the future and keep the competitive angle.

Innovation | Missions of the current Horizon Europe Programme - Innovation has always been a key priority for the EU. Horizon Europe is the largest and most structured of the EU programmes and responds to an extremely wide range of priorities, from "frontier" scientific and technological innovation (its most typical area) to innovation understood in a broader sense (Societal Challenges and Missions). The Horizon programme is generally perceived as "large" and "complex" and is consequently less accessible to actors less specialised in scientific and technological innovation, which may highly contribute to the Societal Challenges and Missions lines of intervention. The collaboration of foundations could contribute to making actions oriented towards societal challenges and social innovation more accessible and widespread. Starting from these considerations, some initial initiatives have been launched (like the "Catalyst Fund for Social Innovation" call) and can be a starting point for introducing dedicated measures in the upcoming 2028-2034 programming period.

More details on the **Cities Mission** and collaboration with foundations can be found in the recently launched Philea and Fondazione Compagnia di San Paolo publication "[100 Climate-Neutral European Cities: Philanthropy's Role in Ensuring a Just and Fair Transition through the EU Cities Mission](#)"

Single Market - The single market is at the heart of the European project. Societal challenges, including the climate and energy challenges, require the Single Market to be built for resilience and to also work for social economy organisations such as associations and foundations.

The MFF needs to secure adequate investment in the development of market mechanisms that are consistent with the EU's environmental and social goals and commitments. EU funding either through direct or shared management should further support small and medium-sized and locally-rooted organisations and social economy actors operating on just and sustainable business models.

Not-for-profit organisations should be covered as a strategic area as part of a well-functioning single market. Due to the lack of a legal framework for not-for-profit organisations to freely operate in the single market, there needs to be funding in the MFF to create a single market for public good. There could for example be the creation of a body (board/agency) composed of representatives of national (tax) authorities that could help overcome barriers to cross-border philanthropy. With respect to **cross-border issues** (donations, activity, cooperation, mobility of registration), it should address simplification, equal standards/best practices of recognition and non-discrimination of not-for-profit

entities. There is ample ECJ case law (Stauffer, Missionswerk, Persche, Commission v Hungary, Jahn, Pfortenhilfe Ungarn e.V. etc.) which has not translated yet into common standards and practices. Coordination of national authorities is needed in absence of common EU legislation. Also, a catalogue of public-benefit purposes that can be found in most Member States could be compiled as a first step to find certain common ground on the European level (which could be derived from the common "public (European) interest" already expressed in article 132 of the Council Directive 2006/112/EC on the Common System of Value Added Tax, which includes, inter alia, freedom of communication and media, health, welfare and social services, education, science, civic engagement, sports, culture, etc. and informed further by common values of article 2 TEU and the Charter of Fundamental Rights (CFR).)

Domain 2: Cohesion and Values

Youth and Citizenship | Erasmus+ and ESC Programmes - The Youth and European Citizenship sector mainly relies on actions for individuals and small organisations, i.e. on the type of intervention and of beneficiaries which are closer to the experience and to the mission of foundations. Synergies exist, in particular on smaller-scale activities, with a flexible and broad thematic scope, open to grassroots or less structured youth organisations: activities that give space to young people and promote their role as innovators and "value creators". The Erasmus+ Youth Participation calls or the ESC30 call for proposals can be a blueprint and an example in this direction. Foundations would bring experience and capacity in addressing young people, in networking among local actors, in intervening on "structuring" issues for the active participation of young people (examples: promotion of "Youth Boards" in organisations and institutions; support for youth start-ups; land access initiatives for young people; etc.). **Erasmus+** is among the most successful EU initiatives, but it needs a larger and standalone envelope to become a true Erasmus for All, with capacity to include people of all ages, situations and backgrounds who wish to be involved.

Youth in Erasmus + and European Solidarity Corps (ESC) - While the total number of youth chapter and ESC grants has risen in the current programming period, this increase has not benefited youth-related civil society organisations and youth organisations as much as other types of organisations.

The **Citizens, Equality, Rights and Values Programme (CERV)** is a cornerstone of the European Union's commitment to democracy, human rights, and fundamental values and a civil society that serves these values. Ahead of the last MFF the EU institutions collectively recognised that building and maintaining strong and vibrant democracies required expanded support and funding and

the creation of the CERV has played a very important role in an increasingly difficult environment for civil society. Given the challenges that democracy and fundamental rights face in the EU and globally, supporting work in this area should be a top priority by the European Commission and European Council for the next years - CERV should therefore be maintained, reinforced and its budget increased also to respond to the needs of candidate countries joining the programme.

Certain key features to be maintained:

- direct management by the Commission to support civil society in often challenging environments
- the re-granting mechanism to enable a variety of organisations to receive support including smaller community level organisations
- dedicated lines to strengthen the implementation of the Charter of Fundamental Rights and the ability of organisations to build their capacity to litigate
- the structure based on Union values of equality and rights including gender equality, citizen's engagement and participation should be maintained but with greater flexibility and interlinkages between the different strands
- actions to support dialogue and participation to ensure a diversity of voices are heard and one avenue is through the framework partnership agreements which enable civil society, organised at the EU level, to collect and channel citizen's concerns towards EU institutions
- the combination of cross-border cooperation and funding local and national initiatives

Areas that need to be reinforced or expanded include:

- while funding to support the development of litigation has been critical, funding for litigation itself should be added
- rapid response funding for inside EU individual human rights defenders (HRDs) and civil society organisations under attack should be considered
- additional funding should be allocated to support the development of a Protection Mechanism for civil society and HRDs within the EU, which should go beyond reactive protection but also an EU Early Warning and Fast Reaction System

- there is a need to build flexibility into grants and calls for proposals to ensure that groups, who are particularly marginalised, targeted by their governments or under attack from non-state actors are able to access funds
- CERV could include philanthropy infrastructure more prominently as a possible beneficiary, in as far as it can help unleash the potential of philanthropy to support the CERV goals
- steps should be taken to simplify the overall administrative burden which remains high despite a number of innovations during the current funding period. These should include clarity around re-granting, lower restrictions on co-funding, restrictions on engagement in different projects and rising costs due to inflation. Given the challenging funding environment for rights and values CERV should cover 90% of the grant - as is the case in other programmes
- a shift to genuine multi-annual, flexible core funding by eliminating the burdensome yearly application and reporting cycle is recommended, where the current FPA structure, modelled as project grants with rigid work packages and deliverables should be revised in dialogue with civil society and informed by the Active Citizens Fund pilots
- enhance civil dialogue to co-design funding policies, ensuring thematic priorities align with emerging needs while improving accessibility, reporting and impact evaluation in collaboration with civil society

With CERV supporting a culture of rights and values and a diverse, vibrant civil society, EU work and funds in other areas will be positively impacted. Thus, CERV is an investment for the whole of the Union and should be preserved and clearly reinforced in the next MFF.

Creative Europe - Culture is a thematic area where European foundations provide an indispensable contribution, especially at local level; where they produce innovation and impact on various cross-cutting themes (youth, inclusion, disability, environment, climate justice, innovation and social economy); with generally little support by the public sector (recently further reduced in several EU countries) and EU funds. The contribution of foundations is fundamental for smaller and less structured non-profit organisations and creative industry stakeholders, who often implement meaningful interventions on a community and local scale. EU programmes (Creative Europe, and other programmes that deal with cross-cutting themes related to culture) tend to be not very relevant and accessible to support this type of interventions, especially in areas such as the performing arts, experimental artistic production and cultural events. Culture is often marginal in the programming of Structural

Funds. This set of reasons creates interesting spaces for collaboration, co-financing and regranting between Creative Europe and funds (and actions) carried out by European foundations and philanthropies, that promote widespread and accessible projects at community level.

Philea supports the call to allocate 2% of the MFF 2028–2034 to support EU cultural and creative sectors and industries, their competitiveness and intrinsic value. Creative Europe should remain a standalone programme with its distinct budget line as part of the Competitiveness Fund. Funding lines such as transnational cooperation projects, European networks, cultural and creative pan-European platforms, transnational mobility, and the European Capitals of Culture should be preserved in the next edition of Creative Europe's Culture Strand. The funding rate in the Culture Strand (currently 60–80%) should be ideally increased to 100%. We also believe that the EU must invest in cultural heritage to strengthen the values-based European narrative which can combat rising extremism and democratic backsliding, help restore people's confidence in the European project, and further help foster civic spaces for dialogue between citizens.

A strong and standalone European Social Fund (ESF+) that protects workers, employment opportunities, mobility and social cohesion

- ESF+ should remain independent and with sufficient resources to continue being a key tool for MS, regions and local authorities to strengthen the European unique social values. We also extend this demand to the European Regional Development Fund. As such, the future ESF should use the European Pillar of Social Rights as guiding principles for its execution.
- The ESF+ priorities should also keep a strong component of **upskilling and re-skilling**, which are essential for the competitiveness of the EU. It should also include **core funding for CSOs**. A truly democratic society needs a vibrant civil society; a balanced contribution compared to the corporate means. CSOs, foundations and other SE organisations should not be seen as interlocutors or final beneficiaries of the Funds; they should also be eligible as implementers/intermediate bodies, allowing for the efficient roll out of multi-territorial operational programmes with social objectives.
- See also the joint statement "[Time for ambition: The EU needs a strong Social Fund to live up to its commitments](#)", led by EASPD (European Association of Service providers and Persons with Disabilities) which gathers as main revindication "A strengthened stand-alone European Social Fund, with increased funds". Sixty-six European-level organisations and more than

two hundred organisations from all across Europe signed this statement, including Philea.

Regional Development & Cohesion - Cohesion policy has a long history of successfully strengthening economic, social and regional cohesion across the EU. As we see an increasing focus on competitiveness, we stress that increasing the social cohesion in the EU is needed to increase competitiveness. For the EU to truly support its regions and communities, the MFF must prioritise regional development and cohesion by reinforcing multilevel governance and strengthening territorial approaches to policy implementation. Funding should be designed with a place-based approach, ensuring that cities, towns, and rural areas have the resources and flexibility to drive their own sustainable growth. Cohesion Policy remains one of the EU's strongest tools for reducing regional inequalities, but it needs to evolve - strengthening cross-border cooperation, expanding bottom-up initiatives and ensuring local governments have a real say in shaping policies that affect them.

It is crucial for the EU budget to prioritise investments in social progress and the reduction of inequalities. Additional resources are necessary to enhance regional and social cohesion. This includes addressing poverty and social exclusion, as well as ensuring that labour market reforms and the digital and green transitions leave no one behind. The partnership principle and shared management has long been at the heart of cohesion policy. Shared management and multilevel governance guarantee the active involvement of regional, local and territorial authorities, social partners and civil society leading to strengthened governance and stakeholder engagement including the national authorities, regional authorities and civil society. This has helped nurture a participatory approach to programme planning, implementation and evaluation.

It is therefore important to maintain the European Code of Conduct on Partnership in the next programming period, ensuring a balanced composition of the bodies tasked to supervise the implementation of the projects, and the representation of civil society from all the sectors affected by cohesion policy, with a specific focus on the groups most at risk of exclusion, such as persons with disabilities, representatives of the Roma community or people with migration experience. A stronger, fairer and more inclusive MFF can empower regions, strengthen democracy and create a more balanced, sustainable Europe for everyone.

Union Civil Protection Mechanism (rescEU) - Organised civil society, including philanthropy, involving paid employees and volunteers, is often on the front line

in civil protection issues at the local level, developing resilience and providing civil protection measures in the face of natural and 'human-made' disasters that impact people's security and safety. The EU Civil Protection Mechanism which aims to reinforce cooperation on civil protection between EU Member States and six Participating States to improve prevention, preparedness and response to disasters should be strengthened. When an emergency overwhelms the response capabilities of a country in the EU and beyond, it can request assistance through the Mechanism. The engagement of properly resourced and prepared civil society organisations including philanthropy in the response should be at the core of the EU policies in this field. CSO representatives should be included in the Union Civil Protection Knowledge Network's board and Capacity Development Pillar working group for a more structured and all-encompassing engagement around disaster prevention and response operations, as well as in the European Civil Protection Pool to empower and better engage CSOs in disaster preparedness, response and recovery in the most appropriate way.

Domain 3: MFF for a just green transition

An ambitious MFF for a just green transition

- Large parts of the future MFF should be dedicated to sustainability, climate and environment-related objectives, with separate funding targets for biodiversity and zero pollution
- Strengthen the Do No Significant Harm (DNSH) principle and apply it across all EU funding instruments, to exclude any direct or indirect EU funding for projects not aligned with the objectives of the Paris Agreement and undermining the EU's efforts to reach a net-zero economy by 2050

Agriculture & Maritime Policy - Current funding should support and scale up community- and citizens-led initiatives, for instance on permaculture, stewardships of the earth and regenerative agriculture, which show that diverse post-growth lifestyles are possible and attractive, offering rich solutions, methodologies and processes for social innovation and the governance of the commons.

Environment and Biodiversity | LIFE Programme - The EU and European foundations agree that environment, natural resources and biodiversity are a shared capital to be protected and promoted. Also in this area, several European foundations are active with their own projects, which intervene (for example) on the care and resilience of the territory and on the nature restoration in terrestrial, aquatic and urban ecosystems. Some foundations

already operate in synergy with the LIFE programme, supporting local organisations in the preparation of quality projects. However, a broader collaboration, which includes (for example) specific co-financing measures for environmental calls for proposals, would allow for greater synergies between interventions on a local scale and interventions on a European scale, and to better involve small local actors, which are less suited to the current structure of the LIFE programme, but which can bring valuable ideas and solutions.

The LIFE programme, including operational grants for civil society organisations, must be safeguarded and reinforced. It contributes to the strategic priorities of the EU, and it has a long and successful history of supporting bottom-up projects that ensure that a variety of 22 stakeholders are able to contribute to the EU's environmental objectives. It plays a fundamental role in ensuring the treaty-guaranteed open, transparent and regular exchange with civil society. The programme is crucial for financing nature and biodiversity, being the only programme that directly finances the most needed actions required for addressing biodiversity loss. EU funding should support and promote collective action led by citizens, since such action is needed to answer the triple planetary crisis.

The **Social Climate Fund** proposed by the European Commission in its Fit for 55 Package is a recognition of the need to compensate low-income households. However, it only aims at temporary support and does not tackle the root cause of inequalities. Emergency mechanisms and social protection will be key to deal with current and future crises and increase the resilience of our societies.

Domain 4: Migration & Border Management

Asylum, Migration and Integration Fund (AMIF) - We believe that AMIF should scale up funding for civil society activities that promote and support the inclusion of refugees and migrants in the EU, regardless of their status. The successor of AMIF should include a strong component on social inclusion of migrants, which ensures their access services and inclusion measures from day one.

We call for increased funds, direct access to AMIF funding for civil society, recognising our role in fostering inclusive communities, countering xenophobia and ensuring accountability in migration policies. Furthermore, AMIF monitoring committees should be reinforced, ensuring a balanced composition, including civil society organisations, safeguarding the independence of the selection process of the CSO representatives, and strengthening their oversight and inquiry powers.

Domain 5: Security & Defence

A human-centred approach to security and defence

- Ensure that funding for security and defence does not come at the expense of the other policies supported by the MFF
- Develop a broader concept of security and defence which includes international development, peace building, active citizenship education and reducing polarisation, conflict prevention, crisis management and civil society preparedness where civil society plays a key role in rebuilding, as well as development policies, in line with the 3D approach: defence, diplomacy, development are intrinsically connected.
- We also consider that the hugely increased income generated by the defence industry could flow back e.g. to support decreasing budgets in development

Security should not be narrowly defined by militarisation or the fight against external threats. Instead, it should focus on safeguarding people's health and well-being and ensuring both individual and collective freedoms and fundamental rights. Key challenges that European democracies face include growing polarisation, precarity and feeling of disempowerment. Efforts to defend democracy should focus on addressing precarity and uncertainty about the future, with the aim of rebuilding people's trust in the institutions and each other. An ecosystem of democratic resilience, with digital & media literacy, human dignity, and civic participation at its core needs to be fostered. Funding programmes should support civil society organisations in counter-radicalisation and reduction of polarisation activities. In addition, investments into cyber security, both for the purpose of elections and beyond elections should be stepped up. Furthermore, culture should become a strategic pillar of the European Democracy Shield. The EU should invest in cultural and civic participation as a strategic pillar for security, resilience and critical thinking, supporting citizens' resilience against authoritarian influence and the erosion of democratic legitimacy.

Domain 6: Neighbourhood & the World

International Cooperation | Global Europe, Global Gateway (GG) and Team Europe - Many of the EU's flagship initiatives in the field of International Cooperation (such as the Global Gateway and Team Europe) are dedicated to the creation of synergies and co-financing mechanisms between different actors. Furthermore, the programming and implementation of interventions in the field of International Cooperation is an exercise that structurally involves

different actors: DG INTPA, EU Delegations in beneficiary countries, institutions and organisations in the beneficiary countries and (especially in recent times) other countries and international donors. The involvement of foundations and philanthropies in the programming and implementation processes of external actions would capitalise on existing tools and initiatives and follow consistently the same logic. Moreover, Philea's thematic group "FIND" (Funders International Network for Development) represents a unique collaborative platform that focuses on new trends and challenges in international partnerships, with the aim of strengthening the dialogue with the EU. FIND can be a privileged interlocutor for the design of system initiatives, which include innovative mechanisms of multi-stakeholder partnerships and matching funds, in line with the recommendations of the European Philanthropy Manifesto.

Foundations can be engaged in the GG in different ways:

1. PROJECT LEVEL: Co-Fund & de-risk, foster innovation, equity and inclusion

Philanthropic organisations can play a vital enabling role by de-risking innovation and crowding in co-investment through flexible and strategic financing. Their ability to absorb early-stage risk, foster experimentation, and prioritise social value creation positions them as natural allies in driving inclusive, bottom-up innovation within the GG framework.

2. PROJECT LEVEL: Enhance quality and participation in GG investments and support to uphold ESG standards

Philanthropic organisations can play a catalytic role in enhancing the quality, inclusivity and legitimacy of Global Gateway (GG) investments by ensuring that civil society and affected communities are actively involved in the planning, implementation and monitoring of infrastructure projects.

3. COUNTRY SYSTEMS LEVEL: Strengthen local ecosystems, build resilience and voice

In many partner countries CSOs face structural barriers to participation: limited institutional capacity, fragmented networks, and inadequate support infrastructure. Philanthropic actors are uniquely positioned to help address these systemic challenges by investing in the "civic infrastructure" that enables long-term, independent, and meaningful CSO participation.

4. ENABLING ENVIRONMENT: Protect and expand civic space

Philanthropies can act as both a protective and enabling force, supporting systemic reforms that safeguard civic freedoms, while also providing urgent

protection and core support to frontline civil society actors engaging with GG-related sectors.

The Global Gateway strategy should be balanced with other approaches to international cooperation. In particular, the Global Gateway Strategy should have effective means to address sustainable development and inequalities. The programmes should dedicate actions to invest in human development sectors, which play a key role in the achievement of the Sustainable Development Goals. Notably it should cover investment in education, health, climate and other policies that strengthen democracy. This goes alongside robustly supporting civil society and philanthropy which plays a crucial role in delivering on all these 26 policies in a socially just manner. Particular emphasis should be placed on supporting local civil society outside of the EU in all its diversity, including through long-term, core funding and structured and systematic dialogue at EU institutions and EU delegations levels. There should be a dedicated consideration of philanthropies as key partners for the global gateway strategy (next to the business and wider civil society and local authorities sector), see also points flagged under B.1.

Community resilience should be a pillar of the EU's external action, insisting on the commitment of the EU in building resilient societies by reinforcing democratic mechanisms, developing accountable and institutions and reinforcing the civic space. Funding to protect human rights and HRDs globally should be scaled up. Investments in digital infrastructure as part of the Global Gateway should be based on equal partnerships and local ownership and should prioritise investments that will support digital inclusion and the reduction of digital divides. Strong standards should be established for the involvement of the private sector, in order to ensure that projects are aligned with development principles, environmental standards and human rights, rather than private sector interests.

Global Europe - Neighbourhood, Development and International Cooperation Instrument Funds for international cooperation should be in line with treaties and international commitments. The EU should continue to step up its support in this area given the freeze of funds by USAID that affects a broad spectrum of civil society organisations with dramatic consequences on the ground globally. The loss of these programmes will leave hundreds of thousands without support and will pose a threat to the security of people in the region.

Common foreign and security policy funding should shift towards a bottom-up approach in conflict prevention, crisis management and peacebuilding policies and operations, in order to have a community-oriented perspective and better

respond to the local security demands. In particular, an integrated approach to conflict and crises, as part of the EU Global Strategy, should be prioritised and involve a more structured involvement of CSOs and regional and local actors as bridgebuilders playing a key role in reducing polarisation and bringing people together. The EU should work closely together with CSOs to design policies for reconstruction and reconciliation in countries affected by conflicts, including for Ukraine's reconstruction.

Conclusion

By prioritising these recommendations in the next Multiannual Financial Framework, the European Union can empower philanthropy to contribute to a more inclusive, sustainable and resilient Europe.

About Philea

Philea - Philanthropy Europe Association nurtures a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. We unite over 7,500 public-benefit foundations that seek to improve life for people and communities in Europe and around the world.

European Transparency Register: 78855711571-12

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Annex: List of relevant Philea papers

2024 Philea new edition of legal country profiles

<https://philea.eu/philea-releases-first-batch-of-2024-update-of-legal-and-fiscal-country-profiles/>

2024 Philea/TGE report on barriers to cross-border philanthropy and foundation work

<https://philea.issueclub.org/resource/removing-obstacles-to-cross-border-philanthropy-the-time-is-now.html>

2024 Note on Enterprise Foundations in Europe – ENEF hosted by Philea

<https://philea.eu/opinions/the-role-of-enterprise-foundations-in-addressing-our-greatest-challenges/>

2025 Philea contribution to the Single Market Strategy 2025 consultation

<https://philea.eu/wp-content/uploads/2025/05/Philea-Response-to-the-Single-Market-Strategy-2025-consultation.pdf>

2023 Philea Policy recommendations – the Manifesto

<https://philea.eu/how-we-can-help/policy-and-advocacy/european-philanthropy-manifesto/>

2022 Philea contribution to the European Commission consultation on a European Association Statute

<https://philea.eu/wp-content/uploads/2022/10/Contribution-to-European-Commission-Consultation-on-European-Association-Statute.pdf>

2021 Philea comparative analysis of foundation laws

<https://philea.issueclub.org/resource/comparative-highlights-of-foundation-laws-the-operating-environment-for-foundations-in-europe-2021.html>

2021 Philea contribution to the Social Economy Action Plan

<https://philea.eu/wp-content/uploads/2021/12/Social-Economy-Action-Plan.pdf>