

European Social Fund (ESF+): specific measures to address strategic challenges

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The Committee on Employment and Social Affairs adopted the report by Marit MAIJ (S&D, NL) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) 2021/1057 establishing the European Social Fund Plus (ESF+) as regards specific measures to address strategic challenges.

The competent committee recommended that the European Parliament adopt its position at first reading by amending the Commission's proposal as follows.

Reprogramming of ESF+ resources

The amended text underlined that the ESF+ is an essential pillar of cohesion policy. The main objectives of the ESF+ are to support Member States and regions to achieve social inclusion, social cohesion, to activate the labour market and to deliver on the principles and the headline targets of the European Pillar of Social Rights by supporting investments in people and structures in the policy area of employment and social policies, which are far from met yet. ESF+ funding should support those objectives.

The reprogramming of resources under the ESF+ should ensure that adjustment measures in response to strategic challenges **do not undermine its social approach**, but strengthen its capacity to combat inequality.

Specific provisions relating to the implementation of the ESF+ component under shared management

In 2026, the Commission shall pay **4.5 %** of the total support from the ESF+ as set out in the decision approving the programme amendment as additional one-off pre-financing. Members considered that the one-off pre-financing for Eastern bordering regions should not be submitted to minimum reprogramming threshold taking into account the major challenges that these regions face.

The additional pre-financing shall only apply where **reallocations of at least 10%** of financial resources of the programme from the ESF+ to one or more dedicated priorities established in accordance with the Regulation have been approved and provided that the measures supporting the dedicated priorities established in accordance with Articles 12a, 12c and 12d target smaller beneficiaries and provided that the request for a programme amendment is submitted by 31 December 2025.

The one-off pre-financing percentage in 2026 shall be increased to **9.5%** for programmes covering one or more NUTS2 regions bordering **Russia, Belarus or Ukraine**, provided the programme does not cover the entire territory of the Member State.

The maximum co-financing rate for priorities in programmes covering one or more NUTS2 regions bordering Russia, Belarus or Ukraine shall be **95 %**.

Before disbursing payment for the pre-financing in accordance with Article 11(1)(a), the Commission shall assess the Union's overall budgetary situation, in particular with respect to the principle of the sustainability of the Union budget. Where, on the basis of that assessment, the Commission identifies a

risk to the Union budget arising from paying the full pre-financing amount in 2026, the Commission is empowered to adopt a delegated act in accordance with Article 37 to provide for only part of the pre-financing amount to be disbursed to the Member States in 2026, with the remaining part disbursed in 2027.

When amending programmes, the Member States shall include, with the close and meaningful participation of social partners, for the dedicated priorities, obligations to the beneficiaries to **respect working and employment conditions** under applicable Union and national law, conventions of the International Labour Organization (ILO) and collective agreements.

Support to skills in civil preparedness and the defence industry

Member States may decide to programme support for the development of skills in the defence industry and cyber security under dedicated priorities, prioritising dual use capabilities related to civil defence and preparedness, provided that micro, small and medium- sized enterprises have priority access to the support. In this context, Member States may allocate resources to attract young talent and entrepreneurs, particularly to rural or less developed regions, through incentives and targeted training.

By way of derogation, the maximum co-financing rates for specific priorities will be increased by **10 percentage points** above the applicable co-financing rate, without exceeding 100%.

Support for adaptation linked to decarbonisation

After consulting social partners at national level, Member States could decide to programme targeted support for **skills acquisition, upskilling, reskilling and training** for the adaptation of workers, enterprises and entrepreneurs, in particular micro, small and medium-sized enterprises and the social economy, to change contributing to the decarbonisation of production capacities within the framework of dedicated priorities, **in order to maintain competitiveness, sustainability and innovation during the green transition.**

Member States will be able to support the promotion of cooperation between different organisations, such as educational institutions that support skills development.

By way of derogation, the maximum co-financing rates for dedicated priorities will be increased by **10 percentage points** above the applicable co-financing rate, without exceeding 100%.