

19 April 2012

**Support the proposed minimum share for the ESF of at least 25% of the Cohesion Policy budget, backed by 20% ring-fenced allocation for social inclusion & poverty reduction, to achieve the EU poverty reduction target**

To: EU Prime Ministers

Refer: General Affairs Council 24 April 2011

Dear Prime Minister,

During the General Affairs Council meeting that will be held on the 24<sup>th</sup> of April, key issues related to the Multiannual Financial Framework (2014-2020) will be discussed. On this occasion, we would like to draw your attention to the following points that are of vital importance for making sure that Structural Funds and the ESF in particular will play a key role in delivering on the poverty reduction target<sup>1</sup>:

**1) Support an increased and secured budget for the ESF**

The Commission's proposal of a **minimum share for the ESF of at least 25% of the Cohesion Policy budget should be seen as a major step forward as well as a pre-requisite to make sure that the ESF will play a powerful role in delivering in an even manner in all EU regions on the social targets** (poverty reduction, employment, education) of Europe 2020. It would give a strong political signal of a strong and continuing EU commitment to a European Social Model which protects EU citizens, by dedicating adequate funding to ensure social inclusion and quality employment. In a time of shrinking resources at national level as a result of austerity measures, Member States will indeed rely even more on the ESF support to deliver on the social targets of Europe 2020.

**2) Back the 20% allocation ring-fenced for social inclusion and the fight against poverty**

**Within the 25% allocation to ESF, the 20% earmarking mechanism is the most powerful way to ensure a decisive and even contribution of the ESF to the EU agreed poverty reduction target.**

*Why is it vital to ring-fence 20% of ESF for social inclusion and poverty reduction?*

- Only 12% of ESF is currently being used for social inclusion. The Commission itself<sup>2</sup> recognized the need for improvement.

<sup>1</sup> More details about our views on the Commission's proposals are in, EAPN Response to the Commission's draft legislative package for the EU Cohesion Policy 2014-2020, 03.12:

<http://www.eapn.eu/images/stories/docs/EAPN-position-papers-and-reports/2012-eapn-response-to-the-commissions-legislative-package-on-sf-en.pdf>

<sup>2</sup> European Commission, Cohesion Policy Strategic Report 2010, p.3: "progress on delivery the priority of social inclusion is relatively slow and not spread evenly across the funds and programmes":

[http://ec.europa.eu/regional\\_policy/sources/docoffic/official/communic/reporting2010/com\\_2010\\_110\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/official/communic/reporting2010/com_2010_110_en.pdf)

- The economic and social EU context, dominated by an increase of poverty and social exclusion as result of the crisis and austerity measures, is leading to an even greater need for more resources dedicated to achieving social inclusion, while defending social protection systems and social services.
- It promotes territorial equality by ensuring an even level of contribution of the ESF to the poverty reduction between all EU Member States.

**The 20% earmarking mechanism should be used to implement integrated active inclusion approaches<sup>3</sup>** supporting holistic, personalised pathways to inclusion through employment and social participation, as part of a broader approach ensuring adequate minimum income, access to quality services and inclusive labour markets rather than purely narrow activation policies.

### **3) Ensure the continuation of the Food Aid Programme after 2013, outside the 20% ring-fencing of ESF for social inclusion**

The actual Food Aid scheme is vital for about 18 million people across Europe who rely on the Food Aid Programme to meet their basic needs. **EAPN supports the continuation of the Food Aid Programme** for the next programming period 2014-2020, **but this cannot be done by integrating this Programme into the 20% ring-fenced** for social inclusion without significantly reduce the possibility of funding integrated social inclusion projects on the ground. Therefore, alternative proposals for the Food Aid Programme should be carefully considered, such as introducing a mechanism similar to the financing of the Globalisation Adjustment Fund (based on article 159 TEC)<sup>4</sup> within the overall Cohesion Policy budget

### **4) Prevent the sidelining of ESF by a multi-fund approach**

EAPN welcomes the proposed community-led initiatives (aiming at ensuring a more inclusive and place-based approach of Structural Funds), but are **alarmed by the proposal to further develop a multi-fund approach underpinned by a national programming structure.**

Aside from the risk of a further complication in terms of management, monitoring / reporting, this approach would lead to two major steps backwards:

- The sidelining of the ESF component and, thus, of the social inclusion objective;
- The downgrading of NGOs involvement in the Structural Funds' process both at governance and project level<sup>5</sup>.

This would inevitably impact negatively on the quality and possibility to run socially integrated projects on the ground.

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<sup>3</sup> The Commission stressed the key contribution in that regard, in EC Recommendation on the Active Inclusion of People excluded from the labour Market (3 October 2008): "Guarantee the relevant resources and benefits under the social protection arrangements; use the provisions and resources of the Structural Funds, in particular the European Social Fund, to support active inclusion measures", in <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2008:307:0011:0014:EN:PDF>

<sup>4</sup> This proposal has been clearly made by Commissioner Oli Rehn towards the European Parliament on the 29th of March.

<sup>5</sup> EAPN Members have almost unanimously reported that social NGOs have great difficulties in getting involved in ERDF programmes whilst ESF programmes are more open to them, in The Contribution of Cohesion Policy to Social Inclusion, What role for social NGOs? – EAPN mid-term assessment of the current programming period and perspective for post-2013, 05.10.10: [http://www.eapn.eu/images/docs/policy%20paper\\_social%20inclusion%20survey\\_05%2010%2009final.pdf](http://www.eapn.eu/images/docs/policy%20paper_social%20inclusion%20survey_05%2010%2009final.pdf)

## 5) Make the transversal clauses obligatory

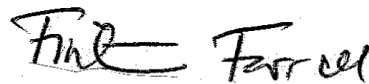
EAPN welcomed the **proposed gender mainstreaming and anti-discrimination binding horizontal clauses as a pre-condition to ensuring a more systematic and cross-cutting treatment of these issues in the OPs**. EAPN also supports the **promotion of transnational cooperation and social innovation** by Member States so as **to make sure that small NGOs can access and run transnational and socially innovative projects**. Thus, EAPN would deplore it if one of these elements remained only optional. This would give a wrong signal about the commitment of the EU to the promotion of socially inclusive and innovative programmes and projects funded by Structural Funds.

For all the reasons above, we urge you to take into consideration our aforementioned points during your deliberation. We would welcome any opportunity to discuss these issues further.

Yours sincerely,



Ludo Horemans  
President



Fintan Farrell  
Director

Cc:

President Rompuy, President of the European Council

President Schulz, President of the European Parliament

President Barroso, President of the European Commission

President Helle Thorning-Schmidt, President of the Council of the European Union