



EUROPEAN COMMISSION

*Brussels, 27.2.2019
C(2019) 1498 final*

Dear President,

The Commission would like to thank the Senát for its Opinion on the proposal for a Regulation of the European Parliament and of the Council on the European Social Fund Plus {COM(2018) 382 final}.

The Commission's proposal forms part of a broader package of ambitious measures designed to enhance the social dimension of the Union and respond to the concerns of our citizens. On 17 November 2017 the European Parliament, the Council and the Commission jointly proclaimed the European Pillar of Social Rights. Furthermore, on 2 May 2018, the Commission adopted a proposal for the next Multiannual Financial Framework for 2021-2027 for investing in areas of European added value. The proposal for the European Social Fund Plus reflects the current social and economic context and provides a concrete response to the call from the European citizens for a more social Europe and for greater investment in people in the European Union.

As the Union's main instrument to invest in people and to implement the European Pillar of Social Rights, the European Social Fund Plus will help building an empowering social Europe and contribute to economic, social and territorial cohesion in accordance with Article 174 TFEU, a necessary condition for the proper functioning of the European Union as a stable and viable economic and political union.

The Commission welcomes the Senát's broad support for the proposal but notes its doubts relating to some of the proposal's elements. The Commission is pleased to have this opportunity to provide a number of clarifications regarding its proposal in the annex.

Discussions between the co-legislators, the European Parliament and the Council, on the proposal are now underway. The Opinion has been made available to the Commission's representatives in the ongoing negotiations and will inform these discussions.

*Mr Jaroslav KUBERA
President of the Senát
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The Commission looks forward to continuing the political dialogue with the Sénat in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Marianne Thyssen
Member of the Commission*

The Commission has carefully considered each of the issues raised by the Senát in its Opinion and is pleased to offer the following clarifications, grouped by topics.

On the modernisation of public administration services in the European Social Fund Plus proposal

The Commission would like to highlight that although there will be no equivalent to the current thematic objective 11 (enhancing institutional capacity of public authorities and stakeholders and efficient public administration), the European Social Fund Plus will continue to support institutional capacity for crucial policy and system reforms. However, this support will focus on the European Social Fund Plus areas of action, notably employment, social inclusion and protection, education and training systems, as well as health systems and services. This support may be provided under any of its specific objectives. In doing so, the European Social Fund Plus will act in synergy and complementarity with other EU instruments providing funding in support of structural reforms, notably the Reform Delivery Tool, which will provide support to other reforms in public administration not falling within the scope of the support of the Funds. The European Social Fund Plus proposal indicates likewise that the Member States, where appropriate, shall foster synergies and ensure coordination, complementarity and coherence with the Reform Support Programme (Article 7(1) of the European Social Fund Plus proposal).

On the merging of the different EU instruments in the ESF+ proposal

The Commission believes that by merging the Union Instruments (the European Social Fund, Employment and Social Innovation and the Health Programme) into one Fund, the added value of EU funding will be enhanced for a range of activities in the policy fields relevant to investing in people and key for the implementation of the European Pillar of Social Rights, notably employment, social inclusion and tackling poverty, education and training, as well as health investments.

For citizens, but also beneficiaries, this should facilitate the access to funding opportunities. For managing and implementing authorities there is a significant simplification and consolidation of rules regarding funding opportunities in these policy areas into a common single legal base.

The Commission would also like to emphasise that the specific objectives set out in Article 4(1) are common to all strands of the European Social Fund Plus. This means that all strands of the European Social Fund Plus may contribute to these specific objectives. The European Social Fund Plus shared management strand can contribute to all of the specific objectives in Article 4(1) under the policy objective “A more social Europe”. It will also contribute to the other policy objectives set out in the Common Provisions Regulation, in particular (but not only), “a Smarter Europe and a Greener” Europe (Article 4(2) of the European Social Fund Plus). Whereas the Employment and Social Innovation and the Health Programme may contribute to all specific objectives, they will focus on those related to their general aims. This means that the Health strand

will focus on health related objectives and the Employment and Social Innovation strand on the specific objectives related to employment and social policies. The contribution of these strands to the specific objectives is translated into operational objectives, which are set out in Article 23 for the Employment and Social Innovation strand, and Article 26 for the Health strand.

The Commission is convinced that there will be no overlap between the strands. On the contrary, the merging of the funds allows for a clearer link between the direct and indirect management strands and the shared management strand of the European Social Fund Plus. Moreover, the European Social Fund Plus can be used to upscale projects. In practice this means that the ESF+ can implement, on a larger scale, projects that are initially funded by the direct and indirect management strands, e.g. a regional pilot project could be implemented at national level. On the other hand, the direct and indirect management strands may also be used to fund projects that complement action undertaken by Member States under the shared management strand. The merging of the Union instruments will therefore foster synergies and complementarities.

On the potential overlap of activities supported by the European Social Fund Plus and the European Globalisation Adjustment Fund;

It is important to note that while the European Social Fund Plus will continue to function as a preventive and anticipatory fund, the European Globalisation Adjustment Fund will remain a reactive emergency Fund outside the Multiannual Financial Framework. The European Globalisation Adjustment Fund currently co-finances measures that assist workers displaced due to globalisation or the financial and economic crisis. In the future, the European Globalisation Adjustment Fund is proposed to cover any type of large scale restructuring event – including those caused by the transition to a low-carbon economy or effects of automation, digitalisation or trade issues.

The European Social Fund Plus will for example complement the European Globalisation Adjustment Fund by proactively supporting adequate measures in areas that are at risk due to foreseeable economic challenges. To increase coherence and synergies with the European Social Fund Plus, a clear demarcation line will be established by removing the young people not in education, employment or training (NEETs) as a specific target group for the European Globalisation Adjustment Fund. In addition, because more favourable co-financing rates have sometimes led Member States to use the European Social Fund for European Globalisation Adjustment Fund's type of measures, the European Globalisation Adjustment Fund co-financing rate will be aligned with the European Social Fund Plus rate in the Member State concerned. Although the merging of the European Globalisation Adjustment Fund with the European Social Fund Plus was considered in the European Social Fund Plus Impact Assessment¹ it was concluded not to merge the European Globalisation Adjustment Fund

¹ *Impact Assessment accompanying the document Proposal for a Regulation of the European Parliament and the Council on the European Social Fund Plus (ESF+) and proposal for a Regulation of the European Parliament and the Council on the European Globalisation Adjustment Fund (EGF), Brussels, 30.5.2018, SWD(2018) 289 final*

as this would mean sacrificing the European Globalisation Adjustment Fund's high visibility as an EU-level emergency instrument to cushion the adverse side effects of globalisation, and its flexibility would be decreased. Thus, it is clear that although the European Globalisation Adjustment Fund will not be merged into the European Social Fund Plus it will still work alongside the European Social Fund Plus in an effective and efficient manner.

On the link between the European Social Fund Plus and the European Semester

The Commission takes note of the Sénat's positive reaction to the link between the European Social Fund Plus and the European Semester. The Commission would like to emphasise that, indeed, there is a level of flexibility as Article 7(2) of the European Social Fund Plus proposal provides that the Member States will be required to allocate an "appropriate" amount to challenges identified in relevant Country Specific Recommendations and the European Semester. Therefore there will be a degree of flexibility as the thematic concentration requirement is dependent on whether a Member States has a challenge identified in the European Semester in an area falling within the scope of the European Social Fund Plus. It is important to note that the European Semester will be adjusted and provide in 2019 and in 2024 relevant Country Specific Recommendations with a view to steering the programming of the Structural Funds for implementing reforms falling within the scope of the European Social Fund Plus and the European Regional Development Fund.
