

# European Social Fund (ESF) 2014-2020

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The Council reached agreement on a **partial general approach** concerning the EU cohesion policy for the 2014-2020 period.

The Council's partial general approach is aimed at strengthening results orientation and improving the quality of cohesion spending. It also seeks to contribute to the integration of cohesion policy in the economic governance of the EU.

The partial general approach does not prejudge the outcome of negotiations on other elements of cohesion policy or on the EU's multiannual financial framework (MFF) for 2014-2020 or the Financial Regulation.

**(1) The Council's compromise text:** this covers some of the more technical features of the future cohesion policy. Work on the more political elements will continue. Some of these are dealt with in the negotiations on the MFF.

More concretely, the partial general approach includes the following elements:

**Programming:** common programming rules are envisaged for the five funds covered by a common strategic framework, namely: (i) the European Regional Development Fund (ERDF); (ii) **the European Social Fund (ESF)**; (iii) the Cohesion Fund (CF); (iv) the European Agricultural Fund for Rural Development (EAFRD) ; (v) the European Maritime and Fisheries Fund (EMFF).

Each programme has to specify how it contributes to the EU's 2020 strategy for jobs and growth. The question as to whether the link between the EU strategy for jobs and growth on one hand and cohesion policy on the other should be assured through country-specific recommendations or national reform programmes has been left open. The Council will come back to it in June.

**Ex ante conditionality:** certain conditions must be met before funding may start. It is aimed at improving cohesion policy performance.

**Management and control:** the partial general approach provides for specific rules for the management and control of funds disbursed.

**Monitoring and evaluation:** this part of the partial general approach makes sure that the implementation of the cohesion policy programmes is duly monitored and evaluated.

**Eligibility:** the financing of already completed projects, which is possible under the current rules, would be excluded under the partial general approach.

**Major projects:** the Council's compromise text would facilitate the deployment of "upstream" quality reviews by independent experts of major projects. This is considered to be more effective than the existing approvals "downstream" by the Commission.

Further discussions will be held at Council level in the coming months. The new cohesion policy rules are closely linked to the MFF negotiations. They are only expected to be adopted by the European Parliament and the Council once an agreement on the MFF has been reached.

**(2) Multiannual financial framework 2014-2020:** the Council discussed, in public session, for the first time on the basis of the negotiating box, certain areas of the multiannual financial framework (MFF) including cohesion policy and the provisions relating to the five funds belonging to these policy fields.

During the debate, a number of delegations voiced concerns about the **proposed overall level of expenditure** in times of fiscal consolidation and asked for cuts to be made in all headings.

**Cohesion policy:** some Member States considered the proposed amount for cohesion policy as a minimum, whereas others viewed the amount proposed for the common agricultural policy as a minimum.

Several Member States expressed concerns relating either to the new category of transition regions or to its scope. A number of delegations opposed the proposed level of capping, limiting the level of transfer to each Member State to a certain percentage of its gross domestic product. Some Member States objected to the so-called reversed safety net, which would limit the scope of support to a certain percentage as compared to its level during the 2007-2013 period. Some Member States argued for co-financing rates of 85% for less developed regions, whereas others pleaded for reducing the rates.

**The rules governing the five funds under the common strategic framework:** some Member States stressed the importance of macro-economic conditionality. Others were sceptical about it, unless it was extended to other types of expenditure.

The General Affairs Council of 29 May will hold a first discussion on a comprehensive version of the negotiating box covering all elements of the MFF negotiating package.

Ministers for European Affairs will continue their work on the MFF at an informal meeting in Horsens (Denmark) on 10 and 11 June.

The European Council will discuss the MFF for the first time on 28 and 29 June.