



Council of the
European Union

026434/EU XXVI. GP
Eingelangt am 14/06/18

Brussels, 14 June 2018
(OR. en)

10064/18

SOC 401
ECOFIN 615
FSTR 33
CADREFIN 98
COMPET 446
FIN 467
SAN 188

NOTE

| | |
|----------|---|
| From: | Presidency |
| To: | Delegations |
| Subject: | ESF+ and EGF: empowering social Europe in contributing to economic and social inclusion |
| | - Presidency steering note |

Delegations will find attached the Presidency steering note on the above subject, with a view to the lunch debate at the EPSCO Council on 21 June 2018.

EPSCO Lunch debate

ESF+ and EGF: empowering social Europe in contributing to economic and social inclusion

In the context of the next Multi-annual Financial Framework (MFF 2021-2027), the Commission adopted recently the sector-specific proposals for Regulations on the European Social Fund Plus (ESF+) and the European Globalisation Adjustment Fund (EGF).

The proposal for the MFF 2021-2027 establishes a dedicated heading on "**Investing in People**", highlighting the common objective of several EU instruments, notably the ESF+, Erasmus, and European Solidarity Corps.

The ESF+ will continue to be the main EU instrument investing in people and harnessing the challenges to Europe's employment and social situation. It also responds to the call by stakeholders for a more streamlined and simplified legal instrument that is better aligned to policy priorities. The EGF will continue to provide interventions when significant dismissals of workers occur due to unexpected major restructuring events. These two proposals are among the key EU instruments to deliver on the rights and principles enshrined in the European Pillar of Social Rights.

Among the main elements of the proposals are the following:

1. Alignment of the ESF+ investments to national reforms in the context of the European Semester:

The ESF+ Regulation proposes a close alignment with the relevant Country-specific Recommendations (CSRs) and other relevant key challenges agreed as part of the European Semester. It is proposed that Member States dedicate adequate resources from their ESF+ allocations to these challenges at the start of the programming period. Towards the end of the programming period, Member States should then reconsider allocation in the light of the latest relevant recommendations. Member States should also take into account the national and regional aspects of CSRs in their design of ESF+ programmes.

2. Achieving greater synergies at Member State level across EU funding instruments investing in people

The proposal on the **ESF+ Regulation** already provides a pathway for seeking greater synergies of investments in the employment and social sectors by integrating several instruments including the Fund for Aid to the Most Deprived (**FEAD**), the **European Programme for Employment and Social Innovation** (EaSI) and the Health Programme. Nevertheless, there is scope for further enhancing complementarities at national level of the ESF+ with other instruments under the "Investing in People" heading. The support provided by the ESF+ and the new Reform Delivery Tool will also entail close coordination and complementary use of EU funding instruments.

3. Meeting the demands of future labour markets

Labour markets are facing tremendous transformations due to technological advance combined with geopolitical and demographic developments. These transformations are expected to create many new jobs requiring up- or re-skilling of the workforce. On the other hand, these transformations are expected to displace jobs, resulting in the necessity to help those losing their jobs adjust and acquire the skills needed to meet the demands of the future labour market. The ESF+ will continue to offer pro-active and longer-term assistance to help people adjust. The EGF is supposed to remain the main tool to offer re-active assistance in emergency situations such as mass dismissals in the course of a major restructuring event. This will include the dissemination of skills required in the digital age as a mandatory horizontal requirement for the design of future EGF assistance.

On this basis, Ministers are invited to address the following questions:

1. *What are the best ways to create synergies and complementarity among the instruments investing in people, notably the ESF+ and EGF?*
2. *How can the European Funds best assist the Member States to meet the demands of future labour markets and how could they best support the implementation of CSRs?*