

European Social Fund Plus (ESF+) 2021–2027

2018/0206(COD) - 30/05/2018 - Legislative proposal

PURPOSE: to establish the European Social Fund Plus (ESF+) for the period 2021-2027.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: tackling unemployment and persistently high rates of poverty remains a priority throughout the EU. **Social and employment issues** are a primary concern of European citizens.

Targeted support measures are needed to address the **challenges identified in the European Semester and in the European Pillar of Social Rights** proclaimed by the European Parliament, the Council and the Commission: shortfalls in skill levels, under-performance in active labour market policy, problems arising from new technologies such as automation and new forms of work, social exclusion and low labour mobility.

In this context, this Commission proposes to **make the European Social Fund Plus (ESF+) the EU's main instrument to invest in people** by merging the following funds and programmes:

- the European Social Fund (**ESF**) and the Youth Employment Initiative (**YEI**);
- the Fund for European Aid to the Most Deprived (**FEAD**);
- the Employment and Social Innovation (**EaSI**) programme;
- the Programme for the Union's action in the field of health (the **Health Programme**).

CONTENT: the proposal for a Regulation - presented for a Union of 27 Member States - seeks to establish the **European Social Fund plus (ESF+)**. It lays down the objectives of the ESF+, the budget for the period 2021-2027, the methods of implementation, the forms of Union funding and the rules for providing such funding.

The ESF+ shall support policies and priorities which aim to help create full employment, enhance quality and productivity at work, increase the geographical and occupational mobility of workers within the Union, improve education and training systems, and promote social inclusion and health.

The overarching policy objective of the ESF+ Regulation shall be to help **create a more performing and resilient 'Social Europe'** and implement the European Pillar of Social Rights, as well as the social and employment priorities endorsed by the European economic governance process.

Actions under the shared management strand of the ESF+ shall also contribute to achieving the strategic objectives set out in the proposed Common Provisions Regulation (CPR) in particular:

- **a smarter Europe** through the development of skills for smart specialisation, skills for key enabling technologies, industrial transition;
- **a greener, low carbon Europe** through the improvement of education and training systems necessary for the adaptation of skills and qualifications, the creation of new jobs in sectors related to the environment, climate and energy, and the bioeconomy.

Shared management strand: under the proposal, Member States shall:

- allocate an appropriate amount of their ESF+ resources under shared management to address challenges identified in relevant **country-specific recommendations**;
- allocate at least **25%** of their ESF+ resources under shared management to the specific objectives for the **social inclusion** policy area, including the promotion of the socio-economic integration of third country nationals;
- allocate at least **2%** of their ESF+ resources under shared management to the specific objective of **addressing material deprivation**. The European Fund for the most deprived (FEAD) shall continue to benefit from simpler rules, to ensure that the Fund is accessible to an even wider range of beneficiaries, such as small non-governmental organisations.

Member States with a rate of **young people aged 15-29 not in employment, education or training** (NEET) above a certain threshold shall devote **10%** of their ESF+ resources under shared management to targeted actions and structural reforms to support young people. In the case of the outermost regions with a NEET rate above this threshold, this percentage shall be increased to 15%.

The proposal defines the rules on eligibility and control, in addition to the future CPR for all ESF+ support under shared management (with the exception of support to combat material deprivation). There is also a provision on **‘innovative actions’**, which encourages Member States to support social innovation and social experimentation, which strengthen bottom-up approaches based on partnerships.

Direct and indirect management strand:

- Under the **employment and social innovation strand**, ESF+ support shall allow innovative solutions to be tested and evaluated before they are applied on a larger scale to help improve policies, for example by supporting worker mobility in Europe.
- Under the **health strand**, support shall focus on priority areas where cooperation at European level has a proven advantage: disease prevention, crisis preparedness for cross-border health threats, assistance to Member States' health authorities, digitisation of health and care systems, support for EU health legislation and strengthening cross-border cooperation, for example on rare diseases.

Proposed budget: the Commission proposes to allocate a total budget of **EUR 101 billion (in current prices) to ESF+ for the period 2021-2027**, of which EUR 100 billion for the shared management strand of ESF+. The financial envelope for the direct management strands of the ESF+ would amount to EUR 1 174 million in current prices, of which EUR 761 million for employment and social innovation and EUR 413 million for health.