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Committee on Employment and Social Affairs

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DRAFT REPORT

on the European Social Fund Plus post-2027
(2024/xxxx(INI))

Committee on Employment and Social Affairs

Rapporteur: Marit Maij

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the European Social Fund Plus post-2027

(2024/xxxx(INI))

The European Parliament,

– having regard to the Treaty on the Functioning of the European Union, and in particular Articles 46(d), 149, 153(2)(a), 164, 175 and 349 thereof,

– having regard to Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+)[1],

– having regard to the Commission communication of 27 March 2024 on the 9th Cohesion Report (COM(2024)0149),

– having regard to the European Pillar of Social Rights (EPSR) proclaimed and signed by the Council, Parliament and the Commission on 17 November 2017,

– having regard to the Commission communication of 4 March 2021 entitled 'The European Pillar of Social Rights Action Plan' (COM(2021)0102) and its proposed 2030 headline targets on employment, training and reducing poverty,

– having regard to the La Hulpe Declaration on the Future of the European Pillar of Social Rights signed by Parliament, the Commission, the European Economic and Social Committee and the Council on 16 April 2024,

– having regard to its resolution of 29 April 2021 on the European Child Guarantee[2],

– having regard to its resolution of 21 November 2023 entitled 'Children first – strengthening the Child guarantee, two years on from its adoption'[3],

– having regard to its resolution of 8 October 2020 on the Youth Guarantee[4],

– having regard to its resolution of 5 July 2022 entitled 'Towards a common European action on care'[5],

– having regard to its resolution of 18 June 2020 on the European Disability Strategy post-2020[6],

– having regard to its resolution of 13 December 2022 entitled 'Towards equal rights for

[1] OJ L 231, 30.6.2021, p. 21, ELI: http://data.europa.eu/eli/reg/2021/1057/oj.
[2] OJ C 506, 15.12.2021, p. 94.
[3] OJ C, C/2024/4212, 24.7.2024, ELI: http://data.europa.eu/eli/C/2024/4212/oj.
[4] OJ C 395, 29.9.2021, p. 101.
[5] OJ C 47, 7.2.2023, p. 30.
[6] OJ C 362, 8.9.2021, p. 8.

persons with disabilities'[7],

– having regard to its resolution of 24 November 2020 on tackling homelessness rates in the EU[8],

– having regard to its resolution of 21 January 2021 on access to decent and affordable housing for all[9],

– having regard to its resolution of 23 November 2023 on job creation – the just transition and impact investments[10],

– having regard to its resolution of 21 January 2021 on the EU Strategy for Gender Equality[11],

– having regard to Rule 55 of its Rules of Procedure,

– having regard to the opinion of the Committee on Regional Development,

– having regard to the report of the Committee on Employment and Social Affairs (A10-0000/2024),

A. whereas the European Social Fund Plus (ESF+) supports, complements and adds value to the policies of the Member States in order to ensure equal opportunities, equal access to the labour market, fair and high-quality working conditions, social protection and inclusion;

B. whereas the ESF+ is the only EU fund primarily focused on social policies, and is therefore unique in itself and is strongly effective in achieving social inclusion, together with the cohesion policy;

C. whereas different vulnerable groups have different needs, such as women in poverty, labour migrants, children, people with disabilities and elderly people; whereas the digital and green transition is much needed but also brings challenges for all people and all workers, and whereas to succeed in this endeavour, the EU must ensure a just transition that does not lose sight of workers and vulnerable people;

D. whereas the availability and affordability of decent housing is decreasing because of over-liberalisation of the market; whereas the EU will have its first ever Commissioner for tackling the housing crises, and the first ever European affordable housing plan, expected in 2025;

E. whereas the European Child Guarantee aims to prevent and combat the social exclusion of children by guaranteeing effective and free access to high-quality early childhood education and care, education and healthcare, and effective access to healthy nutrition and adequate housing;

[7] OJ C 177, 17.5.2023, p. 13.
[8] OJ C 425, 20.10.2021, p. 2.
[9] OJ C 456, 10.11.2021, p. 145.
[10] OJ C, C/2024/4224, 24.7.2024, ELI: http://data.europa.eu/eli/C/2024/4224/oj.
[11] OJ C 456, 10.11.2021, p. 208.

Principles of the ESF+ post-2027

1. Insists that the ESF+ must continue to be the key and primary instrument for supporting the Member States, people and regions in strengthening the social dimension of the Union;

2. Insists that the objectives of the ESF+ should be to achieve high employment levels with adequate wages, decent working conditions, healthy working environments and social security coverage, in order to develop a skilled, competitive and resilient workforce, ready for the twin transition and the future world of work, and to build fair social protections and inclusive and cohesive societies, with the aims of eradicating poverty and delivering on the principles and the headline targets set out in the EPSR;

3. Calls for a strong, reinforced, stand-alone ESF+ with significantly increased public support for existing instruments aimed at providing for the poorest in our societies; insists, therefore, on doubling the funding for the ESF+ post-2027;

4. Expresses strong concerns over attempts to split or merge the existing ESF+ with other funds, since that would create serious risks for the implementation of its objectives and those of the EPSR and its action plan, and the reaching of the ESPR's headline targets; warns that unifying or simplifying funds may not improve their effectiveness;

5. Believes that a different ESF+ governance would lead to the loss of priority given to social aspects, including employment and social inclusion projects, and to the funding not reaching local levels and those most in need, while increasing the risk of reallocation of funds for other purposes;

6. Calls on the Commission and the Member States to ensure the participation of social partners, civil society organisations (CSOs) and representatives of the target groups in all design, implementation, monitoring and evaluation stages of the ESF+, to allocate adequate funding for this purpose and to prevent the exclusion of smaller actors;

7. Notes that the current ESF+ programme was adopted before the emergence of crises that have caused high inflation and increased costs of living, and therefore require higher public and social investment such that the existing ESF+ cannot meet current needs; calls on the Commission to ensure that a comprehensive, stable and large-scale needs- and rights-based budget is guaranteed for the ESF+ in the next multiannual financial framework;

8. Underlines that the ESF+ post-2027 should invest in tackling enduring social challenges and stay close to the general and specific objectives set out in the current ESF+; emphasises the importance of the fund's principles of shared management, clear objectives and thematic concentrations, and that most of the fund should be spent as close as possible to those using the fund;

9. Stresses that the ESF+ should not be used to respond to emergencies or crises; insists that a social rescue facility capable of reacting to social emergencies and crisis situations should supplement the ESF+; calls on the Commission to build on the success of the temporary EU instrument launched in 2020, entitled 'Support to mitigate Unemployment Risks in an Emergency (SURE)', in fighting temporary unemployment, and to put forward an EU unemployment reinsurance scheme without further delay;

Objectives, priorities and budget

10. Underlines that horizontal principles, such as gender equality, anti-discrimination, and freedom of movement, should be integral to the ESF+; stresses the importance of an intersectional approach throughout the entire development and implementation of the fund;

11. Insists that the ESF+ should target the most disadvantaged people in our societies, regardless of their sex, gender, sexual orientation, age, religion or belief, or racial or ethnic origin – in particular marginalised communities such as Roma people, people with disabilities or chronic diseases, homeless people, children and elderly people; underlines that the ESF+ must be inclusive, with special attention given to all kinds of families, including single-parent families, families with more than two parents and rainbow families;

12. Calls on the Commission, in the light of current challenges, to include in the specific objectives of the ESF+ the promotion of the just transition, the socio-economic integration of migrants, including labour migrants, the social inclusion of women who are victims of gender-based violence and the integration of older people;

13. Stresses that reaching the EPSR's targets on poverty becomes challenging, unless specific support is dedicated to alleviating the pressure on social protection systems and mitigating the social impact of crises; insists on dedicating support to ensure decent living conditions for all, with access to high-quality essential services; calls for the EU anti-poverty strategy, outlined in Commission President Ursula von der Leyen's political guidelines for the 2024-2029 term, to be implemented via the ESF+, with its binding poverty-reduction targets, national living wage indices and reference budgets used as benchmarks, applying a multidimensional approach;

14. Stresses that addressing child poverty requires appropriately funded, comprehensive and integrated measures, together with the implementation of the European Child Guarantee at national level, and insists that it constitute a central pillar of the EU anti-poverty strategy; repeats its previous demands for the ESF+ post-2027 to include a dedicated budget of at least EUR 20 billion for the European Child Guarantee; insists that all the Member States should allocate at least 5 % of their ESF+ resources to the European Child Guarantee and at least 10 % for those Member States with a higher portion of children at risk of poverty or social exclusion;

15. Urges the Commission to raise the earmarking for social inclusion beyond the current 25 % and the earmarking for food aid and basic material assistance for the most deprived persons to 5 %, in response to rising living and food costs;

16. Shares the ambition to prioritise the tackling of the housing crises, and insists that the ESF+ post-2027 should enhance timely and equal access to affordable, decent, sustainable and high-quality services promoting access to housing; believes that all the Member States must invest at least 5 % of their ESF+ resources into tackling homelessness;

17. Emphasises the need to ensure sufficient financing of the ESF+ post-2027 for high-quality and public education for all, skills development, upskilling, reskilling and lifelong learning, and for the addressing of skills shortages, ensuring that individuals

can successfully navigate labour market transitions;

18. Calls for a strengthening of efforts to support the implementation of the Youth Guarantee with an increased earmarking for all Member States that dedicate at least 15 % of their ESF+ resources; repeats in this context its call on the Member States to ban unpaid traineeships;

19. Underlines the importance of the ESF+ in focusing on different groups with different needs; stresses, therefore, the importance of allocating support to projects on the socio-economic position of migrants, including labour migrants, the social inclusion of people with disabilities, the ageing population in society, women and children, and female-headed households; insists that the ESF+ post-2027 incorporate other aspects of social inclusion, such as housing, health and family circumstances and the support of community-based services;

20. Stresses that the Employment and Social Innovation strand of the ESF+ provides support regarding the precarious situation of mobile workers and secures funding for trade union-related counselling; calls on the Commission and the Member States to ensure permanent funding for national and transnational trade union counselling services for such workers;

21. Calls for the ESF+ to boost the implementation of the European care strategy by investing in quality early childhood education and care through community-based, person-centred, high-quality, affordable and accessible care systems;

22. Stresses that the implementation of the EPSR and the reforms needed to comply with the country-specific recommendations in the European Semester are also dependant on the strong support of the ESF+ for certain policy measures, especially those related to strengthening social welfare systems, ensuring inclusive and high-quality public education, reducing child poverty and eradicating homelessness;

23. Calls on the Commission to allocate consistent financial resources to capacity-building, with the aims of empowering social partners to play a relevant role in areas of their competence, of strengthening their capacity to engage in social dialogue both at EU and national level and of enhancing social partners' actions – and include technical assistance for these three purposes – with an adequate minimum percentage investment obligation from the Member States; further insists that social partners and CSOs should be guaranteed access to funding for social policy objectives in all the Member States on an equal basis;

24. Underlines that it is of the utmost importance that small social enterprises and CSOs have access to all aspects of the ESF+; calls for an increased co-financing rate of at least 90 % for measures targeting the most deprived implemented by CSOs, and at least 70 % for those implemented by social enterprises;

Functioning of the fund

25. Calls on the Member States to ensure that regional and local authorities and organisations have a say in projects financed from national budgets;

26. Insists that the rules governing the use of the ESF+ must ensure and enhance

compliance with the rule of law, the EU *acquis*, the highest EU social standards, social rights and democratic principles, and be aligned with the EPSR, the UN's sustainable development goals and fundamental human and workers' rights;

27. Calls for strong and more effective social conditionalities in rules on public procurement and concessions, with effective sanctions; encourages the Commission to create a comprehensive database, supplementing the Eurostat data, to allow for timely and reliable monitoring of the developments in employment, living conditions and industrial relations;

28. Calls for the reduction of the administrative burden, notably by simplifying the application processes for accessing funds and the reporting procedures for organisations, in particular for those of a smaller size; warns that simplification must not compromise the fundamental principles of shared management, transparency and accountability, ensuring the proper administration of public funds;

29. Warns that not all people are prepared for digitalisation, and that certain groups of people, especially the most vulnerable, could miss out on funding opportunities as a result;

30. Sees that more work needs to be done for organisations and people to know about all the opportunities that the ESF+ can bring; insists that the Commission and the Member States raise awareness of, inform and advise organisations about the opportunities presented by the ESF+;

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31. Instructs its President to forward this resolution to the Council and the Commission.

EXPLANATORY STATEMENT

After successful use and continuation of the European Social Fund for decades, the European Social Fund Plus (ESF+) was last established for the period 2021 - 2027. The ESF+ has the aim to contribute to the social agenda of the European Union and is the key instrument to deliver on the principles as set out in the European Pillar of Social Rights by supporting Member States and local and regional authorities to invest in people through measures supporting high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work. It has proven to be effective and millions and millions of people have benefited from the possibilities of the ESF+. 6.8 million people found a job, 14.2 million people benefited from food assistance, 10.3 million people gained a qualification and 3 million participants were in education or training with the contributions of the ESF+ fund.

The current programme will come to its end in 2027, which means that we have to think about the future of the fund. The aim of this report of the Rapporteur is to send a clear and strong message to the European Commission on how the future European Social Fund + should be shaped.

It became clear that, especially with the current crises in the world, it will be challenging to deliver on the headline targets set out by the European Pillar of Social Rights, being that by 2030 at least 78% of the population aged 20 to 64 should be in employment, at least 60% of all adults should be participating in training every year and a reduction of at least 15 million in the number of people at risk of poverty or social exclusion, including at least 5 million children. In 2023, nearly 100 million people in the EU were at risk of poverty or social exclusion, which is more than 20% of the population of the European Union. Children end people with low level of education are even more likely to be at risk of poverty or social exclusion. More than 45% of third country nationals living in the EU and 28% of EU Citizens living in another EU country are at risk of poverty or social exclusion and around 10% of the people who do have work live in poverty. The rising prices and cost of living are a main topic of concern for European citizens. The ESF+ after 2027 should be designed taking this worrying reality into account.

In this context, the report underlines that it is of utmost importance that the ESF+ continues to be able to target and reach the people and groups who need the fund the most, such as people living in poverty, elderly people, migrants, women, children, people with disabilities, people in need of the just transition. Together with social partners and civil society organisations, the fund has to suit the needs of these people by investing in the social dimension of the European Union. The fund should be accessible, inclusive and have an intersectional approach. It is important that the ESF+ is there for all kind of social organisations and enterprises, in all Member States and in all regions. The partnership principle should be upheld and strengthened. To achieve all this, the report calls for a doubling of the ESF+ budget.

Furthermore, the report sets out the main objectives, principles, functioning and distribution of the fund, such as the repeated call for a dedicated budget for the Child Guarantee.

The ESF+ is unique in the landscape of European funds, because it specifically targets social policies and initiatives. We therefore urgently call upon the Commission to ensure that the ESF+ continues to function as a fund of its own and will not be split or merged with other

funds. A merge or split would complicate to prioritise on social investment, employment projects and social inclusion, and reach the ones that need it most, and with all the challenges ahead we should not let that happen.

ANNEX: ENTITIES OR PERSONS
FROM WHOM THE RAPPORTEUR HAS RECEIVED INPUT

Pursuant to Article 8 of Annex I to the Rules of Procedure, the rapporteur declares that she has received input from the following entities or persons in the preparation of the draft report:

Entity and/or person
European Trade Union Confederation
FNV Nederland
Deutscher Gewerkschaftsbund
European Disability Forum
PICUM
Save the Children
COFACE Families Europe
Red Cross
European Anti-Poverty Network
Caritas
Eurodiaconia
European Association for the Education of Adults

The list above is drawn up under the exclusive responsibility of the rapporteur.

Where natural persons are identified in the list by their name, by their function or by both, the rapporteur declares that she has submitted to the natural persons concerned the European Parliament's Data Protection Notice No 484 (https://www.europarl.europa.eu/data-protect/index.do), which sets out the conditions applicable to the processing of their personal data and the rights linked to that processing.