

Promote an EU budget that contributes to social progress and leaves no worker, region or community behind



The Commission's proposals for the 2028-2034 MFF and the introduction of National and Regional Partnership Plans (NRPPs) represent a significant shift in EU funding governance with risks to regional participation. At the same time, the proposed phase-out of the Just Transition Fund, optional territorial transition plans, and limited social safeguards may weaken the EU's capacity to deliver a fair transition. These changes come just as (delayed) ETS2 is planned to enter into force in 2028, creating potential affordability challenges for households and SMEs. Unless strong governance and social fairness safeguards are embedded across cohesion policy and NRPP implementation, these reforms risk widening inequalities and weakening the EU's capacity to support vulnerable regions through the climate and industrial transitions.

The Irish Presidency can play a leading role in ensuring cohesion remains Europe's solidarity engine and that the transition to a climate-neutral economy is socially just and regionally balanced. Ireland should:

- **Keep cohesion focused on reducing inequalities by steering Council discussions on the MFF** so cohesion funding remains centred on reducing territorial and social disparities, particularly in regions facing climate and industrial transitions.
- **Promote inclusive governance in the new funding framework by championing** strong multilevel governance and meaningful regional and civil-society participation in NRPP design and implementation during Council negotiations.
- **Embed social fairness across transition policies by ensuring** Council work on the MFF, NRPPs and Social Climate Plans includes robust social and territorial safeguards and adequate support for workers, SMEs and low-income households as ETS2 begins.
- **Ensure coherence with EU social and industrial initiatives by using the** Presidency's agenda-setting role to align Council debates on cohesion and transition governance with the Clean Industrial Deal, the European Pillar of Social Rights, the Affordable Housing Plan, the EU Anti-Poverty Strategy and the Fair Transition Recommendation.
- **Promote integration of social conditionalities for financial support for companies in the MFF,** notably in the Competitiveness Fund and the [Industrial Accelerator Act](#).
- **Highlight affordability and energy-poverty risks by promoting** Council discussions on measures to mitigate ETS2 impacts including improved energy-poverty responses, targeted heating and building supports, and access to community energy and renewables for vulnerable households.
- **Build political momentum for a just transition by using the** Presidency's convening power to facilitate high-level dialogue (drawing on Spanish and Belgian precedents) and explore a Presidency-led Declaration on Just Transition or a Just Transition Directive, as called for already by the European Parliament in a [recent resolution](#).

EJNI supports the [specific recommendations of the European Alliance for a Just Transition on Just Transition in the MFF](#), in particular on the:

[Budget Performance and Tracking Regulation](#) to increase support for social and environmental objectives:

- Introduce a horizontal social clause in the Budget Performance and Tracking Regulation. This clause should provide a clear legal foundation for ring-fencing allocations for social purposes, prioritising people in vulnerable situations, applying social conditionalities in funding for large companies, and result indicators.
- Increase the green mainstreaming target from 35% to at least 50% of the €2 trillion EU budget in Art. 4 of the Regulation, to better contribute to meeting the climate and environmental spending gap.
- Include in the Performance Regulation a commitment by the European Commission to provide guidance on how to operationalise social conditionalities.
- Improved methodology for tracking social spending to ensure that social spending is effectively implemented.
- Make performance indicators in Annex I of the [Performance Regulation](#) more territorial and explicitly linked to the implementation responsibilities of all levels of government.

[NRPP Regulation](#) on continued support for the European Social Fund and just transition regions:

- Increase the minimum target for investments in social objectives under [the NRPP Regulation](#) from 14% to at least 20% for all Member States. The [EUFunds4Social Coalition](#) calls for a stand-alone European Social Fund and European Regional Development Fund, each with its own dedicated regulation, budget and mission to avoid weakening the EU's capacity to deliver on social and territorial commitments.
- Include a definition of just transition regions in the NRPP Regulation
- Regional (NUTS2) and territorial (NUTS3) chapters within the NRPPs should be mandatory.
- The [Social Climate Fund](#) regulation must continue to apply to the Social Climate Plan chapter in the NRPP including an [explicit targeted criteria](#) for vulnerable groups, and the original allocation under the SCF should be maintained in National Social Climate Plans.

[European Competitiveness Fund](#) on social conditionalities and a just transition work programme:

- The European Competitiveness Fund should include dedicated work programmes for just transition regions, providing targeted support for innovation and the development, start-up and scaling-up of new technologies, as well as capacity-building measures.
- Integrate social conditionalities for financial support for companies.

Ireland can use its convening influence during the Presidency term to ensure Just Transition remains a core structural pillar of EU climate policy with predictable and targeted support, protecting social equity and upholding democratic accountability. For further information see EJNI's briefings on the [Priorities for the Irish Presidency](#), our [NRRP explainer](#) and the [Irish Presidency and the MFF](#), or contact caitlin@ejni.net. For EU level discussions on Just Transition and the MFF see [Bankwatch's position](#) on the EU's MFF proposal and recommendations on how to close the just transition gaps and ensure compliance with fundamental rights and '[Supporting a just transition to climate neutrality through the National and Regional Partnership Plans \(NRPP\)](#): Lessons from the practice and recommendations for the 2028-2034 MFF' Plan4Climate Report, or contact Caitlin@ejni.net.