



# EU MONEY for **POVERTY REDUCTION** NOW!

***Nearly 1 in 4 persons is in or at risk of poverty and/or social exclusion in the EU***

**Support the 20% allocation of ESF for social inclusion and poverty reduction**

**TO: EU Prime Ministers**

**Refer: General Affairs Council, 26<sup>th</sup> June 2012**

Dear Prime Minister,

During the General Affairs Council meeting that will be held on the 26<sup>th</sup> of June, key issues related to the Multi-annual Financial Framework and Cohesion Policy for the next 7-year cycle (2014-2020) will be discussed.

Social NGOs have widely welcomed the Commission's proposal on the European Social Fund as a major step forward in ensuring that it will contribute to achieving the Europe 2020 poverty reduction target.

**In the framework of the campaign *EU Money for poverty reduction NOW!* launched mid-May<sup>1</sup>, 18 social NGOs strongly welcome:**

- 1) The allocation of at least 25% of the Cohesion Policy budget for the ESF (i.e. at least EUR 84 billion),
- 2) The earmarking of at least 20% of the ESF for social inclusion and the fight against poverty.

These two proposals were seen as one of the most tangible signals that the EU has committed itself to deliver on the poverty reduction target. Thus, we are alarmed to hear that the proposed minimum share for ESF and the earmarking of the ESF for social inclusion are being questioned by a vast majority of Member States. If these two proposals are weakened, the message to people in or at risk of poverty and social exclusion, 23.4%<sup>2</sup> of the EU population, and heavily hit by the current economic crisis, will be that the EU is reluctant to take decisive and concrete steps to pursue social justice.

It is particularly important to keep the minimum shares for each category of Regions (at least 25% of the Structural Funds for less developed regions, 40% for transition regions and 52% for more developed regions allocated to the ESF) connected to Structural Funds as well as the 20% ring-fenced for social inclusion and poverty reduction to make sure that socially integrated projects can be funded. Any other solution or derogation linking those minimum shares and the 20% earmarked directly with the common thematic objectives of the CSF Funds will inevitably compromise the ESF and its potential to combat poverty and social exclusion.

<sup>1</sup> A press release launched the joint campaign *EU Money for poverty reduction NOW!* on 15<sup>th</sup> May 2012. See <http://www.eapn.eu/en/news-a-events/press-room/eapn-press-releases/3224-poverty-reduction-target-needs-to-be-backed-by-eu-funds-ngos-urge-member-states-to-respect-their-commitments>

<sup>2</sup> Eurostat 2010, published in Statistics in Focus 9/2012.

**Why is it vital to defend a secured and increased budget for the ESF and ring-fence 20% of ESF for social inclusion and poverty reduction?**

- **It is the most effective way to contribute to the delivery on the poverty reduction target that Member States committed themselves to achieve by 2020 and to support social cohesion and people's participation in society.**
- **The economic and social EU context, characterised by an increase of poverty and social exclusion as a result of the crisis and austerity measures, is leading to an even greater need for more resources dedicated to achieving social inclusion, including social protection systems and social services.**
- **It promotes territorial equality by ensuring an even level of contribution of ESF to the poverty reduction between all EU Member States.**

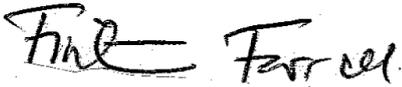
**How to make the ESF fully deliver on the poverty reduction target?**

- ***The minimum share for the ESF of at least 25% of the Structural Funds' budget should first be endorsed both by the Council and the European Parliament, as a pre-requisite to make sure that the ESF will play a powerful role in delivering on the social targets of Europe 2020 in all EU regions.***
- **This 20% earmarking mechanism should be used to reduce poverty and social exclusion and to promote integrated active inclusion approaches (adequate minimum income, access to quality jobs and quality services including housing, long-term and child care and other work-life reconciliation services) rather than purely narrow activation policies, as well as to integrate marginalised communities or to combat discrimination based on sex, racial or ethnic origins, disability, religion or age or sexual orientation.**
- **Social ex-ante conditionalities on social inclusion & poverty reduction, gender mainstreaming, anti-discrimination and disability should become binding** so as to make sure from the start that all the programmes will be socially inclusive. Concurrently, **macro-economic conditionality** (leading to the suspension of funding to Member States in a situation of excessive deficit) **should be rejected** because this measure contradicts the principles of solidarity between regions and citizens, as well as social cohesion and it will disproportionately penalise the most excluded.
- **The partnership principle should be obligatory and cover all relevant partners including social NGOs at all stages of the Structural Funds' process** (from the design, implementation, monitoring and evaluation) both for the partnership contracts and the Operational Programmes and its implementation should be monitored.
- **A monitoring mechanism, based on Commission guidelines and clear indicators and reporting via the National Reform Programmes and Social Reports;** should be established to ensure transparency and to enable the sharing of practice on how Member States use this 20% ring-fenced for social inclusion and combating poverty.
- We highlight the necessity of **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 thus significantly reducing the possibility to fund integrated social inclusion projects on the ground. We therefore support the European Commission's initiative for a financing directly through Structural Funds.

We urge you to take into consideration the points mentioned above during your deliberations. We would welcome any opportunity to discuss these issues further.

Yours sincerely,

Fintan Farrell,  
Director of EAPN



Jorge Nuño-Mayer, Secretary  
General of Caritas Europa



Jorge Nuño Mayer  
Secretary General  
Caritas Europa

Michael Privot,  
Director of ENAR



Jana Hainsworth,  
Secretary General of Eurochild



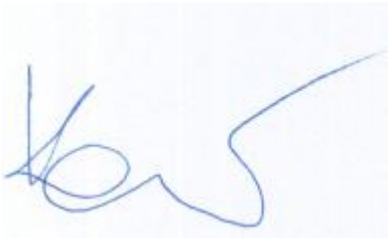
Heather Roy,  
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Eurodiaconia



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Director of FEANTSA



Nace Kovac,  
President of MHE



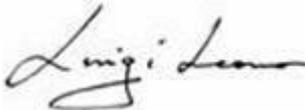
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Luk Zeldrerloo,  
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Luigi Leonori  
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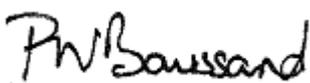
Conny Reuter,  
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Carlotta Besozzi,  
Director of EDF



Pierre Baussand, Director of  
the Social Platform



Anne-Sophie Parent, Secretary  
General of the Age Platform



Anke Seidler, Director,  
Workability of Europe



The following NGOs are also signing this letter:

- Salvation Army
- ICSW Europe
- IFSW Europe

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