

LUXEMBOURG DECLARATION MONITORING COMMITTEE

Meeting minutes

Format: Ministerial meeting

Date: 13 April 2026 (15:30-17:30), Online

Participants (sorted by country alphabetical order):

1. Member States

- Belgium, Frederic Rasson, Director Social Economy Wallonia
- Cyprus, Krypos Protopapas, Commissioner for Cooperative Societies and Social Enterprise
- France, Serge Papin, Minister of Small and Medium-sized Enterprises, Trade, Crafts, Tourism and Purchasing Power
- Malta, Godwin Mifsud, Permanent Secretary, Ministry for the Economy, Enterprise and Strategic Projects
- Poland, Małgorzata Baranowska, Deputy Minister of Family, Labour and Social Policy
- Portugal, Filipa Lima, Secretary of State for Social Security
- Romania, Silvia-Monica Dinică, Secretary of State within the Ministry of Labour, Family, Youth and Social Solidarity
- Slovenia, Igor Feketija, State Secretary at the Ministry of Labour, Family, Social Affairs and Equal Opportunities
- Spain, Yolanda Díaz Pérez, Second Vice-President and Minister for Labour and the Social Economy, and Amparo Merino Segovia, Secretary of State for Social Economy

2. Others EU Institutions

- Committee of Region, Heike Raab, Chair of CEDEC
- European Commission, Brigitte Fellahi-Brognaux, DG EMPL, Social and Inclusive Entrepreneurship Head of Unit
- European Economic and Social Committee (EESC), Giuseppe Guerrini, vice-President of the INT Section
- European Parliament, Maravillas Abadia Jover, MEP, co-chair of the Intergroup on the Social Economy and Services of General Interest

3. Secretariat

- Social Economy Europe, Sarah de Heusch, Director (moderator)

1) Introduction by the secretariat

The meeting started with a presentation by the secretariat of the Luxembourg Declaration Monitoring Committee of the main issues currently at stake at the European level for the social economy, notably:

- The Multiannual Financial Framework (MFF)
- The revision of the General Block Exemption Regulation (GBER)
- The revision of the Public Procurement Directive

2) Opening by the Co-Chairs

Serge Papin, Minister of Small and Medium-sized Enterprises, Trade, Crafts, Tourism and Purchasing Power

Minister Serge Papin opened by thanking Vice-President Yolanda Díaz and greeting participants. He stated that Europe faces one adversary and three major challenges. The adversary is a highly efficient but destructive economic model, particularly from Chinese e-commerce platforms, causing environmental harm, planned obsolescence, and risks to consumer health.

The three challenges are transition, competitiveness, and sovereignty. As a response, he highlighted the social and solidarity economy, which promotes local production, environmental respect, citizens' well-being, meaningful work, and a balance between performance and responsibility. This model should become Europe's comparative advantage.

He stressed the key role of the Luxembourg Declaration Monitoring Committee as a platform for dialogue and coordination among EU Member States to advance social economy policies. France and Spain have co-chaired the committee for six months; as founding members, they welcome its expansion, reflecting strong collective momentum.

Their objective is to strengthen the committee as a tool to monitor European commitments, implement the EU action plan, share best practices, and encourage national strategies, including France's upcoming strategy.

He outlined three priorities: ensuring recognition and funding for the social economy in the EU budget (including ESF+), adapting EU state aid rules to these models, and promoting responsible public procurement, as demonstrated during the 2024 Olympic and Paralympic Games.

These priorities aim to build a more social, solidarity-based, and responsible Europe serving the common good.

Yolanda Díaz Pérez, Second Vice-President and Minister for Labour and the Social Economy of Spain

Yolanda Díaz begins by welcoming colleagues and stresses that the current regression in European social policies is a serious mistake that could have high future costs. She argues that competitiveness, strategic autonomy, and economic security only make sense if they are grounded in a strong social economy, which Spain considers part of Europe's DNA and a key tool to address challenges. She highlights examples such as energy cooperatives in times of geopolitical crises, housing cooperatives to tackle the housing crisis, and ethical finance to balance funding needs with social protection.

She underlines that in Spain the social economy represents 11.1% of GDP and creates 2.25 million jobs, making it a central part of Europe's economic response. Referring to Professor Leta's report, she insists that it must not remain peripheral but be treated as a strategic infrastructure of the internal market, capable of stabilizing employment, maintaining territorial activity, and reducing social costs. She supports making it a pillar of the European productive model alongside the green and digital transitions, and calls for stronger political coordination to reach European debates with a shared voice.

She emphasizes the importance of the multiannual financial framework, warning against losing visibility for the social economy. The European Social Fund must keep its identity, dedicated financing, and recognition, while social economy principles should be integrated into budget targets and monitoring. New tools such as the Competitiveness European Fund must also include it, particularly due to its role in territorial cohesion.

Addressing the General Block Exemption Regulation, she argues that regulations must adapt to the realities of the social economy, not the opposite. She points to disadvantages such as social enterprises being treated as large companies due to workforce size, despite their different nature, and calls for fairer treatment in state aid rules, also regarding the treatment of companies employing vulnerable people.

Finally, she highlights Spain's recent comprehensive social economy law, which strengthens public procurement by expanding reserved contracts for special employment centers and insertion companies. She calls for further steps, making social and environmental clauses mandatory and improving access for SMEs and social economy entities, identifying public procurement as a key strategic priority.

3) Contributions from participants

A) Multiannual Financial Framework (MFF)

Poland

Poland positively assesses the proposals for the 2028–2034 Multiannual Financial Framework, particularly the importance of maintaining a strong and distinct European Social Fund. Dedicated financing for social activities is considered crucial to ensure their effectiveness and underline their priority nature. At the same time, the social economy should be systematically integrated into various EU financial streams. The intervention stressed that the social economy

must be recognized not only as complementary to the market economy, but as a full-fledged partner in shaping public policies, in line with a vision of an inclusive and sustainable Europe.

Romania

Romania underlined that the social economy should continue to benefit from strong political visibility and adequate support, given its role in integrating vulnerable groups and addressing community needs. It supports maintaining a distinct and operational European Social Fund and a strong social anchor in the future framework. A dedicated instrument for human capital should be preserved, as the 14% threshold for social objectives is insufficient on its own. Romania also promotes an integrated approach linking investment in people with economic development, where employment, skills, and inclusion contribute to competitiveness.

Portugal

Portugal experienced connexion issues. Portugal strongly supports strengthening the importance of social economy in the context of Multiannual Financial Framework 2028-2034, and, in particular, projects related to “social innovation”. Portugal also supports the revised version of the declaration.

Cyprus

Cyprus stressed that key social economy policies should be clear and well-defined, and advocated for a dedicated and sufficient budget line for the social economy within the MFF to ensure effective support. At the same time, it underlined that the social economy should remain embedded in existing instruments such as CAP, LEADER and InvestEU, while also being fully integrated into the new European Competitiveness Fund.

Belgium

Belgium underlined the key role of the social economy in achieving a more democratic and sovereign Europe, complementing competitiveness and resilience objectives. Social economy enterprises strengthen democratic participation through their governance and contribute to sovereignty by fostering local employment and avoiding offshoring. At regional and national levels, continued support is ensured, notably through new strategies in Wallonia and evolving labour market policies, where social economy actors play an increasing role in integrating unemployed people.

Slovenia

Slovenia expressed strong support for earmarking and maintaining, or even increasing, funding for the social economy within the MFF, potentially exempting it from certain economic governance rules existing. Concerns were raised about introducing a milestone-based approach similar to the Recovery and Resilience Facility, as it could reduce flexibility rather than enhance it.

Malta

Malta recognized the importance of EU funding in advancing social objectives and supported reflecting social economy priorities in the upcoming MFF, while emphasizing the need to preserve flexibility for Member States to set their own priorities. It cautioned that overly prescriptive approaches to social spending could limit eligibility and fail to reflect national circumstances.

EP, MEP Maravillas Abadia

MEP Abadia emphasized that the social economy must be recognized not only as a social actor but also as an economic actor contributing to Europe's competitiveness. From the European Parliament, close attention is being paid to the future MFF, particularly the European Social Fund and the new competitiveness fund, as the next EU budget will determine the role of the social economy in the coming years. A strong and standalone European Social Fund was highlighted as essential to ensure investment in people, skills, employment, and inclusion, warning that its dilution would weaken impact. At the same time, the competitiveness fund should also support social economy actors, given their role in local and regional development.

The need to reduce barriers was stressed, including improving access to finance, public procurement, and simplifying regulation through greater transparency and support at local and regional levels. Member States were identified as key actors both in negotiating the EU budget and ensuring effective implementation, with a call to fully integrate the social economy into their priorities and recognize its contribution to growth, jobs, and cohesion.

CoR, Heike Raab

Ms Raab emphasized the central role of the social economy in fostering fair, inclusive, resilient, and sustainable local economies, and called for it to be recognized as an investment priority in the next MFF. She stressed the importance of a strong place-based approach, safeguarding local democracy and ensuring flexibility does not sideline local authorities. Support through instruments such as the ESF and InvestEU was highlighted, alongside the need to improve access to EU funding. The role of regions and cities as key partners in implementing the MFF and driving innovation, competitiveness, and cohesion was underlined.

DG EMPL

The Commission reiterated its strong support for the social economy, notably through the midterm review of the Social Economy Action Plan. The proposed MFF restructuring aims at greater flexibility, simplification, and increased EU added value. While concerns were raised about merging funds and reduced visibility, particularly of the ESF, the Commission stressed that social economy support remains fully in scope across instruments. As negotiations now lie with the Parliament and Council, stakeholders are encouraged to engage at national level to ensure stronger consideration of social economy priorities. Implementation will be key, requiring active involvement in future national and regional plans.

B) General Block Exemption Regulation (GBER)

Poland

Poland supports the revision of the General Block Exemption Regulation as a means to strengthen the legal framework for the social economy. The need for clear and consistent definitions was emphasized, together with increased flexibility in the field of state aid. Expanding the scope of eligible groups was also highlighted as an important element. These measures are seen as a significant step toward fully realizing the potential of the social economy sector.

Romania

Romania supports revising the General Block Exemption Regulation to better reflect the specificities of the social economy within state aid rules. This includes clarifying concepts and facilitating support for vulnerable groups, social services, and access to finance. It also highlighted key bottlenecks such as limited access to tailored financing, market fragmentation, lack of data, and insufficient integration into value chains, which need to be addressed.

Cyprus

Cyprus supports the Commission's efforts to include specific provisions for social economy entities within the General Block Exemption Regulation. It emphasized the importance of taking into account Member States' definitions of these entities, in order to strengthen their development, recognition, and presence in the market.

Belgium

Belgium welcomed ongoing discussions on State aid rules, recalling the commitments of the 2024 Liège roadmap, where Member States called for adaptations better reflecting the social economy model, including a targeted exemption. However, it regretted that the current GBER proposal does not incorporate the definition established in the 2023 Council Recommendation, particularly regarding profit reinvestment and democratic governance, and stressed the continued relevance of addressing discrimination faced by social economy entities.

Slovenia

Slovenia supported the proposed revisions to the GBER, aligning with calls to strengthen the framework in favour of the social economy and ensure better support mechanisms.

Malta

Malta is following the revision of the GBER with interest and highlighted the importance of state aid for social economy actors. It supported further analysis to ensure the framework reflects their specific realities and endorsed the call made in the concept note on the revised regulation.

EESC, Giuseppe Guerrini

Mr. Guerrini highlighted the strong engagement of the European Economic and Social Committee (EESC) in advancing the Social Economy Action Plan and welcomed the coordination enabled by the meeting. He stressed the importance of aligning efforts, particularly in the context of ongoing discussions with Member States on the General Block Exemption Regulation. The EESC is preparing an opinion on the amendment of this regulation and announced a hearing scheduled for 27 April, open to stakeholders both in person and potentially online. Continued cooperation and coordination were emphasized as key to supporting social economy organisations and advancing shared objectives, including in broader international contexts such as the G20.

DG EMPL

The revision of the GBER is a priority, with ongoing public consultation already proposing improved access to finance for social enterprises and an expanded definition of disadvantaged workers. Stakeholders are invited to provide precise input to address remaining gaps and better reflect the needs of the social economy.

C) Public Procurement Directive

Poland

Poland expressed strong interest in the revision of the Public Procurement Directive, highlighting the importance of reinforcing quality, social, and environmental criteria to ensure more responsible public spending. Measures to increase the participation of social economy entities in public procurement are expected to generate a multiplier effect in terms of social added value. The importance of capacity building for both public administrations and social economy actors was also stressed, including improving skills, raising awareness, and developing supportive tools. Ensuring greater visibility of the social economy in EU solutions was identified as key to strengthening a model based on solidarity, local ties, and high quality.

Romania

Romania supports improving the use of public procurement instruments and strengthening the social and environmental dimension of procedures. Facilitating the participation of SMEs and social economy entities is considered essential. It also stressed the importance of building administrative capacity for both public authorities and social economy actors to ensure effective use of EU instruments and better policy implementation.

Cyprus

Cyprus highlighted the importance of reinforcing social and environmental criteria in public procurement, including the introduction of relevant EU-level criteria to ensure effective implementation. It also noted a recent national measure approving exclusive public

procurement opportunities in specific sectors for persons with disabilities establishing social enterprises, as a way to support inclusion and the social economy.

Belgium

No specific position was expressed on public procurement due to limited Belgium's ability to coordinate a common position across its regions.

Slovenia

Slovenia supported the revision of public procurement rules to counter trends of weakening public and social services leading to deterioration and privatization. It stressed that such trends negatively impact welfare and risk increasing public discontent and anti-EU sentiment, advocating instead for a virtuous cycle reinforcing social services and social economy.

Malta

Malta supported promoting socially responsible public procurement but stressed avoiding a one-size-fits-all approach due to diverse national markets. It warned that mandatory targets could be counterproductive, especially for smaller markets, and called for gradual development supported by EU guidance, non-mandatory social clauses, and training, while respecting international procurement obligations.

DG EMPL

The revision of procurement rules is identified as another key area to support the social economy. The Commission emphasized the importance of implementation, including forthcoming guidance on social investment and continued capacity building, to improve the use of existing tools and ensure greater legal certainty for public authorities.

4) Conclusion

Serge Papin, Minister of Small and Medium-sized Enterprises, Trade, Crafts, Tourism and Purchasing Power

Minister Serge Papin thanked participants for attending the Luxembourg Declaration Monitoring Committee and presented the concluding document, intended to guide the mandate's actions. He reaffirmed a clear position: Europe must support the development of the social economy and fully recognize its role in its rules, policies, and instruments.

He highlighted three priorities: integrating the social economy across the EU's multiannual financial framework; adapting state aid rules (GBER) to better support socially oriented enterprises; and promoting responsible public procurement that benefits locally rooted businesses.

Progress is already underway with Spain, notably through a joint letter sent to the President of the European Commission on 11 February, aiming to ensure full recognition and support of the social economy in EU financial tools.

He stressed that reindustrialization, relocation, decarbonization, job creation, and social cohesion cannot be achieved without the social and solidarity economy, which reconciles growth with social justice and innovation with local anchoring.

These initiatives represent key opportunities to strengthen this model and build a more responsible Europe, requiring close coordination among Member States. He concluded by thanking Vice-President Yolanda Díaz and her team for their commitment to the co-presidency.

Amparo Merino Segovia, Secretary of State for Social Economy

Amparo Merino Segovia stresses that there is a shared conviction that the social economy must be present in current and future European debates, especially as the EU reviews its tools and financial frameworks, which will shape priorities, investments, and socio-economic models. She supports the focus on the upcoming multiannual financial framework, emphasizing the need to ensure visibility of social economy investments and to integrate it into indicators, objectives, and monitoring across EU instruments. She also notes progress in the review of the General Block Exemption Regulation, including the incorporation of proposals from the social economy such as increased age limits for young people and extended employment aid.

She further highlights the importance of revising EU public procurement rules, seeing an opportunity to turn procurement into a tool for society by strengthening environmental and social provisions and ensuring stronger territorial anchoring of the economy. She insists that the social economy must not be left out of these debates and that these ideas now need to be translated into concrete political decisions for the next European cycle. She underlines the key role of the committee as a space for dialogue between governments and EU institutions, notes that these priorities will be reflected in the conclusions document and in the joint letter sent by Spain and France to the European Commission, and concludes by encouraging continued progress.