

Brussels, 14th December 2016

REF. Unlocking EFSI for Social Triple A Europe

To the kind attention of

Dear President of the European Commission,

Dear Mr Jean-Claude Juncker,

I am writing to you on behalf of the European Association of Service providers for Persons with Disabilities (EASPD), representing over 12,000 social service providers primarily in the field of employment, education and care of persons with disabilities. Social Services are currently some of the biggest job creators in Europe with over 1.8 million new jobs created since 2008, despite under-investment into the sector. This job creation potential is expected to grow over the upcoming decades, especially due to demographic changes and evolving family patterns. Social Services are also key contributors to the economy by protecting and empowering all people to take an active part in society; and therefore an essential instrument in achieving a Social Triple A for Europe.

You recently stated that “what really counts is not the numbers, but the stories behind the numbers, the stories of how it affects the lives of people right across Europe” (15.12.2016, European Parliament). The European Fund for Strategic Investments (EFSI) is an opportunity to build many more success stories by facilitating access to high quality support and care services for up to 95 million older people, 80 million people with disabilities and 120 million people living in poverty and social exclusion.

We are concerned that the current proposal to extend EFSI does not include any important proposal to unlock investment into social infrastructure and to successfully breakdown current barriers. The current level of investment in this field is only 4% (European Commission, 2016) of all EFSI interventions. This is a missed opportunity that can be corrected now.

Following research made in 6 EU Member States (Austria, Belgium, Finland, France, Ireland and Spain), despite a significant demand for investment, only one major service provider had heard of the European Fund for Strategic Investments. EASPD also published a more qualitative study on the major barriers hindering investment into Social Services. Based on this work, EASPD believes that better capacity-building, targeting and earmarking or offsetting of the financial support are requirements if investment is to be maximised.

CAPACITY BUILDING.

The Social Services sector, private investors and the European Investment Bank do not speak the same language. This hinders adequate communication to the social sector and resulting take-up of the instruments. A solution would be to de-centralise technical assistance at regional/national level, with sector-specific experts able to support the development of project applications by organisations from sectors with often –but not always- less technical expertise on access to private financing. Experts from the social field are also not sufficiently involved in the EFSI mechanisms which hinders adequate communication to the sector. To tackle this issue, EASPD plans to set-up an online one-stop-shop for social service providers to better understand how to use EFSI and for other



stakeholders to better understand the social services sector. More would nonetheless need to be done on the governance side to support this type of activity.

TARGETING.

Whilst EFSI instruments do not de facto exclude social services, neither do they particularly support investment into the sector with often very rigid criteria open for more general types of enterprises. Social services are by nature more likely to fulfil the additionality condition for benefitting from the EFSI interventions. Developing Sectoral investment platforms at regional/national level, supported by umbrella networks at European level, can support the development of projects from a broader variety of sectors. The EIB should also reduce the threshold for the Infrastructure & Innovation Window for projects in the field of Social Services. Finally we consider that EFSI decision making bodies would benefit from expertise in the social services sector to ensure these projects get the attention they deserve which otherwise would risk not being taken on board because their features do not fit the traditional financial and banking criteria.

EARMARKING or OFF SETTING.

In our view, a Social Triple A for Europe means a Europe which empowers all people to take full part in society. This means that young people should have access to inclusive and quality education and jobs; persons with disabilities should be able to participate in society on an equal basis; elderly people should be able to stay as long as possible in their community; and parents should be able to work if they wish to. To achieve this, Europe must help to modernise the continent's health and social care systems, schools and housing to make them fit for this purpose for the coming decades. Public and private investment is needed to make this happen. In its current framework, EFSI has led to significant investment in SMEs, transport, energy and digitalisation. However, under 4% has been dedicated to Social Infrastructure, despite the important need for additional investment. Under 1% has gone to social services, even with the significant and growing demand and the sector's job creation potential. Given the proposal to earmark 40% of EFSI financing for infrastructure and innovation window for projects in line with COP21 commitments, EASPD proposes to also earmark or offset between 15% and 25% for projects that pro-actively contribute to modernising social infrastructure in Europe.

WE SHARE GOALS

The extension of EFSI is an opportunity to ensure that it continues to contribute to jobs, growth and investment. Efforts should be made to ensure that EFSI also contributes to achieving a Social Triple A for Europe and to the implementation of the European Pillar of Social Rights.

EASPD would also welcome a meeting to further elaborate on these options with you or your team in the near future.

We very much look forward to your response.

Yours sincerely,

Mr Jim Crowe

President EASPD

Mr Luk Zelderloo

Secretary General EASPD



In Copy:

Mr Jyrki Katainen, Vice-President of the European Commission

Ms Marianne Thyssen, European Commissioner for Employment, Social Affairs, Skills and Labour Mobility

Ms Elzbieta Bienkowska, European Commissioner for Internal Market, Industry, Entrepreneurship and SMEs

