

MULTIANNUAL FINANCIAL FRAMEWORK 2021-2027

Initial Remarks to Proposals - July 2018

A. Social Services and the EU Budget

Social Services Europe is the largest network of not-for-profit social and healthcare providers at EU level, representing over 100,000 organisations through its 8 members: Caritas Europa, CEDAG, EASPD, EPR, Eurodiaconia, FEANTSA, the Red Cross EU Office and SOLIDAR.

As highlighted in our paper “[Enabling Social Services through the Multi-Annual Financial Framework post-2020: A European Imperative](#)” (March 2018), the EU budget plays a **key role in funding both innovation and continuity in quality social service provision**. As a result of such investment, the EU Budget contributes to improving the quality of life of all people in Europe; thus leading to **a more stable, inclusive, productive and resilient European Union**.

B. General Views on the European Commission proposals

Social Services Europe **welcomes the general orientation of the European Commission’s proposals** for a Multiannual Financial Framework (MFF) 2021-2027. Despite the somewhat challenging political context in the EU, it is pleasing to see rather strong proposals for programmes of crucial concern to social service providers; in particular for the European Social Fund Plus (ESF+), the Common Provisions Regulation (CPR) and Invest EU.

Of particular note for social service providers is the stronger **mainstreaming of social investment opportunities** across a wide range of other programmes including the European Regional Development Fund, Horizon Europe, Digital Europe, Erasmus, the Asylum and Migration Fund, the European Solidarity Corps, the Justice programme and the Rights and Values programme.

As such, the EC proposals for the future EU budget recognize that creating a more Social Europe requires a **multi-dimensional approach where each EU programme contributes in their own way to social inclusion in Europe**. This is the spirit of the European Pillar of Social Rights, the Sustainable Development Goals and the UN Convention on the Rights of Persons with Disabilities, **an approach we very much welcome**.

Perhaps the **most important concern** for many social service providers is to ensure that **the transition between the current and the future Multiannual Financial Framework does not lead to a gap for their funding**. Past experience has shown that any significant delay for the agreement would mean additional funding difficulties for many social service providers; thus impacting their day to day care and support services. Thus, whilst understanding the complexity of such discussions, Social Services Europe recommends policy-makers to take this aspect into account during the negotiations phase in the European Parliament and the Council of the European Union.

C. Top 5 initiatives in the proposals



Partnership Principle

EU funds are most effective in providing solutions to social challenges when those who work closest to the difficulties are more strongly involved in the process. **The continued and re-enforced support for the “Partnership Principle” in the use of EU funds is therefore very positive**; in particular when it comes to their (possible) strengthened role in the Monitoring Committees. More effort is however required to ensure that the partnership principle is implemented in practice; an effective instrument currently underused by many public authorities.

Earmarking for social inclusion

Poverty and social exclusion continues to affect too many people in Europe, despite the recent upturn of the economy and a decrease in unemployment. This is because tackling such complex issues requires both labour market AND social inclusion policies. **Earmarking for social inclusion (min. 25% in ESF+) or social investment measures (€4 bln in InvestEU) is therefore a positive step** to ensure an effective response to the complex social needs of all people in Europe.

Funding of innovative projects

The social needs of people in Europe are evolving rapidly. This obliges social service providers to innovate at all times. The **inclusion of new measures to facilitate the funding of innovative projects and service development is thus very much welcomed**, in particular the possibility to have a higher EU co-financing rate for such projects (95% in ESF+). The **strengthened budget for capacity building in InvestEU** will also help service providers to match their innovative investment plans to the new EU financial instruments.

Enabling Conditions

The **addition of 'enabling conditions' across the life-cycle of a project in the CPR proposal is a positive initiative**, in particular with a re-enforced role for the Monitoring Committees. The references to the Charter of Fundamental Rights, the Convention on the Rights of Persons with Disabilities and the inclusion of measures related to the development of community-based care will help to ensure that EU funds are used to support investment into quality care and support services, responding to the individual needs of users.

Simplification of access to funds

Accessing EU funds is very complex for many social service providers. This is particularly the case for smaller non-profit organisations who are often very innovative yet also underfunded. Supporting them to access EU funds could allow them to develop their services and improve the quality of life of persons they support. The **general orientation proposed by the European Commission to simplify access to EU funds is therefore very important for many social service providers**.

D. Four main areas with room for improvement

Co-financing

The proposal to bring back the **EU co-financing rate to pre-crisis levels could significantly hinder the funding of important social projects**, given that the crisis radically impacted the funding systems for social service providers, where EU money often replaced national funding. Whilst it is important to bring national ownership to EU funded social projects, it is also important to keep in mind that national expenditure to social services has decreased – in real terms – throughout Europe. This proposal may therefore lead to less quality social services projects being funded, rather than increase national ownership of said projects.

European Semester

The proposal **to further link the EU funds to the European Semester process is understandable. Caution is however required**. Whilst the Semester covers many important social issues, it does not and cannot cover the full range of social challenges in each Member State or region. This limitation could be solved if the European Pillar of Social Rights and the Sustainable Development goals are given an **equally important role** as the European Semester in the development of each Operational Programme. This is not currently the case.

Simplification

The general approach to simplification is much welcomed; yet

- additional efforts must be made to ensure that the measures help to **simplify access to the EU funds for end beneficiaries** (say, local social service providers); not only simplify processes for managing authorities.

- managing authorities should be encouraged to **preserve accessibility and usability of EU funds through their Operational Programmes** at national level. Unnecessary complications (gold-plating) for end beneficiaries should be avoided.
- many social service providers have **mixed views on simplified cost options**, which can simplify accountancy procedures but also increase the co-financing of projects for the end-beneficiary. Their **involvement in the Monitoring Committees** through the partnership principle is therefore of crucial importance.
- the “**proportionate arrangements**” system could lead to a **two-tier system** where those who benefit from the improved arrangements make greater and better use of EU funds; whereas those who struggle to benefit from such arrangements continue to underuse EU funds. The proportionate arrangements should therefore also include targeted measures to help those who may need additional support.


Material deprivation

The proposal for simple management rules for the provision of food and material assistance to the most deprived (Chapter III of ESF+) is a welcomed step. However, the possibility to allocate ESF+ resources to accompanying measures would remain at the discretion of Member States and would no longer be compulsory post-2020. Accompanying measures, such as providing social services, have proved to be key in addressing social exclusion of the most deprived. **We suggest the allocation of resources to accompanying measures to be made compulsory (article 17.4) in order to make sure food and material assistance is most effective in contributing to social cohesion.**

E. Next Steps for Social Services Europe

Social Services Europe will follow-up this position paper with **concrete amendments to the European Commission’s proposals on ESF+, the Common Provisions Regulation and InvestEU**. These amendments will be available by the **7th September 2018**.

Our members (Caritas Europa, CEDAG, EASPD, EPR, Eurodiaconia, FEANTSA, the Red Cross EU Office and SOLIDAR) are also actively working on the next EU Budget, in particular on the other files mentioned: European Regional Development Fund, Horizon Europe, Digital Europe, Erasmus, the Asylum and Migration Fund, the European Solidarity Corps, the Justice programme, and the Rights and Values programme.

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