



Ensuring the next Social Fund (2028-34) is fit to implement the EU's Social Agenda: Social Services' Key Messages for the Next EU Multiannual Financial Framework

Introduction

This paper outlines joint recommendations of European and national networks of providers of not-for-profit social services, in order to ensure that the forthcoming Multiannual Financial Framework delivers on the EU's Social Agenda. Our networks represent social and health care services in all EU member states providing services for all including groups with specific needs such as persons with disabilities, older persons, children and families in poverty, migrants, workers with support needs, and homeless persons. The recommendations also largely reflect the outcomes of the Social Services Helpdesk Project (<https://eufunds4social.eu>).

EU governments have the responsibility to ensure the availability, affordability and accessibility of quality social and support services so that everyone in the EU has access to the right support, can enjoy their rights, and is included in the community. These include: employment support services for groups at risk of exclusion; inclusive education measures; housing services for homeless persons; and home care services for persons with support needs, among many others.

EU Funds, as a key tool to put EU policies into practice, have been fundamental for social reforms across Europe as well as for ensuring that the most vulnerable persons regardless of insurance or residence status have access to basic services. For example, the EU has been encouraging Member States to adopt a social, human rights-based and person-centred approach to care, and has promoted deinstitutionalisation for more than two decades. More recently, the EU has been promoting the integration of (social) care services, and encouraged Member States to prioritise housing support and services for homeless persons. The European Union, with its guiding role and financial support for social innovation and national reforms, has made it possible to complement national resources and bring forward the needed changes in social care systems across the EU. However, many challenges are still ahead. Among these are:

- Transition towards community-based services: Despite progress in some Member States, the transition towards person-centred and community-based support systems has not yet been completed. More targeted resources need to be allocated to this transition, to ensure that services are supported and can fulfil their role in leaving no one behind;

- **Structural underfunding:** The care and support services sector is structurally underfunded, making it very difficult for services to be resilient, improve the quality of care, and to develop and implement innovative approaches. This is being amplified by inflation and rising energy prices, which have increased the running costs of social services - in particular those providing health, care and housing-related services;
- **Staff shortages:** The care and support sector is facing staff shortages across all levels of professional qualification and experience, most urgently felt for the personnel which is working directly with people who draw on care and support;
- **Increasing demand:** Changes in the EU's demography and increases in the cost of living mean that more and more people will be in need of a range of services, whose demand is currently not sufficiently met;
- In addition, digitalisation and artificial intelligence will pose challenges to service delivery, but also opportunities which have not yet sufficiently been explored.

Social services are among the key players for an effective implementation of the EU's Social Agenda, including the **European Pillar of Social Rights**, the **European Disability Rights Strategy**, the **EU Strategy on the Rights of the Child**, the **European Child Guarantee**, the **European Care Strategy**, the **Social Economy Action Plan**, the **European Platform on Combating Homelessness**, as well as the **future EU Anti-Poverty Strategy**.

To ensure that social services can cope with the challenges as described above, and can play their key role in the implementation of EU's Social Agenda, it is of great importance that the next Multiannual Financial Framework (MFF) contains a Social Fund with an adequate budget and priorities and with an effective governance structure, which can be taken up by social services. In order to achieve this, the next section outlines five key recommendations.

Key Recommendations

Recommendation 1: Ensure an adequate and dedicated Social Fund to fully implement the European Pillar of Social Rights

Over the past years, EU funds have contributed to pilot and spread innovative services and approaches such as Housing First and low-threshold social counselling for people in vulnerable situations, and have fostered social transitions and reforms, such as the transition from institutional to community-based care and support. In order to keep on doing so, and to deliver on the **European Pillar of Social Rights** and other social policy frameworks, **it is of utmost importance that EU funds are specifically available for social inclusion and innovation in the upcoming MFF.**

By supporting social inclusion projects delivered by social services, the EU can deliver on at least 10 principles of the European Pillar of Social Rights:

- **Principle 01** – Social services assist in the achievement of inclusive education, training and life-long learning by supporting all people to have access to such opportunities.
- **Principle 02** – Social services support gender equality by providing care and support to enable parents or family members, often women, the choice to work if they wish to.

- **Principle 03** – Social services support equal opportunities by helping all people to access employment, social protection, education and access to goods and services.
- **Principle 04** – Social services assist in active support to employment by providing personalised, continuous and consistent support to help disadvantaged persons onto the labour market.
- **Principle 09** – Social services support work-life balance by providing care services to those who need it.
- **Principle 11** – Social services provide childcare and support to children by providing childcare services to those who need it, as well as additional support for disadvantaged children and/or families.
- **Principle 17** – Social services support the inclusion of people with disabilities by providing services that enable people with disabilities to participate in society and in the labour market.
- **Principle 18** – Social services support the provision of long-term care by providing quality, community-based long-term care services to people who need it.
- **Principle 19** – Social services assist the provision of housing and assistance for the homeless by providing support services for homeless people.
- **Principle 20** – Social services help to increase access to essential services by helping disadvantaged people access such services.

In order to ensure that social priorities are not being overshadowed by other priorities and potential future crises, it is important that there will be **a fund specifically dedicated to social policy, i.e. a successor to the current ESF+, which is not merged with any other new or existing EU fund**. Having a specific Social Fund and dedicated budget is also needed to ensure alignment with social services' needs. **Research by the Helpdesk project found that this approach has indeed been effective in the current funding period: 60% of the social services thought that the priorities set by the EU are in line with their own, and that EU projects can fund the activities they really need.**¹

To ensure the future Social Fund delivers on the full European Pillar of Social Rights and its 20 principles, as part of the Action Plan on the Implementation of the European Pillar of Social Rights (2025), the EU should **increase and leverage budget to the growing needs for each of its three chapters, namely: 1. Equal opportunities and access to the labour market; 2. Fair working conditions; and 3. Social protection and inclusion**. To ensure the third chapter is not being overshadowed by the former two, it is important **that the future Regulation earmarks at least 25% for social inclusion**. Moreover, the future Social Fund should encourage investments in line with the principles and objectives of the **Active Inclusion Approach**, applying a holistic approach to inclusion, by combining adequate income support, inclusive labour market measures, and access to services. By delivering quality, effective and innovative social services., the fund will comprehensively contribute to fighting poverty and ensuring an active workforce that will help deliver on the EU's competitiveness goals.

In addition, other funds, such as the European Regional Development Fund, the Just Transition Fund, ERASMUS+ and the Asylum, Migration and Integration Fund should also have a strong social component to ensure different needs of the most vulnerable population are being met, and to ensure complementarity between the funds. In this regard, new rules should allow for the ability to combine and blend funding from different Funds in the pursuit of social objectives.

¹ EU Helpdesk Survey Report on Social Service Providers (2023). Available at: https://eufunds4social.eu/wp-content/uploads/2023/03/EU-Helpdesk-cross-country-survey-report_SP.pdf

Recommendation 2: Maximise the impact of the future Social Fund by ensuring take up by not-for-profit organisations

Even though the Helpdesk project found that the priorities of the current ESF+ are well aligned with the needs of service providers, many social services reported difficulties in accessing ESF+ and other funds. **In some countries and regions, the Fund seems to reach only public authorities, or a very small pool of organisations. At the same time, the majority of not-for-profit social service providers, particularly smaller and locally-based organisations cannot get access.** In some cases it seems there is no open competition in which they can take part; in other cases there are only calls with a budget that is too high for smaller organisations to implement. Inability to meet co-funding requirements is another barrier for not-for-profit organisations to access EU funds. It also happens that the funds are used mostly for one issue (e.g. tackling unemployment), while other social inclusion topics are being neglected.

However, smaller or decentralised local **not-for-profit social services make up a large part of the overall support provided to people in need. In addition, they often have specific expertise and access to marginalised groups and (rural) areas that are otherwise not sufficiently covered by public services.** Without specific measures that facilitate access for these organisations, EU funds risk missing out on reaching their full potential in terms of social impact. Not-for-profit service providers are also important actors of social innovation. Embedded in the communities, they can quickly respond to changing needs and circumstances and reinvest profits in innovation and new agile programming that better correspond to the needs of the society.

In addition, as these organisations are independent local actors, the EU can play an important role by ensuring their continuity, regardless of changing political dynamics in its Member States.

Given the above, **we recommend to earmark at least 25% of the future Social Fund in each Member State for open calls targeting specifically not-for-profit organisations.**

In addition, we advise to **increase pre- and co-financing rates** for projects pursuing social inclusion objectives, in particular for projects implemented by not-for-profit organisations, where the EU co-funding contribution should be at least 80%. To ensure take-up by not-for-profit organisations and respect **for the partnership principle** at EU level, it is also important that they are consulted and contribute in the monitoring, evaluation and implementation of the fund at all levels. However, with the current foresight where cohesion policy will be planned under one single plan in each Member State, there is a risk that not-for-profit social services at all levels will not sufficiently be consulted. There should therefore be safeguards in place to ensure sufficient involvement of not-for-profit social services in the full funding cycle and **the inclusion of not-for-profit social services in the ESF+ committee, as well as in expert and consultative national committees,** should be mandatory.

Lastly, it is important that civil society organisations will again be eligible as intermediate bodies in the future Regulations. In the current period, we are seeing that having an intermediate body which is closer to civil society and to the target groups, is beneficial for the impact and use of EU funds, and can have a positive impact on the partnership principle as well. Furthermore, it allows for Operational Programmes to be rolled out across regions.

Recommendation 3: Build the capacity of Social Services to access the future Social Fund

The Helpdesk project revealed that **social services still face a significant knowledge and skills gap** in accessing the current ESF+ and running EU-funded projects. In addition, they insufficiently benefit from the available technical assistance budgets. This is another key barrier preventing the take-up of ESF+ by social services, as referred to in the Recommendation above.

The knowledge that social services currently lack relates to the functioning of ESF+ in the respective Member State; language used (project literacy) and the procedure of application; writing project applications and submitting projects; financing rules such as co-financing; reimbursement principles; accountancy rules; public procurement and state aid rules; the use of simplified cost options; reporting; and preparing audit controls. On the other hand, Managing Authorities also lack the capacity to better define, measure, and monitor the social impact of social services projects as well as addressing social innovation.

To improve the capacity of managing authorities and social services, the **European Commission should ensure that future regulations include mandatory capacity-building components (including related earmarked funding) and a strengthened partnership principle at the EU and national levels**. Furthermore, the future ESF+ regulation framework should be more precise on content and structure of capacity building and should especially refer to training of social services and other stakeholders in accessing, using and reporting ESF+, including by the setting up of dedicated intermediate bodies. In particular, **the future ESF+ regulation should reserve a technical assistance budget to set up a network of national helpdesks, coordinated at cross-European level, in order to effectively deliver the training, guidance, practice-sharing and support to organisations on-the-ground**.

Recommendation 4: Ensure simplification reaches beneficiaries

The Commission has made efforts to simplify the use of EU funds in the MFF 2021-2027, and has committed to pass further simplifications in the next MFF. This is highly welcomed, as one of the main barriers for social services to access EU funds remains the complexity of these funds and the lack of human resources to deal with the heavy application and reporting requirements.

Even though the simplifications in the current regulations, such as simplified cost options, are an important step towards simplification, **more efforts are needed to ensure that simplifications also reach the beneficiaries**. At the moment, there is too much uncertainty regarding the use of simplification measures, which means that the grant beneficiaries are still keeping record of all receipts and processes, to avoid unwelcome surprises during reporting and audits. **Therefore, particular attention should be paid to creating an enabling environment which reaches all stakeholders**. In order to achieve this, it is important that **beneficiaries, including not-for-profit social services providers, are consulted for the design of the simplification measures**.

Recommendation 5: Ensure EU funds drive social and human rights-based change and are anchored in the needs of individuals and communities

The EU and its Member States have committed to upholding human, including social rights through different policy frameworks such as the European Pillar of Social Rights, the EU

Fundamental Rights Charter and by signing international human rights conventions (such as the United Nations Convention on the Rights of Persons with Disabilities and the Revised European Social Charter). These frameworks also set standards for the accessibility, affordability, availability and quality of care and support. The EU has been playing a leading role to ensure Member States move towards the implementation of these frameworks, so as to ensure people in the EU have access to their rights. It has been doing so by using EU funds for social reforms, and by setting conditions for the use of the EU's shared management funds including ESF+ (through ex-ante conditionalities in the MFF 2014-2020 and enabling conditions in the MFF 2021-2027). **The EU should continue its influence to uphold human, including social rights and ensure quality care provision through renewed conditions which apply to all resilience and cohesion funds.** Human rights are universal, and therefore the same conditions for the use of the EU funds should apply to all Member States.

The future Social Fund and other funds with social priorities, should be made conditional to the respect of fundamental human rights principles and the existence of national social inclusion strategies, in particular: a national framework on the implementation of the UNCRPD; and a national framework on social inclusion and poverty reduction, including measures to grant access to quality services for people in vulnerable situations and measures for the shift from institutional to family- and community-based care. It is equally important to ensure that human dignity and non-discrimination is respected by allowing the provision of basic social services to reach everyone regardless of administrative or other status.

These recommendations have been developed and endorsed by:

- Asociace Poskytovatelů Sociálních Služeb (APSS CR)
- Caritas Europa
- Eurodiaconia
- European Aging Network
- European Association of Service providers for Persons with Disabilities (EASPD)
- European Council of associations of general interest (CEDAG)
- European Federation of National Organisations Working with the Homelessness (FEANTSA)
- European Network of Social Integration Enterprises (ENSIE)
- European Platform for Rehabilitation (EPR)
- Federation of European Social Employers
- Idee In Rete (IIR)
- Red Cross EU Office
- Social Services Europe (SSE)
- UNIPSO (BE)

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