As inflation and cost of living rise, EU cohesion funding shields people from the impact of declining quality of life.

Reviewing whether the MFF is fit for purpose is more important than ever

As an alliance of civil society organizations working in social policy and public health, **we are calling on the European Council to reflect on whether the EU long-term budget is still fit for purpose in the current geopolitical circumstances when it convenes on 26-27 October to exchange views on the revision of the Multiannual Financial Framework 2021-2027**. We come united in our demand to boost **financial volume and impact of resources earmarked under Heading 2: cohesion, resilience, and values to address the social crisis facing people across Europe today.**

Europe is suffering from converging crises as we seek to recover from the COVID-19 pandemic and its aftershocks to Russia's unlawful invasion of Ukraine, the ongoing climate and mental health emergency, and a cost-of-living crisis. Poverty in Europe has persisted for many years with approximately one in five people across the region living in poverty or social exclusion, including a quarter of all children living in Europe. Those who have already been struggling due to low wages, in-work poverty and rising precarious working conditions, high housing costs, inadequate social protection schemes and ongoing discrimination for ethnic minorities such as Roma, are now facing rising inflation and increased energy costs.

Indeed, social protection systems are under severe pressure to mitigate the social impact of the crisis, give support to refugees, and ensure decent living and working conditions and access to quality essential services, such as health, education, and housing, for all. Instead, families are left with impossible decisions to make – paying for food, heating, education, or medicines. The rising cost of living is the most pressing worry for 93% of Europeans, with 46% of the EU population saying that their standard of living deteriorated, and 39% of citizens face bill-paying difficulties. For example, catastrophic health spending due to out-of-pocket payments for care and treatment have been growing, resulting in up to 40% of households finding themselves at risk of poverty.

In response to the displacement of Ukrainians, the European Commission made cohesion funding more accessible and flexible to support the integration and inclusion of Ukrainians across Europe. This flexibility was welcome to provide sufficient support for Ukrainians and should be complemented by increases to cohesion funding for the remainder of this funding cycle to ensure the sustainability of support.

In June 2023, the European Commission requested significant additional pledges from EU Member States to increase the current Multiannual Financial Framework 2021-27 (MFF). The proposal also allows Member States to redirect cohesion funds to strengthen the objectives of the new proposal for a Strategic Technologies for Europe Platform (STEP). Yet there is no top-up to Heading 2 proposed and safeguards to social investments, even as it comes under increasing strain in 2023 and in the years ahead, as poverty and unemployment are expected to grow.

In 2021, at the Porto Social Summit, the EU institutions, social partners, and civil society reinforced their commitment to the implementation of the European Pillar of Social Rights, and set three headline targets for 2030, including that the number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030. If we are serious about meeting these targets and achieving Social Europe, we must back it up with tangible actions and sufficient funding.

Echoing the European Parliament's Committee for Employment and Social Affairs' stand on the MFF review, we express our deep concern with this jeopardizing the MFF's social objectives-related margins available to tackle current and future EU challenges, to fulfil long-term EU goals. It further risks the EU's ability to maintain a sufficient level of investments in the EU's social, health and cohesion programmes and policies, including in important priorities such as the socially just, green, and digital transitions.

We – European social policy and public health civil society organizations – recommend for the European Ministers gathered to discuss the revision of the EU long-term budget to:

- Increase Heading 2 to ensure that social inclusion and poverty reduction programmes receive sufficient funding in the remainder of this programming period.
- Reduce the administrative burden on civil society and local and regional authorities to ensure accessibility and coherence, so that funds can reach those most in need. In line with the partnership principle, civil society organizations should be included in the design, determination, and implementation of resources at the programmatic level.
- Refuse to reallocate Cohesion funding to other priorities that do not clearly contribute to social inclusion and poverty reduction goals, including the proposed Strategic Technologies for Europe Platform (STEP).

EU Cohesion Funding is working for people, communities, families, and individuals across Europe. It contributes to reducing regional inequalities, strengthens social and human capital investment in skills, social and health-promoting infrastructure. It supports Europe's ambition to people-centered recovery and resilience building, and an economy centered around wellbeing of the people, communities, and planet.