

JULY 2018

FEANTSA'S POSITION ON THE FUTURE OF THE EUROPEAN SOCIAL FUND PLUS, EUROPEAN REGIONAL AND DEVELOPMENT FUND AND COMMON PROVISION FRAMEWORK

EU FUNDING MUST NOT LEAVE ANYONE BEHIND

The European Union institutions have started the negotiations on the future of the European Union budget in a difficult political context. Amongst other decisive factors, the Brexit will reduce the overall amount available to the EU budget, while the 2015 “migration crisis” has questioned the principle of “European solidarity” and underlined the need for more budgetary flexibility to respond to unexpected changes. In parallel, the future European Union budget is set to respond to today’s and tomorrow’s challenges such as technological change, globalization, poverty, demographic change, unemployment, etc. Furthermore, the European Union budget priorities set in the coming months by the new Multiannual Financial framework (MFF) allocation will be decisive in supporting necessary efforts at national and local level to address poverty and in particular increasing homelessness and housing exclusion.

I- European Social Fund Plus

The new European Social Fund (ESF) will have a broader scope and regroup the former ESF, Fund for European Aid to the Most Deprived (FEAD), Youth Employment Initiative, Employment and Social Innovation Programme (EaSI) and Health Programme. The new fund will be called European Social Fund Plus (ESF +) and built on four thematic concentration:

1. Policy alignment on the European Semester and the implementation of the Country Specific Recommendations, as well as the European Pillar of Social Rights.
2. At least 25% earmarked for social inclusion and tackling poverty.
3. At least 4% of the resources of the ESF+ strand under shared management to support the most deprived, with Member States allocating at least 2% to address the forms of extreme poverty with the greatest social exclusion impact, such as homelessness, child poverty and food deprivation.
4. Earmarking for action targeting youth neither in education, employment or training (NEET): Member States with a NEET rate (age group 15 – 29) above a given threshold should allocate 10% of their ESF+ resources of the shared management strand to targeted actions and structural reforms to support young people. In the case of outermost regions with a NEET rate above the threshold, the allocation is increased to 15%.

Given the political context, FEANTSA welcomes the proposal to dedicate a total amount of €101 billion over seven years to the ESF+, including a 25% earmarking for social inclusion and tackling poverty, and a minimum 2% reserved for the most deprived “to address the most extreme forms of extreme poverty (...) such as homelessness”.

If the total amount was to decrease, FEANTSA urges the European institutions to adopt an increased percentage dedicated to social inclusion and support to the most deprived, so as to maintain an acceptable level.

This statement outlines FEANTSA's main recommendations on the proposed ESF+ and Common Provision Framework.

→ ESF + and Deinstitutionalisation

FEANTSA welcomes article 6.2 of the ESF+ new regulation that states its support specifically to “targeted actions to promote (...) the transition (...) to family and community-based care”. It is particularly welcome as a generic provision applying to all Member States for all parts of the ESF+.

This confirms FEANTSA's and the European Expert Group on the Transition from Institutional to Community based Care (EEG)'s perspective on the need for European funding to support family and community-based care. FEANTSA underlines that the time dimension of institutionalization is important. For some groups short periods in institutional care might be unavoidable, but the time they stay there must be as short as possible. This is in line with Housing-Led and Housing First policies to address homelessness most effectively, that are emerging throughout Europe and must benefit from a financial support from the ESF +.

→ Indicators – general ESF + strand

FEANTSA welcomes the presence of a common output indicator for the general support of the ESF+ strand under shared management (Annex 1.1.b) on homeless or people affected by housing exclusion. FEANTSA also welcomes the flexibility of the provision which specifies that the values can be based on estimates. Estimates must be grounded in reality and clearly present the reality they intend to describe (e.g. the difference between the number of single users of a service, and the number of daily users).

→ ESF+ support for addressing material deprivation (chapter III)

FEANTSA welcomes the proposal for the continuation of a funding dedicated to the most deprived, following on the current FEAD (“European fund for aid to the most deprived) and the requirement for Member States to allocate at least 2% of their ESF+ resources for measures targeting the most deprived.

However, FEANTSA underlines its concerns about:

- The lack of a **more precise definition of ‘most deprived persons’** in article 2 (13). Indeed, the objective criteria that establishes the need for assistance are, once again (as in the current FEAD), fully left to national authorities. It would be beneficial in terms of consistency at EU level to provide more precise guidelines on how to define most deprived persons. Homelessness should be explicitly included in the definition of most deprived persons; and the definition could be based for instance on living situations, referring to the European Typology of Homelessness developed by FEANTSA.

Proposed amendment:

*(13) 'most deprived persons' means natural persons, whether individuals, families, households or groups composed of such persons, whose need for assistance has been established according to **its living situation (such as homelessness) or the objective criteria set by the national competent authorities in consultation with relevant stakeholders, while avoiding conflicts of interest and which are approved by those national competent authorities and which may include elements that allow the targeting of the most deprived persons in certain geographical areas;***

- Another serious point of concern for FEANTSA is **the optional nature of the social inclusion measures**: the structure of the allocation to support the most deprived clearly gives preference to material support (former FEAD Operational Program 1). This is a true change of nature of the program which previously provided a real, equal, choice to Member States, would could choose Operational Program 1 (material assistance, including accompanying measures of social inclusion) or Operational Program 2 (social inclusion).
Indeed, according to article 7, Member States must allocate at least 2% to providing food and basic material assistance and in case they would rather want to allocate at least 2% to social integration, they must provide an explanation that will be validated in “duly justified cases”.
FEANTSA requests more details on the process of “justification” envisaged by the European Commission for a Member States to request to allocate fund for social inclusion to the most deprived.

Moreover, article 17.4 on the Principles of ESF support for addressing material deprivation states that “The delivery of food and/or material assistance **MAY be** complemented with reorientation towards competent services and other accompanying measures aiming at the social inclusion of the most deprived persons.” Making the social inclusion element optional whereas it was compulsory in the former (current) program is problematic.

FEANTSA’s members know that investing in food rather than in integration measures are insufficient to fight against destitution on the long term. On the one hand, the Commission pushes for social innovation but on the other hand, when it comes to extreme poverty, the “traditional” way – providing food and basic material assistance - is preferred. We believe that to generate a significant impact, the European Commission should rather encourage Member States to develop social inclusion programmes for most deprived persons instead of favouring investment in food aid and material assistance.

Proposed amendment

Article 7.4

*4. Member States shall allocate at least 2% of their ESF+ resources under shared management to the specific objective of addressing material deprivation set out in point (xi) of Article 4(1). ~~to duly justified cases~~, the resources allocated to the specific objective set out in point (x) of Article 4(1) and targeting the most deprived ~~may~~ **can** be taken into account for verifying compliance with the minimum allocation of at least 2% set out in the first subparagraph of this paragraph.*

Article 17. 4

*4. The delivery of food and/or material assistance ~~may~~ **must** be complemented with reorientation towards competent services and other accompanying measures aiming at the social inclusion of the most deprived persons.*

Proposed amendment

Article 13

*1. Member States shall support actions of social innovation and social experimentations or strengthen bottom-up approaches based on partnerships involving public authorities, the private sector, and civil society such as the Local Action Groups designing and implementing community-led local development **strategies as well as thematic actions focused on addressing the needs of specific groups, including the most deprived persons.***

- Finally, on the issue of indicators, FEANTSA welcomes the presence on indicators on homelessness, namely
 - Annex I (Common indicators for the general support of the ESF+ strand under shared management), 1(b): other common output indicators include people who are homeless or affected by housing exclusion,
 - Annex II (Common indicators for ESF+ support for addressing material deprivation), a common result indicator (3) on the number of homeless end recipients or end recipients affected by housing exclusion. FEANTSA proposes to narrow down this definition on the basis of the ETHOS light definition¹.

FEANTSA particularly welcomes the effort of the European Commission not to propose indicators demanding stringent identification requirements on the end beneficiaries and stating that estimate².

- However, some of the indicators proposed currently are unsatisfactory as they do not provide any incentive for impact of the measure in terms of social inclusion or poverty alleviation.

Indeed, the proposed output indicators of “monetary value” of the good distributed do not provide any information on the success of the program. This also include the provision on “(ib) total monetary value of food for the homeless” (annex II Common indicators for ESF+ support for addressing material deprivation). FEANTSA and partner organisations call for an indicator linked to people’s living situation e.g. on the regularity or the support received, or the perceived impact in alleviating material deprivation.

(1) Output indicators

(a) Total ~~monetary value of~~ **number of units of distributed food and goods (meals, packages, etc).**

¹ FEANTSA ETHOS light: A Harmonised Definition of Homelessness for Statistical Purposes:

<https://www.feantsa.org/download/fea-002-18-update-ethos-light-0032417441788687419154.pdf>

² Page 12, ESF+ regulation: « In order to simplify data collection and minimise the burden on participants and beneficiaries, the authorities will be enabled, as much as possible, to collect monitoring data from existing administrative registers. Sensitive data will not be collected directly from the participants and rely on registers or informed estimations.”

~~(i) number of units distributed to first time recipient total value of the food support;~~
~~(ia) number of units distributed to long-term recipients (more than 6 months) total monetary value of food for children;~~
~~(ib) number of units distributed to unknown total monetary value of food for the homeless;~~
~~(ic) total monetary value of food for other target groups.~~

~~(ii) total value of goods distributed~~
~~(iia) total monetary value of goods for children;~~
~~(iib) total monetary value of goods for the homeless;~~
~~(iic) total monetary value of goods for other target groups.~~
~~(b) Total quantity of food support distributed (tons).~~

~~Thereof2:~~
~~(a) share of food for which only transport, distribution and storage were paid for by the programme (in %);~~
~~(b) proportion of the ESF+ co-financed food products in the total volume of food distributed the beneficiaries (in %)~~

II- European Regional and Development Fund

- FEANTSA welcomes article 2 on Specific objectives for the ERDF and the Cohesion Fund which includes a specific objective on 'a more social Europe implementing the European Pillar of Social Rights' ('PO 4'), which shows a stronger commitment to invest in social Europe also through regional and economic development. FEANTSA particularly welcomes the reference to “(iii) increasing the socioeconomic integration of marginalised communities, migrants and disadvantaged groups, through integrated measures including housing and social services”, which is vital to address the challenge of tackling and combating homelessness through integrated actions of housing and social services. However, we would like to ensure that such measures are eligible in the future framework and therefore would like to see it reinforced. This should be included both in the specific objectives and in the indicators.

Proposed amendment Article 2

*(iii) Increasing the socioeconomic integration of marginalised communities such as migrants and disadvantaged groups, **including the most deprived persons**, through integrated measures including housing and social services;*

ANNEX I. Common output and result indicators for the ERDF and the Cohesion Fund

4. A more social Europe implementing the European Pillar of Social Rights

RCO 64 - Capacity of rehabilitated housing –migrants, refugees and persons under or applying for international protection, **and homeless**

RCR 67 - Occupancy of rehabilitated housing – Roma, migrants, refugees and persons under or applying for international protection, **and homeless**

III- Common Provision Framework

- FEANTSA welcomes article 6 on partnership as a strong direction given to the need to strengthen cooperation with relevant civil society organizations. FEANTSA also welcomes the fact that, being

placed under the Common Provision Framework, the partnership principle will also apply to the AMF.

- FEANTSA supports the political indication of a commitment to social objective through the references to the 2030 Sustainable Development Goals, European Pillar of Social Rights (under policy objective 4 of “a more social Europe”) and the requirement for anti-poverty strategies, that include specific actions on homelessness (annex of the regulation³):

However, there is a risk that the alignment with the European Semester does not translate into an alignment with the European Pillar of Social Rights’ third pillar on social protection but focuses more narrowly on activation. It will be very important according to FEANTSA that EU funds remain available for support to the most excluded and those furthest away from the labour market.

- FEANTSA welcomes the thematic Enabling Conditions first in their overall simplification and the monitoring of their implementation throughout the process (and not just at the beginning of the process)

More specifically, FEANTSA strongly supports the thematic enabling conditions 4.3 applicable to the ESF and ERDF (ANNEX IV: Thematic enabling conditions applicable to ERDF, ESF+ and the Cohesion Fund – Article 11(1)) which state that some of the fulfilment criteria for the enabling condition, are a national strategic policy framework for social inclusion and poverty reduction that includes

- Evidence-based diagnosis of poverty and social exclusion including on homelessness
- the shift from institutional to community-based care. Something new here is that this applies to all EU Member States and not only to those with identified needs as to a specific need for deinstitutionalisation.

Point 4.3.4 for the ESF reinforces this call by requesting measures to promote community-based services, including prevention and primary care, home-care and community-based services as fulfilment criteria for the enabling condition.

For more information, contact:

clotilde.clark-foulquier@feantsa.org

ruth.owen@feantsa.org

³ https://ec.europa.eu/info/law/better-regulation/initiative/239874/attachment/090166e5bb0b7ff6_en