

Position Paper

UEAPME¹ comments on the proposal for a regulation on the European Social Fund Plus (ESF+) - COM (2018) 382

Introduction

UEAPME globally supports the new approach proposed by the ESF+ for the period 2021-2027. With €101.2 billion and 27% of the total European budget, the financial amount dedicated to the ESF+ represents a highly significant contribution to the social and economic dimension.

In order to foster Europe's competitiveness, increase employment participation and job creation, and reduce poverty, UEAPME considers it necessary to invest a significant part of the EU budget in employment, active social policies and education & training. The ESF+ will therefore continue to provide the main financial instrument for improving employment opportunities and strengthening social cohesion and competitiveness across Europe.

Summary

- **UEAPME supports the ESF+ proposal structure and budget** with the 10% to tackle youth unemployment and (re)integration into education and training, while asking for higher possible co-financing rates for tackling youth unemployment, notably for young people neither in employment, education or training, as it is currently the case with the Youth Employment Initiative.
- **UEAPME welcomes the more result-oriented approach**, with the European Semester process alignment and the implementation of reforms as put forward in the Country Specific Recommendations.
- **UEAPME supports the anticipative stance of the ESF+, with its contribution to investment in human resources, skills acquisition**, anticipation of changes and adaptation of workers and entrepreneurs in view of a smarter and greener Europe.
- **UEAPME appreciates the continuous support to micro-enterprises as well as to entrepreneurship.**
- **UEAPME welcomes the simplification efforts introduced in the future Common Provisions Regulation** whose rules also apply to the ESF+ programme, even if more should be done in this field.
- UEAPME regrets the limited proposal related to implementation of the partnership principle, multi-level and multi-actors governance and capacity building of economic and social partners and **asks for a more strengthened partnership principle and a more significant support to capacity building of economic and social partners.**

¹ UEAPME subscribes to the European Commission's Register of Interest Representatives and to the related code of conduct as requested by the European Transparency Initiative. Our ID number is [55820581197-35](https://ec.europa.eu/transparency/regexp10/index.cfm?do=groupDetail.groupDetail&id=55820581197-35).

1 - General comments

UEAPME has always considered the ESF as a major tool for improving the functioning of the labour market, facilitating the adaptation of businesses and workers to changes and new labour market requirements as well as tackling unemployment and fighting social exclusion and poverty.

UEAPME constantly called for more result-oriented programmes and for simpler rules and procedures in order to improve the effectiveness and quality of the ESF as well as a higher absorption rate. **Therefore, UEAPME appreciates that the ESF+ will be aligned with the European Semester process and the implementation of the Country Specific Recommendations.** It is essential that the ESF+ enhances its support to structural reforms in key areas important to employment, skills and social policies via a system of positive incentives towards the achievement of results. It will bring more consistency between the European financial tools and the European and national political priorities.

UEAPME welcomes the rationalisation proposed in the ESF+ with the merger of the previous ESF, the Youth Employment Initiative (YEI) and Fund for European Aid to the most Deprived (FEAD) as well as the Employment and Social Innovation Programme (EaSI) and the EU Health Programme.

UEAPME strongly supports the simplification efforts of the ESF+ management in line with the future Common Provisions Regulation.

UEAPME asks for higher co-financing rates in sub/intra-territorial areas suffering from specific economic or social problems, including in the most favoured regions. in particular for tackling youth unemployment, as it is currently the case with the Youth Employment Initiative which plays a major role especially in the case of young people neither in employment, education or training (NEET).

2 - On geographical and thematic concentration

ESF is the only EU fund targeting European citizens. It is important that the ESF remains open to all Member States and regions, since the fight against unemployment or social exclusion and the need for a skilled and adaptable workforce are not issues for poor countries or regions only.

UEAPME agrees that the intensity of ESF support is differentiated between Member States, taking greater account of employment and social indicators, in accordance with their relative socio-economic situation.

UEAPME welcomes the reinforcement of thematic concentration of ESF support in order to ensure a tangible impact of ESF intervention. However the new focus on thematic concentration should not be done at the expense of greater flexibility. Therefore UEAPME agrees with the principle to **allocate 25%** of the ESF+ resources for social cohesion and **at least 10%** to support youth employment and its (re)integration into education and training in the context of the Youth Guarantee scheme.

UEAPME welcomes measures related to investment in human resources, with a strong focus on learning and skills and on anticipation of change, in particular to anticipate the impact of digitalisation.

UEAPME particularly insists on the fact that ESF should specifically **support micro, small and medium sized enterprises - SMEs** under the policy objective “a smarter Europe”.

Equally relevant is the support to adaptation to change, **to entrepreneurship and self-employment through entrepreneurial education as fully part of the key competences, and to vocational education and training institutions in order to foster work-based learning and apprenticeship schemes.**

UEAPME also welcomes the support to micro-enterprises through micro-finances which should include all types of micro-enterprises including craft businesses.

On the objective to support the modernisation of labour market institutions and services to assess and anticipate skills needs and support to labour market matching, it is essential to also cover private actors for providing more relevant and responsive labour market services.

UEAPME appreciates that the ESF+ intends to promote employment and (re)integration, into the labour market, in particular for women with an access to childcare facilities and a better work-life balance of parents.

3 - On the governance and partnership principle

UEAPME attaches a high importance to the full respect of the partnership principle following the multi-level and multi-actors principle of governance.

The European Code of Conduct on Partnership has helped to improve the efficiency and effectiveness of ESF activities through strengthening cooperation between managing authorities, social partners and other stakeholders. At the same time, scope remains for further improving the implementation of the partnership principle, which should be achieved through making it an enabling condition.

The participation of economic and social partners in the governance of the cohesion policy has always been a major issue for ensuring a good use of the funds. Therefore European social partners should be involved in the review of the Code of Conduct on Partnership. Current article 8 “Partnership” should be reinforced. Social partners should not only be involved in the delivery of the policies, but in the entire decision-making process, the definition of priorities and in the content and design of programmes.

Under the programming period 2014-2020, the Commission made **the European Code of Conduct on Partnership** a binding condition for management authorities to involve economic and social partners in the management of the structural funds and including of the ESF.

Under the programming period 2021-2027, UEAPME considers it necessary to reinforce the role of social partners and obligations of managing authorities at all levels to fully involve social partners in the design, monitoring and implementation of the programmes.

4 - On capacity-building of economic and social partners

The real involvement of economic and social partners requires parallel efforts on capacity building and technical assistance to ensure that they can fully play the role and contribute to the achievement and implementation of objectives and policies of the programmes.

Furthermore, the specific and crucial role played by social partners regarding social dialogue, labour market and employment dimensions, should be better recognised by giving them a more prominent role in the planning and execution of the ESF activities.

UEAPME sees therefore the need for **a significant increase of the financial support to capacity building of social partners.**

5 – On simplification of the ESF management rules

UEAPME welcomes the various simplification measures proposed in the future Common Provisions Regulation (CPR), in particular the reduction of interpretation of texts and delegated acts. However, many initiatives proposed by the High Level Group for simplification of ESIF should also be integrated.

In its position on the CPR, UEAPME proposes numerous practical and technical measures of administrative and financial simplification aimed at reducing the administrative burden for SME organisations.

6 - Articles to be amended

- **Article 8.1** should read: “Partnership and governance”

“Each Member State shall ensure adequate participation of social partners and civil society organisations **in the design, implementation and monitoring of ESF+ support** and in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management”.

- **New article 8.2**

The national or regional managing authority of each programme shall encourage adequate participation of social partners in actions funded under Article 4.

- **Current Article 8.2**

Member States shall allocate an appropriate and significant amount of ESF+ resources under shared management in each programme for the capacity-building of social partners and civil society, **which shall include training, networking measures, strengthening the social dialogue and activities jointly undertaken by the social partners, in particular as regards adaptation of workers and enterprises referred to in Article 4 (1) iii.**

- **Article 24.c “capacity building”**

On capacity building, the article should specifically mention under paragraph (iv) **“economic and social partners at all levels”** and not only limit capacity building to activities related to transnational cooperation.

- **A new Article 24. 3:**

The Commission may entrust the European social partners with actions under (a) and (d). Managing authorities together with the European Commission and in consultation with social partners should consider how to overcome the challenges of project-based funding. The European Commission should explore the possibility of setting-up programming arrangements for social partner capacity building initiatives throughout an entire funding period instead of individual projects-based calls.

- **Article 38.4 Exercise of the delegation**

“Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016. **In order to ensure that the delegated acts are in line with the realities of the beneficiaries' situations and to reduce the risks of interpretation and gold plating, the Commission also consults the European economic and social partners”.**

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