

European Social Fund Plus (ESF+) 2021–2027

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The Commission presented an amended proposal for a Regulation of the European Parliament and of the Council establishing the European Social Fund plus (ESF+) for the period 2021-2027, taking into account the impact of the COVID-19 pandemic.

BACKGROUND: since the adoption by the Commission of its proposal for a Regulation on the European Social Fund plus (ESF+), the European economy has been confronted with an unprecedented shock with COVID-19 pandemic, which is putting a serious strain on the economy, the labour market and the social and health systems of the Member States.

The Commission therefore finds it necessary to amend its European Social Fund Plus proposal in order to adapt it to the new Recovery Package while enabling strategic investments in employment and social policies and systems.

The proposal is limited to a targeted amendment of the Commission's proposal on the European Social Fund plus to allow a more effective contribution of the ESF+ to economic recovery, taking into account the impact of the COVID-19 pandemic on the economic and social situation in Member States.

CONTENT: in line with the Union's commitments to the implementation of the United Nations Agenda 2030 for sustainable Development and Paris Agreement, the amended proposal focuses on the following points:

Increased requirements for thematic concentration on youth employment

Building on the actions supported by the Youth Employment Initiative in the programming period 2014-2020, Member States shall:

- continue to promote employment and education and reintegration pathways, as well as early prevention and awareness-raising measures, giving priority to the long-term unemployed, inactive young people and disadvantaged young people, including through youth work;

- invest in measures to facilitate the transition from school to work, as well as in adequate capacity of employment services to provide tailor-made and holistic support and better targeted offers to young people.

In order to further support an inclusive economic recovery and to ensure that young people make the most of the opportunities arising from the digital and green transitions, the proposal foresees that Member States with a higher rate of young people aged 15-29 not in work, education or training (NEET) than the EU average in 2019 should allocate at least 15% of their ESF+ resources under shared management to targeted actions and structural reforms to support young people (10% increase).

Combating child poverty

In line with the European Pillar of Social Rights, it is proposed to include a provision requiring Member States to devote at least 5% of the ESF+ resources under shared management to the fight against child poverty to support actions in areas such as early childcare, education, health care, decent housing and adequate nutrition.

Promoting green and digital transitions

The green and digital transitions and the transformation of Europe's industrial ecosystems will offer many new opportunities, if accompanied by the right mix of skills and employment and social policies. The ESF+ should therefore provide support for improving the quality, efficiency and labour market relevance of education and training systems, including by promoting digital learning, in order to facilitate the acquisition of key competences, in particular basic skills, including health literacy, media literacy, digital skills and competences for sustainable development.

Gender equality

The COVID-19 pandemic had a disproportionate socio-economic effect on women. Therefore, the amended proposal states that Member States should pay due account that operations strictly follow the horizontal principle of gender equality.

Temporary measures for the use of the ESF in exceptional circumstances

Temporary measures relating to the use of the ESF+ in exceptional and unusual circumstances are proposed so that derogations from certain rules can be provided for to facilitate the response to such circumstances.

The Commission may, by means of an implementing decision:

- extend the scope of ESF+ support by making it possible to support measures which are strictly necessary, in particular to allow the financing of short-time work schemes without the need to combine them with active measures and access to health care, including for people who are not in a situation of immediate socio-economic vulnerability;
- ease thematic concentration requirements.

Synergies with the new health programme

As the Commission has proposed to establish a reinforced autonomous [health programme](#), it is planned to remove all references to the health strand in the proposal for the European Social Fund+. However, the amended proposal includes provisions to ensure synergies and complementarity between the actions of the ESF+ and those of the new EU health programme.

Budgetary implications

The total financial envelope for the ESF+ for the period 2021-2027 shall be EUR 97 332 282 000 in current prices. The part of the financial envelope for the ESF+ strand under shared management under the Investment for Jobs and Growth goal shall be EUR 96 571 282 000 in current prices of which EUR 200 000 000 in current prices shall be allocated for transnational cooperation supporting innovative solutions and EUR 400 000 000 in current prices as additional funding to the outermost regions and the NUTS level 2 regions fulfilling certain criteria.

The financial envelope for the Employment and Social Innovation strand for the period 2021-2027 shall be EUR 761 000 000 in current prices.

The budget appropriations for the 'Health' strand have been abolished.