European Social Fund Plus (ESF+) 2021–2027

2018/0206(COD) - 08/06/2021 - Text adopted by Parliament, 2nd reading

The European Parliament adopted a legislative resolution **approving** the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council establishing the **European Social Fund Plus (ESF+)** and repealing Regulation (EU) No 1296/2013.

The proposed regulation establishes the European Social Fund plus (ESF+), which consists of two strands: (i) the shared management strand and (ii) the employment and social innovation strand (EaSI component) implemented under direct and indirect management.

Objectives

The objective of the ESF+ is to help Member States and regions to achieve high levels of employment, fair social protection, a skilled workforce and inclusive societies aiming at the eradication of poverty and the implementation of the principles set out in the European Pillar of Social Rights. At the same time, the ESF+ will support, complement and add value to the policies already implemented by Member States in these areas.

The ESF+ has the following **specific objectives**:

- improve access to employment and activation measures for all job seekers;

- modernise labour market institutions and services to anticipate skills needs;

- promote a gender balanced participation in the labour market;

- promote the adaptation of workers, enterprises and entrepreneurs to change, as well as active and healthy ageing;

- improve the quality, inclusiveness, efficiency and labour market relevance of education and training systems;

- promote equal access to and completion of inclusive, quality education and training, in particular for disadvantaged groups;

- promote lifelong learning;

- promote active inclusion to foster equal opportunities;

- promote the socio-economic integration of third country nationals, including migrants and marginalised communities;

- improve equal access to affordable, sustainable and quality services; modernising social protection systems; improving the accessibility, efficiency and resilience of health care systems and long-term care services;

- promote the social inclusion of people at risk of poverty or social exclusion;

- combat material deprivation by providing food aid or basic material assistance to the most deprived people.

Where strictly necessary, and as a temporary measure to address exceptional circumstances, the ESF+ may support the financing of short-time work schemes and access to health care.

Budget

The financial envelope for the implementation of the ESF+ for the period 2021 to 2027 is set at **EUR 87 995 063 417**, at 2018 prices.

The part of the financial envelope for the ESF+ strand under shared management under the ‘Investment for jobs and growth’ objective is set at **EUR 87 319 331 843**, of which:

- EUR 175 000 000 for transnational cooperation to accelerate the transfer of innovative solutions and facilitate their upscaling;

- EUR 472 980 447 as additional funding for the outermost regions.

The part of the financial envelope for the implementation of the EaSI strand for the period 2021 to 2027 is set at **EUR 675 731 573**.

Thematic concentration of resources

The Council's position provides that:

- the Member States concerned will allocate **at least 25%** of their national resources from the ESF+ shared management strand to promoting social inclusion;

- Member States whose average rate of children under 18 at risk of poverty or social exclusion for the period 2017-2019 was above the EU average for that period will allocate **at least 5%** of their ESF+ resources under shared management to these activities;

- Member States whose average rate of young people aged 15-29 not in employment, education or training in the period 2017-2019 exceeded the EU average for that period will allocate **at least 12.5%** of their ESF+ resources under shared management to these actions;

- Member States will allocate **at least 3%** of their resources from the ESF+ strand under shared management to measures to combat the forms of extreme poverty with the highest incidence of social exclusion, such as homelessness, child poverty and food deprivation;

- Member States will allocate an appropriate share of their resources from the ESF+ shared management strand in each programme to **capacity building** of social partners and civil society organisations. Member States with a country recommendation in this area will allocate at least 0.25% of ESF+ resources for this purpose.

Commission statements

In 2019, there were 18 million children at risk of poverty and social exclusion in the EU with very high numbers in some Member States. The COVID-19 outbreak and its socio-economic consequences have exacerbated inequalities and poverty with a more pronounced effect on them. Young people have been disproportionately hit by the socio-economic crisis following the COVID-19 outbreak. From December

2019 to December 2020 youth unemployment has increased by 3 percentage points in the EU, bringing the number of unemployed young persons to over 3.1 million.

In this context, the Commission stated that when programming the ESF+, it will do its utmost to ensure that Member States dedicate appropriate ESF+ funding to implement the **European Child Guarantee** and the reinforced **Youth Guarantee**. Moreover, it will encourage Member States to use also other EU funding instruments and national resources available to support adequate investments in this area.