

European Social Fund 2028–2034

CONTEXT

On 16 July 2025, the European Commission published a set of proposals outlining the multiannual financial framework (MFF) for the 2028–2034 programming period. Among them is the proposal for a regulation establishing the European Social Fund, the main EU tool to support social and employment policies.

LEGISLATIVE PROPOSAL

[2025/0239\(COD\)](#) – Proposal for a regulation establishing the European Social Fund as part of the National and Regional Partnership Plan set out in Regulation (EU) [...] [NRP Plan] establishing conditions for the implementation of the Union support to quality employment, skills and social inclusion for the period from 2028 to 2034 – [COM\(2025\) 558](#), 16 July 2025.

NEXT STEPS IN THE EUROPEAN PARLIAMENT

For the latest developments in this legislative procedure, see the Legislative Train Schedule: [2025/0239\(COD\)](#).

IN THIS BRIEFING

- Main points of the proposal
- Parliament's position
- Positions of other EU institutions
- Points of view



Main points of the proposal

On 16 July 2025, the European Commission published a set of proposals outlining the **multiannual financial framework** (MFF) for the [2028-2034 programming period](#). The proposed MFF's overall setup differs substantially from the 2021-2027 MFF.

In terms of **structure**, there would now only be four thematic headings. The first heading, '**Economic, social and territorial cohesion, agriculture, rural and maritime prosperity**', would regroup various current structural funds, which would be merged into one: the 'European Fund for Economic, Territorial, Social, Rural and Maritime Sustainable Prosperity and Security', also referred to as the **National and Regional Partnership Fund** (NRP Fund), set out in the proposed [NRPP regulation](#) and its [annexes](#). The budget **delivery** model would change, too. Building on the lessons learned from the [Recovery and Resilience Facility](#), the focus would be on objectives-based delivery, with milestones and targets, ex-ante costing and 'financing not linked to costs', and a new performance framework.

The NRPP regulation would bring together 14 existing funds that are currently implemented with Member States under shared management,¹ and cover areas such as agriculture, cohesion, migration and social policies. Each Member State is to prepare a single **national and regional partnership plan** (NRPP) in support of all these policies. In their plans, Member States should set out their agenda of reforms, investment and other interventions. To link this planning to the [European Semester](#) monitoring framework, each plan would have to address 'all or a significant subset of challenges' identified in the relevant [country-specific recommendations](#). Member States would prepare – and later, implement – their NRPPs **in partnership**, with partners including **regional and local authorities**. The prepared plans would be submitted to the Commission which, upon favourable assessment, would make a proposal for a Council implementing decision.

The proposed **European Social Fund** ('proposed ESF') – officially, the [proposal](#) for a regulation establishing the European Social Fund that sets conditions for the implementation of the EU support to quality employment, skills and social inclusion for the period from 2028 to 2034 – is one of the nationally pre-allocated funds² grouped under the NRPP regulation and delivered through the NRP plans (NRPPs). As one of the sectoral proposals, the legal text itself is brief (nine articles). It outlines the ESF support for social innovation, demographic transition and addressing material deprivation. There is **no specific article on budget** or methodology to determine concrete levels of contribution to social objectives. For these and other aspects, the proposal refers to the proposed NRPP regulation, which is to be the 'single rulebook' for all funding under the NRP Fund.

The proposed ESF, to be implemented within the NRPPs, would complement the objectives of the overarching NRPP regulation with socially oriented policy elements. It would support the **general objectives** of quality employment, education and skills and social inclusion; contribute to a socially fair transition towards climate neutrality; protect and strengthen democracy in the EU; and uphold EU values. It would also support a set of **specific objectives**, in particular upskilling and reskilling, fighting poverty and homelessness, and, newly, addressing the challenges of demographic change, and social and affordable housing. All funds under the NRPP regulation must respect the rule of law and the Charter of Fundamental Rights of the EU (the **horizontal principles**).

In terms of **budget**, the total [financial envelope](#) proposed for NRPPs (Article 10) for the 2028-2034 period is €865.1 billion in grants, in current prices (or €771.3 billion in 2025 prices). An additional €150 billion in current prices would be available for **loans** (or €134 billion in 2025 prices). EU support would come on top of national public funding to implement the NRPPs. In light of past experience

with adopting MFFs, the budgetary arrangements outlined by the Commission need to be understood as a starting point for interinstitutional negotiations.³

The NRPPs would include a **target of at least 14 % of spending dedicated to social objectives** (excluding agriculture and fisheries and the Social Climate Fund but including the EU Facility, see text box below). This percentage would be calculated by using the coefficients established in the [proposed performance regulation](#). According to the Commission, this would amount to **at least €100 billion** in grants and loans for social objectives and social investment. The final amount, however, would largely depend on the specific mix of social objectives Member States decide to support.⁴

[Annex VI](#) to the proposed NRPP regulation would establish the **methodology** to determine the contribution to social objectives. Social measure would concentrate on four priorities:

- 1 promoting social inclusion and socioeconomic integration;
- 2 providing food and/or basic material assistance;
- 3 addressing child poverty and implementing the [Child Guarantee](#);
- 4 combating youth unemployment and implementing the [Youth Guarantee](#).

Member States are expected to negotiate indicative amounts with the Commission bilaterally.

Comparisons with the current [European Social Fund Plus](#) (ESF+) are difficult to draw, as the programme scopes are not identical, the numbers are given in different prices, and implementation is still ongoing. By way of indication, the initially approved financial envelope for the 2021–2027 period amounted to €88 billion (in 2018 prices). The most recent programming document available ([DB2026 Statement of Estimates](#)) translates this initial allocation to €98.5 billion in current prices and, following adjustments, sets the currently estimated level of ESF+ funding at €95.8 billion in current prices. Funding is mainly disbursed based on costs incurred. Although most of the financial envelope falls under [shared management](#) with nationally pre-allocated envelopes, a small envelope – the Employment and Social Innovation strand ([EaSI](#)) – is under [direct management](#), without nationally pre-allocated envelopes.

The current [ESF+ Regulation](#) includes **earmarking** that goes beyond the obligation to address the challenges identified in the country-specific recommendations.⁵ In the proposed ESF, specific types of investment would be listed in the introductory part (recitals 20–24), while the legal body of the text would not comprise any fixed thematic concentration requirements (percentages).

Although support for the social economy was a dedicated ESF+ objective, it is not mentioned among the proposed NRPPs' social specific objectives – only under the EU Facility.

The EU structural funds for 2021–2027 are mostly based on real costs (reimbursements on the basis of beneficiaries' expenditure). The current ESF+ already uses some simplified cost options, such as unit costs, lump sums and flat rates. With the proposed MFF's general shift towards performance budgeting, lessons learned from this experience might prove useful.

Social spending outside the proposed ESF

A new **EU Facility** to increase flexibility and cater for unforeseen crises would be set up under the NRPP regulation, with a proposed envelope of €63.2 billion in current prices (€56.3 billion in 2025 prices). The facility would support EU-level action – in the form of grants, budgetary guarantees or financial instruments – that would be formulated in the context of annual and multiannual work programmes. Resources allocated to social innovation would count towards the overall objective of 'at least 14 % of spending on social objectives'.

The [European Competitiveness Fund](#) would support actions addressing skills shortages in strategic sectors through life-long learning, education, training projects and apprenticeships. No specific amounts are earmarked for these actions in the Fund's budget.

The [Erasmus+ programme](#) would support sport and youth initiatives across Europe, promote cross-cultural collaboration, personal development, and community engagement. This funding would not count towards the 14 % target, as it is outside the NRP Fund and would have a separate envelope, proposed at €40.8 billion in current prices (€36.2 billion in 2025 prices).

Framework for parliamentary scrutiny

The European Parliament would be in a weak position to influence budget implementation in support of social objectives, as the NRPPs' content would be negotiated bilaterally between Member States and the Commission. In the absence of specific thematic concentration (percentages), the scope for parliamentary scrutiny and oversight might be limited.

MEPs from different political groups have [criticised](#) the Commission's MFF proposal for its 'national plans approach'. Several political groups called for an amended proposal, to ensure Parliament's democratic oversight and scrutiny over the MFF, including the national plans. In reaction, the Commission proposed amendments to the MFF package, which the President of the Commission, Ursula von der Leyen, addressed in her [speech](#) to plenary on 12 November 2025. As regards social objectives, the 14 % target for social investment in the plans would be maintained. The 'steering mechanism' proposed by the Commission might potentially give a stronger voice to Parliament in setting the priorities for annual budget allocations. The Commission promised to put forward a more detailed budget nomenclature. This might bring more transparency, including to the visibility of individual funding components under the NRPP regulation.

EU Facility

Among the 'Union actions' (Article 31 of the proposed NRPP regulation), the EU Facility would promote **social innovation** and foster evidence-based **policy-making** in the areas relating to the implementation of the [European pillar of social rights](#), under direct or [indirect management](#). In the 2021–2027 MFF, these types of measures are implemented through the Employment and Social Innovation strand (EaSI) of the ESF+.

The facility would also support microfinance, social enterprise finance, the social economy, social infrastructure and social and student housing, health and long-term care, and inclusion and accessibility, all under indirect management. Such measures are currently implemented through the social policy window under [InvestEU](#).

Source: [Annex XV](#) to the proposed NRPP regulation.

Parliament's prior position

Over the years, Parliament has helped to [shape the ESF](#). For instance, through **amendments to the 2021–2027 ESF+**, Parliament secured ringfencing for more funding for food and material aid, adequate funding for capacity-building for social partners, and safeguards to ensure that projects funded by EU money fully respect fundamental rights.

In its [resolution of 11 March 2025](#) on the **ESF post-2027**, Parliament called for a strong, reinforced and separate ESF+, with an increased budget. It called on the Commission to respect the partnership principle at EU level, prevent the exclusion of smaller actors, and involve civil society organisations in the ESF+ Committee. It urged the Commission to raise the earmarking of ESF+ resources for tackling child poverty to at least 5 %, for the Youth Guarantee beyond the current 12.5 %, for social inclusion beyond the current 25 %, and for food aid and basic material assistance for the most deprived to 5 %, in response to rising living costs.

In its [resolution of 7 May 2025](#) on a **revamped long-term budget**, Parliament recalled the importance of the EU's social dimension and the role of the EU budget in reducing inequality, poverty and social exclusion, including by supporting children, families and vulnerable groups. It reiterated its request for a dedicated budget within the ESF+ to support the Child Guarantee, and cautioned that defence spending must not come at the expense of social and environmental cuts. Parliament considered the 'one national plan per Member State' approach inappropriate.

To prepare **Parliament's position on the proposed ESF**, the Committee on Employment and Social Affairs (EMPL) is taking the lead on the ESF file, with opinions expected from the Committee on Regional Development (REGI), the Committee on Culture and Education (CULT), the Committee on Women's Rights and Gender Equality (FEMM) and the Committee on Budgets (BUDG). In the NRPP regulation file ([2025/0240\(COD\)](#)), EMPL is among the opinion-giving committees.

Positions of other EU institutions

In May 2025, the **European Committee of the Regions** (CoR) adopted by unanimity a [resolution](#) on the EU long-term budget post-2027, warning that only decentralised long-term investment can tackle present and future challenges in Europe.

The **European Economic and Social Committee** (EESC), in its [opinion](#) of 30 April 2025, recommended that funding be targeted at larger programmes, while at the same time, the European Social Fund 'should not be neglected, but rather reinforced and streamlined' to implement the European pillar of social rights action plan. The EESC called for genuine simplification, rather than mere consolidation, of existing rules, and for replacing the funding model of expenditure-linked financing with a model based on programmes' expected performance and impact. Obligations to spend minimum proportions of the budget on mainstreamed goals – including gender equality, youth and the Sustainable Development Goals (SDGs) – were considered vital for social transformation.

The **European Court of Auditors** (ECA), in its 2024 [special report](#) on double funding from the EU budget, warned against the increased risk of double funding resulting from the RRF mode of financing not linked to costs – which has already been used in the ESF+ and could become the new MFF's *modus operandi*. The ECA found the risk of double funding to be both higher and difficult to

detect, and their recommendations seek to avoid that simplification comes at the expense of accountability.

Preparation of the proposal

The Commission website monitoring the [performance of the ESF+](#) affirms that, by the end of 2024, ESF+ implementation was on track across the selected core performance indicators. The website offers concrete examples of achievements. The Commission Joint Research Centre (JRC) analysed (solely) the [ESF's impacts](#) on education outcomes, concluding that the programme has effectively improved the education outcomes of individuals participating in its programmes. The authors found positive and significant effects in 44 % of the cases, with 43 % of results being insignificant, and as little as 13 % negative and significant.

A 2025 [study](#) analysing the challenges and impacts to a social and inclusive Europe in the next decade, prepared by the [Centre for European Policy Studies \(CEPS\)](#) for the European Commission, insisted that policies are needed that strengthen social dialogue and promote the sustainable development of inclusive societies, to ensure that the opportunities presented by future transitions are shared broadly and prevent the risk of deepening inequalities.

A [preparatory study](#) on future EU funding in the areas of employment, skills and social inclusion, prepared by EY for the European Commission, interviewed 285 stakeholders, collected 81 survey responses, and organised four focus groups. Stakeholders agreed that the areas that deserve attention are administrative complexity; persistent barriers for vulnerable groups in accessing funding; a rigid programming architecture; a limited focus on results; the need to ensure the sustainability of interventions; and limited involvement of local actors. As main policy challenges, they identified unemployment among vulnerable groups (including young people), barriers in accessing essential services (including housing), and the need for workforce upskilling and reskilling. The changes needed to improve EU funding include enhancing managing authorities' administrative capacity, streamlining fund management procedures, and improving coherence and synergy between different EU funding instruments.

In an open [public consultation](#) on the next MFF (12 February to 7 May 2025), stakeholders broadly agreed on the need for simplification, greater flexibility, and support for all regions based on their specific needs. Respondents saw 'labour and skills shortages, the need for upskilling and reskilling, and the unpreparedness of education and training systems for the 21st century' as significant challenges. Other issues often highlighted were equality and inclusion, the rights of people with disabilities, and migration and asylum management (in the context of addressing labour shortages).

The Commission [impact assessment](#) (IA) of the NRPP regulation considered several options for the design of the partnership plans; however, this had no bearing on the ESF, which was included in the plans under all options considered. Summarising the public consultation outcomes, the IA found broad consensus on the importance of maintaining the principles of partnership, subsidiarity and cohesion, while making the EU budget more accessible, responsive, impactful and better aligned with long-term transformation needs. Views among citizens and public authorities were similar, in terms of both the challenges perceived and the policy priorities to be addressed.

Points of view

Stakeholders and experts commenting on social-related spending under the proposed MFF agree that the ESF would be significantly weakened. There is a shared concern that the shift to centralised national plans, prepared under tight timelines, risks reaching fewer stakeholders, and that in the absence of concrete earmarking to specific social areas, the money would not reach those most in need.

A November 2025 [analysis](#) by **Heinrich-Böll-Stiftung** pointed out that the 14 % target lacked the precision necessary to ensure targeted investment. According to the analysis, the fact that social objectives have been modified and include new elements (such as the demographic transition and affordable housing) complicates the comparison with the current framework and risks crowding out investment in other areas if it is counted towards the same target of 14 % spending on social objectives.

In reaction to the MFF package's publication, the **European Trade Unions Confederation (ETUC)** called for the ESF to remain a dedicated, identifiable fund, for stronger [social conditionalities](#), a more effective partnership principle, more solidarity and social dialogue, and for the 14 % spending on social objectives to apply also to the European Competitiveness Fund. The **European Confederation of Independent Trade Unions (CESI)** cautioned against economic competitiveness at the expense of workers. They recommended linking EU funding rigorously to the implementation of the European pillar of social rights, and structurally integrating trade unions into MFF monitoring and evaluation. **Civil society organisations (Civil Society Europe)** were concerned by the lack of involvement of civil society in the development and management of the programmes.

Before the MFF package was published, **experts from national coordination bodies** and managing authorities from the 27 Member States, in a non-binding [opinion](#), recommended that the Commission consider shifting from mandatory targets and milestones to the use of reference values or national benchmarks for indicators, arguing that fixing targets and milestones was fraught with uncertainty owing to the many variables and unforeseen circumstances likely to arise. An expert [study](#) for the **German Federal Ministry of Labour and Social Affairs** saw a need to refocus the ESF on the key themes of education, employment and social inclusion, as well as a few key indicators. They recommended stability in key requirements, more flexible adjustments, and avoiding mandatory introduction of financing not linked to costs.

EUROPEAN PARLIAMENT SUPPORTING ANALYSIS

EPRS, [The 2028–2034 multiannual financial framework](#), blog.

Pari, M., [EU budget 2028–2034: Overview of the Commission's proposal](#), EPRS, July 2025.

OTHER SOURCES

European Commission, communication on a dynamic EU budget for the priorities of the future – the Multiannual Financial Framework 2028–2034, [COM\(2025\) 570](#), 2025.

European Commission, [The 2028–2034 EU budget for a stronger Europe](#), website.

ENDNOTES

- ¹ Shared management refers to funding that is managed jointly by the European Commission and national authorities. In practice, this means that the EU establishes the legal framework and priorities, while Member States define a national funding programme that must be approved by the Commission.
- ² See the factsheet on 'Member States allocation', downloadable from the Commission website, [The 2028–2034 EU budget for a stronger Europe](#).
- ³ For instance, the share of NRPP funding earmarked for direct payments under the common agricultural policy (CAP) is set as 'at least €295.7 billion' in current prices (€262.8 billion in 2025 prices). However, should Member States decide that they wish to give more support to the CAP, this would leave a smaller amount from which to calculate the 14 % spending on social objectives.
- ⁴ When analysing the percentages, it should be kept in mind that it is common practice for an initiative to contribute to the implementation of several objectives simultaneously. For instance, according to the [proposed performance regulation](#), Annex II, measure 222 – 'Deep renovation of buildings to combat homelessness, including climate resilience measures' – would count as contributing 100 % to the climate-change mitigation objective, 100 % to the climate-change adaptation and resilience objective, 40 % to environmental objectives, and 40 % to social objectives.
- ⁵ [ESF+](#), Article 7: From the part under shared management, Member States have to allocate 'an appropriate amount of their resources' for the implementation of the Child Guarantee; this has to be 'at least 5 %' if the Member State has an above-EU average of children at risk of poverty or social exclusion. A similar allocation targets the Youth Guarantee, with 'at least 12.5 %' if the Member State has an above-EU average rate of people aged 15 to 29 who are not in employment, education or training. Such minimum ringfencing also applies to specific objectives under social inclusion policy (25 %), to support for the most deprived (3 %), and to targeted actions and reforms by outermost regions (12.5 %).

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