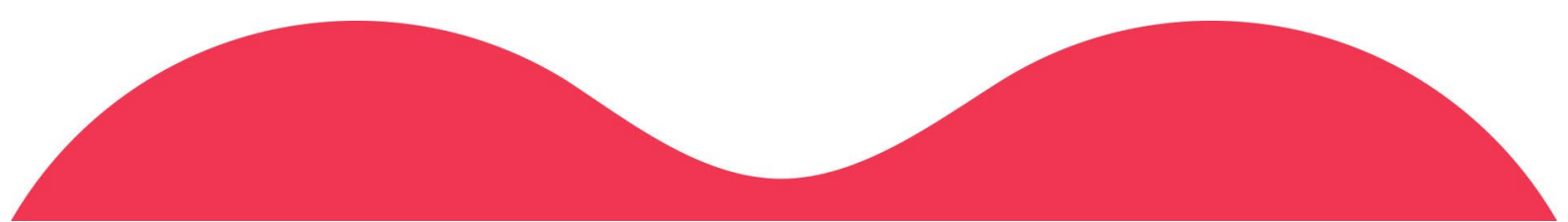


28/9/2026

Philea Legal Affairs Committee recommendations for the next MFF

Philea



Philea Legal Affairs Committee recommendations for the EU MFF – September 2026

Introduction

Philanthropic organisations promote ideas and innovation, convene and build bridges and act as catalysts for new initiatives. Philanthropy plays a key role in supporting civil society, democracy, rule of law and fundamental rights as well as education, young people and disadvantaged groups etc. A unique characteristic of philanthropy is its ability to respond in real time to the critical challenges facing our societies, while simultaneously taking a longer-term view.

The contribution of philanthropic organisations is significant. There are more than 175,000 philanthropic organisations in Europe with an accumulated annual expenditure of €75 billion. The combined assets of European public-benefit foundations amount to over €500 billion. Foundations vary greatly by size, geographical remit and missions. They value their flexibility and autonomy but also working in partnership with others including the public sector and the European Union (EU).

With a view to suggest a better recognition of the role and contribution of philanthropy and foundations in co-shaping a society that works for people and the planet, the Philea Legal Affairs Committee drafted this note to feed into current negotiations of the next Multi Annual Financial Framework (MFF). The Legal Affairs Committee also collaborated with Philea thematic networks and key partner civil society and social economy organisations to draft more specific recommendations on parts of the EU budget.

I. PHILEA'S 3 KEY ASKS

1. BETTER RECOGNITION OF THE ROLE OF PHILANTHROPY AND A MORE STRATEGIC DIALOGUE WITH THE PHILANTHROPY SECTOR.

What we ask for. Recognise the role that Philanthropy and foundations play in moving EU priorities forward and establish strategic dialogue structures with philanthropy around key EU priorities. Fully apply the partnership principle, ensuring that local authorities, civil society organisations (CSOs) and philanthropy are involved in the drafting, monitoring and implementation of structural funds (NRPPs) and EU programmes (Work Programmes).

Rationale. The new MFF welcomes private / philanthropy contributions, but provides no strategic dialogue and no involvement in the design, implementation and evaluation phase. Under the current MFF, foundations are only considered as potential matching

funders: there is no official role, and dialogue and collaboration is only happening on an ad hoc basis.

What needs to change in EU Regulations:

- In NRPPs and national plans: the application of the partnership principle should be made binding. Territorial administrations and CSOs (including foundations and philanthropy representatives) should be involved in the design, validation and implementation of the NRPPs;
- In EU programmes: specific regulations should foresee structured mechanisms to involve philanthropy representatives in the design, drafting and implementation of Annual / Multiannual Work Programmes, as well as in specific cooperation platforms (such as Team Europe Initiatives in Global Europe).

With specific concern to the AgoraEU programme (but not limited to it) the Civil Dialogue Group (previously existing) and the Civil Society Platform (being set up) can become effective platforms to support this key ask.

2. THE CREATION OF DEDICATED TOOLS TO ENABLE COLLABORATION WITH PHILANTHROPY IN THE NEXT EU BUDGET.

What we ask for. Develop specific tools for joint programming, co-financing, co-investing and joint implementation, to enable European philanthropy to strengthen efforts at EU level on social, environmental and CSO related priorities.

Rationale. Co-granting and co-investing between EU philanthropy and EU funds only happens on an ad hoc basis. The lack of specific tools allowing foundations to co-design and participate in EU initiatives as partners of the EU institutions hinders a potential which represents up to 40% of the EU budget and would reinforce EU outreach to smaller and local CSOs. Co-investing initiatives (such as the new Scale up Fund) have been greeted with enthusiasm by both EU and philanthropy representatives. The new MFF calls for PPPPs (Public-Private-Philanthropic Partnerships) but does not foresee dedicated instruments.

What needs to change in EU regulations:

- Individual EU programmes regulations should include dedicated tools for co-investment and co-granting, such as light accreditation systems allowing foundations to use and co-manage EU funds to strengthen their existing funding and action, on key topics and at local level;
- The management of EU programmes and projects is regulated by implementing rules set in a Financial Regulation, currently under review. This ask may be met by foreseeing a new “assigned revenue category” for philanthropic contributions and a Public-Philanthropic Co-Granting Agreement as a new budget implementation modality.

3. AN EU BUDGET THAT CONSIDERS SOCIAL, GREEN AGENDAS AND SUPPORTS CIVIL SOCIETY AND SOCIAL ECONOMY ACTORS.

What we ask for. Maintain an overall budget at a sufficient level (e.g. 1.27% of GNI, excluding NGEU repayments, as in the EP proposal), with specific, dedicated and adequate funding for social, environmental and CSO-related priorities, including ringfenced allocations for former ESF+ and LIFE priorities and a strong AgoraEU.

Rationale. Europe is at a crossroads of major global challenges, but its budget keeps a global level of funding which does not substantially differ from that of the previous years. At the same time:

- It prioritises competitiveness, technology and defence, de facto transforming funding for the social and environmental priorities and related civil society stakeholders into a discretionary option, or into a by-product of competitiveness-related priorities;
- It insists on big programmes, big partnerships and big projects, increasing the competition and make EU funding less accessible to CSOs and less structured local organisations.

Social and environmental priorities and the role of CSOs are at the heart of philanthropic action and should be an integral part of the EU's response to its major challenges. Philanthropic organisations are ready to play their part but need to know that these priorities are not overlooked by EU funding in the upcoming 7 years.

What needs to change in EU Regulations:

- AgoraEU should be maintained as a strong programme (even stronger than as in the position of the European Parliament). It is at the core of the work of CSOs, and of what philanthropic organisations stand for;
- All programmes and funds should ensure that a significant part is allocated to activities carried out by CSOs, with specific provisions to safeguard: 1) the participation of smaller, less structured local organisations (to increase accessibility and avoid concentrating funding in small “clubs” of organisations); and 2) the use of flexible forms of funding (e.g. operational grants and cascade funding) and eligible activities (including advocacy and participation), to ensure that CSOs carry out their most important social functions;
- Bigger funds and programmes should have dedicated, binding subheadings for social, environmental and territorial cohesion priorities vs. others (such as rural, competitiveness and defence). NRPPs may get back to a dedicated ESF+ programming, the European Competitiveness Fund may foresee dedicated windows, specific programmes should preserve dedicated funding for CSO-related priorities (e.g., youth and volunteering in Erasmus, democracy and CSO strengthening in AgoraEU).

II. THE PHILEA ASKS ON SPECIFIC MFF PARTS

a. NATIONAL AND REGIONAL PARTNERSHIP PLANS (NRPPs)

Where we stand. NRPPs account for 44.9% of the total suggested EU budget. The regulation provides an overarching framework for all shared management funds, with objectives, rules on drafting the plans, horizontal conditions, partnership, co-financing, budget etc. Annex VI establishes the official methodology used by EU Member States to measure and track their financial contributions toward social objectives, which references the European Semester and the Pillar of Social Rights. In the EU Parliament, the file is managed by the BUDG, AGRI and REGI Committees that received over 6.500 amendments. The final adoption of the report is expected in December. The Council adopted its initial position in June, the Partial General Approach, which approved the Commission's structure.

Philea's key recommendations.

- A transparent process that philanthropy is involved in, as the regulation and the code of conduct on partnership require. Include a binding and documented consultation of partners, with formal opinion to be provided before the submission of the Plan and of its reports. Avoid defining NRPPs as top-down, with limited relevance and impact for local authorities and the local civil society (which are at the heart of the principle of territorial cohesion).
- Foundations and philanthropic organisations should be included as partners in sections related to partnership and multi-level governance (e.g. Art. 6).
- Best option: carve out ESF and ERDF as dedicated chapters. If this is not possible, at least tie social objectives directly to ESF and ERDF, and name Roma communities, persons with disabilities, migrants, children and the most deprived.
- Raise the social spending target from 14% to 25%, with clear earmarking for social inclusion, material deprivation, homelessness, Child Guarantee, Youth Guarantee and capacity building of civil society.
- Include respect for UNCRPD and the European Pillar of Social Rights in horizontal principles with real monitoring and complaint mechanisms.
- Protect EU Facility funding for social inclusion and EaSI. Continuity for the strand that funds social innovation and grassroots actors.
- Include a general allocation for environmental and climate-related interventions (specific envelope or % of the overall budget). These priorities have been for decades at the heart of EU Cohesion. The new structure heavily dilutes them (low ceiling, wide scope, no clear monitoring or performance systems linked to them).

- Lower co-financing barriers for smaller organisations, with dedicated rates for social priorities so that grassroots and local actors can actually access funding.

b. AGORA EU

Where we stand. Agora EU combines support for three main causes: 1) broadly taken culture; 2) media (incl. audiovisual and video game industries); and 3) democratic resilience, EU values, non-discrimination, violence against women, children and other vulnerable groups, democratic participation & the rule of law. While all are crucial for upholding European integration and democratic societies, it is important that the programme maintains key support for activities aimed at strengthening our democracies and the values underpinning them.

Philea's key recommendations.

- Maintain and strengthen the AgoraEU programme budget at a level of at least that proposed by the Commission (8.582 billion euros, with the possibility of increasing it in line with the European Parliament's proposal to 10.72 billion) and broken down by component as follows: CERV 40%, Creative Europe 20%, Media+ 35%, with the remaining 5% allocated flexibly among various objectives as needed). We also need a provision ensuring that a minimum of 85% of the budget in CERV is allocated to activities carried out by civil society organisations.
- Ensure that the allocation of programme funds is as flexible as possible and accessible to the widest possible group of organisations. This can be achieved by introducing funding in the form of operational grants, allowing for the transfer of financial support to third parties through intermediary organisations (regranting) across all program components, and eliminating the co-financing requirement for activities under CERV (incl. for regranting funding modality – a very important point for many foundations that may become cascading grants operators). It is also important to consider the indexation of lumpsum and multi-year grants.
- Organisations should be able to use program funds to carry out their most important social functions, including ensuring the quality of legislation, including at the EU level. Therefore, advocacy activities and structured CSOs participation should be explicitly included in the list of activities supported by the programme.
- Reinstate the Civil Dialogue Working Group for operating within the CERV programme in the AgoraEU Regulation.
- The role of foundations with expertise/local rooting/complementary funding/co-funding/co-granting should be highlighted and reference should be made to the already considered more strategic dialogue among public and philanthropic donors

on civic space. Co-granting and co-programming tools with philanthropic and other donors should also be developed.

- Explicit mention of co-funding levels is needed, including for regranting funding modality – this is a very important point for many foundations that may become regranting/cascading grants operators. The above proposal of revising the Financial Regulation may go in the same direction.

c. European Social Fund

Where we stand. The Commission proposal for the European Social Fund regulation is very limited, including only nine articles and broadly referring to the NRPP regulation. It has neither clear objectives, nor thematic concentrations, and instead, includes only some provisions on addressing material deprivation, social innovation, demographic transition, and on partnership. In the European Parliament, the file is under the EMPL Committee, which published its draft report calling for a carving-out of the ESF from NRPPs, a budget allocation of 124 billion euros and thematic concentrations of 30% for social inclusion, 5% for the Child Guarantee, 5% for addressing homelessness, 15% for youth guarantee, 5% for addressing material deprivation, and an appropriate amount for capacity building of civil society and social partners. The Partial General Approach of the Council was adopted in June. It keeps the ESF as part of the NRPP architecture with no thematic concentrations, while adding stronger definitions and safeguards (dignity for the most deprived, GDPR protections, UNCPRD-anchored disability rights).

Philea's key recommendations.

We are supporting the European Parliament position, in terms of carving out, allocation of 124 billion euros and thematic concentrations.

d. Budget Expenditure Tracking and Performance Framework

Where we stand. The Budget Expenditure Tracking and Performance Framework is also relevant as it indicates which areas will be counted as social spending to reach the 14% target within the proposal. Annex I lists 543 intervention fields, grouped under 18 policy areas. Every intervention field is linked to one or more indicators and assigned a coefficient of 0%, 40% or 100%, representing its estimated contribution to four horizontal objectives: climate mitigation, climate adaptation and resilience, environmental protection and social objectives. In the Parliament, the file is under the BUDG and CONT committees. They are receiving amendments until 29 September, and expect a vote in the Plenary in December. The Council adopted its preliminary position in June, broadly supporting the Commission proposal. It also proposes eight new intervention fields.

Philea's key recommendations.

- Stronger reference to the Pillar of Social Rights and UN Convention on the Rights of Persons with Disabilities.

- Partnership Principle to be extended to all the EU Funds (including philanthropy more clearly in partnership principle – see above under NRPPs).

e. ECF (EUROPEAN COMPETITIVENESS FUND)

Where we stand. The ECF is one of the largest components of the proposed 2028-2034 MFF, accounting for more than 20% of the overall EU budget and bringing together a wide range of existing programmes, with the aim of strengthening EU competitiveness, resilience and technological leadership. It is structured around four policy windows: clean transition and industrial decarbonisation; digital leadership; resilience, security, defence and space; and health, biotech, agriculture and bioeconomy. It is closely linked to the next Framework Programme for Research and Innovation (FP10, i.e. Horizon Europe), with several instruments designed to create synergies between research, innovation, scale-up financing and industrial deployment. It may become a major vehicle for public-private co-investment and mission-oriented innovation. In the Parliament, the file is under the responsibility of the ITRE Committee, which published its draft report in April 2026 and is expected to adopt its position later this year. The Council adopted its Partial General Approach in June 2026, broadly supporting the Commission's architecture, while strengthening the role of Member States in governance and putting even greater emphasis on SMEs, private investment mobilisation and synergies with other EU programmes.

Philea's key recommendations.

- Ensure the Fund explicitly recognises philanthropic organisations as strategic partners in public-private cooperation, alongside public authorities, businesses, investors and research actors. Philanthropy should be eligible to participate in partnerships, Joint Undertakings and other collaborative implementation mechanisms, reflecting its distinctive role as a mission-driven investor, grant-maker and innovation enabler.
- Strengthen the social and environmental dimensions of competitiveness by providing dedicated allocations and visibility for social innovation, social inclusion, youth, employment, disability rights, vulnerable groups, climate action and nature protection. Europe's long-term competitiveness depends on social cohesion, environmental sustainability and resilient communities.
- Introduce structured and transparent consultation mechanisms for the preparation of Work Programmes, ensuring the meaningful involvement of CSOs and philanthropic actors. Consultation should take place before the adoption of priorities and funding allocations and be adequately documented.
- Ensure that governance structures include the voice of civil society and philanthropy. The Strategic Stakeholders Board should have a stronger role in shaping priorities and work programmes, with mandatory representation of civil

society and philanthropic organisations, or alternatively through a dedicated Civil Society Advisory Board.

- Promote co-investment, co-funding and blended-finance approaches that allow philanthropic organisations to leverage their resources and expertise alongside EU funding in support of innovation, resilience and public-interest objectives.
- Recognise social innovation as a cross-cutting driver of competitiveness and include dedicated support for experimentation, scaling-up, capacity-building and the transfer of innovative solutions developed by civil society, social economy actors and philanthropic initiatives.
- Ensure that programme design and implementation reflect a broad understanding of competitiveness that integrates economic performance with social resilience, democratic participation, territorial cohesion and environmental sustainability.

f. GLOBAL EUROPE

Where we stand. Global Europe is the EU's main external action instrument for 2028–2034 and a central vehicle for implementing the Global Gateway strategy. Its regulatory architecture is being negotiated now, while detailed programming and implementation arrangements will be developed subsequently.

Philanthropy's engagement with EU external action has so far remained largely ad hoc. Existing instruments do not provide a clear, systematic pathway for philanthropic organisations to engage as strategic co-financing, co-investment, or implementation partners. Collaboration has therefore tended to be constructed case by case.

At the same time, there is growing momentum. Foundations are exploring association with Team Europe initiatives, including through Investing Young Business for Africa (IYBA); dialogue is developing around other Global Gateway initiatives and sectors; and DG INTPA is increasingly engaging with the Philea Funders International Network for Development (FIND) and philanthropic networks as strategic counterparts. What is still missing is a clearer partnership architecture that enables this engagement to become more systematic and scalable.

Philea's key recommendations.

- **Recognise philanthropy as a strategic partner in Global Europe.** The Global Europe framework and its implementing arrangements should explicitly enable philanthropic organisations to participate, where appropriate, as co-financing, co-investment and implementation partners alongside public development actors and financial institutions. Eligibility and oversight arrangements should be proportionate to the nature of the partnership and the financial risks involved.

- **Institutionalise structured EU–philanthropy dialogue under Global Europe.** Global Europe should establish a structured dialogue mechanism between DG INTPA and representative philanthropic networks, enabling early exchanges on strategic priorities, programming, Global Gateway investment pipelines, implementation learning and potential areas for collaboration. Engagement should take place upstream, before programmes and investment opportunities are fully designed.
- **Develop differentiated pathways for co-financing, co-investment and joint implementation.** Global Europe should provide dedicated tools that allow foundations to contribute resources, expertise and catalytic capital alongside EU funding. This should include lighter co-financing and co-investment modalities, as well as the possibility of exploring indirect-management arrangements for philanthropic organisations that meet the required governance, accountability and financial-management standards.
- **Enable philanthropic capital to participate in blended-finance and guarantee structures.** The successor to EFSD+ should provide clear pathways for philanthropic organisations to contribute catalytic and risk-bearing capital alongside EU guarantees and development finance. This could include first loss, subordinated or other appropriate structures, particularly in fragile and underserved contexts where philanthropic capital may complement the risk appetite and investment horizon of public development finance institutions.
- **Create a recognised pathway for philanthropic participation in Team Europe initiatives and Global Gateway partnerships.** Building on emerging experience, including the IYBA pilot, Global Europe should allow philanthropic organisations to associate with relevant Team Europe initiatives and contribute funding, technical expertise, networks or catalytic capital under a clearly defined partnership modality. Similar approaches could be explored in other sectors where foundations already bring relevant experience and resources.
- **Use emerging EU–philanthropy partnerships as proof of concept.** Current and emerging pilots involving the EU and philanthropic networks should be used to test practical solutions for co-financing, governance, accountability and complementarity between EU and philanthropic resources. Lessons from these pilots should inform Global Europe's implementing arrangements and, where necessary, future revisions of the Financial Regulation.
- **Ensure that Global Europe engagement with philanthropy also supports locally led development.** Partnership mechanisms should not focus only on large European foundations as additional sources of capital. They should also help connect European philanthropy with local philanthropic organisations, community-based funders and locally rooted actors in partner countries, strengthening local ownership and locally led approaches.

About Philea

Philea nurtures a diverse and inclusive ecosystem of foundations, philanthropic organisations and networks in over 30 countries that work for the common good. With individual and national-level infrastructure organisations as members, it unites nearly 9,000 public-benefit foundations that seek to improve life for people and communities in Europe and around the world. Philea galvanises collective action and amplifies the voice of European philanthropy, and is committed to enhancing trust, collaboration, transparency, innovation, inclusion and diversity.

The Philea Legal Affairs Committee guides Philea's policy work with a focus on promoting an enabling environment for philanthropy, including good dialogue and collaboration opportunities with the EU.

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European Transparency Register: 78855711571-12