

# EU budget: A new Social Fund, Globalisation Adjustment Fund and Justice, Rights and Values Fund

For the period 2021-2027, the European Social Fund Plus would be worth €101.2 billion, and the Globalisation Adjustment Fund €1.6 billion. Both are geared to invest in people: ensuring they are equipped with the right skills needed to deal with challenges and changes on the labour market, following up on the European Pillar of Social Rights. The Justice, Rights and Values Fund will be worth €947 million over 7 years. It will further support the development of a European Area of Justice based on the rule of law and mutual trust and ensure people can enjoy their rights.

Vice-President for the Euro, Social Dialogue, Financial Stability, Financial Services and Capital Markets Union, Valdis **Dombrovskis**: *"These proposals follow the fundamental questions we have been asking since the White Paper on the future of Europe and subsequent reflection papers: what European Union do we want, how will we shape it, and how do we pay for it? Our ambitions for a more social Europe are fully reflected: we need EU funding to fit our policies both to pro-actively support the most vulnerable in our societies, and to react when globalisation and digitisation make their impact felt."*

Commissioner for Employment, Social Affairs, Skills and Labour Mobility, Marianne **Thyssen**, said: *"Europe wants to empower people. We put our money where our mouth is. Our new, flexible and simplified social funds are focused on investing in people: to make sure they have the right skills, to make sure they have modern social protection adapted to new forms of work, and to show solidarity with those who need it most."*

Vytenis **Andriukaitis**, Commissioner for Health and Food Safety, stressed that: *"Health is a fundamental value therefore it makes sense that the future EU budget envisions integrating the Health programme in ESF+ under the cluster of "values". This will lead to new and stronger synergies with the other building blocks of the European Pillar of Social Rights and will allow better coordination of health related investments. It will also support health promotion and disease prevention, improving effectiveness, accessibility and resilience of health systems as well as reducing health inequalities and making healthcare better and safer for the benefit of patients and society at large."*

Věra **Jourová**, Commissioner for Justice, Consumers and Gender Equality said: *"With today's proposal for a new Justice, Rights and Values Fund, we make sure we can give the best support possible for initiatives upholding EU rights, values and the rule of law."*

*At a time where European societies are confronted with extremism, radicalism and divisions, it is more important than ever to promote, strengthen and defend justice, rights and EU values. NGOs and civil society play a crucial role in standing up for these European values. At the same time we need to*

*support Member States in our joint effort to improve judicial cooperation and increase mutual trust in our common area of justice.”*

## **1. A European Social Fund Plus**

The European Social Fund Plus will focus on investment in people and support the delivery of the [European Pillar of Social Rights](#). This helps to respond to global challenges, maintain social fairness but also to drive Europe's competitiveness forward. The European Social Fund Plus will be a more flexible and simpler version of the current European Social Fund by merging a number of existing funds and programmes. Pooling resources will allow the EU and Member States to provide more integrated and targeted support in response to the social and labour market challenges that people in Europe face today. For instance, integrating support to the most deprived into the ESF+ will benefit eligible persons through a better mix of material assistance and comprehensive social support.

Specifically, the European Social Fund Plus will merge:

The main features of the new Fund are:

- **Putting citizens' concerns and key priorities at the centre:** In consultation with Member States, resources will be allocated to measures that address key priorities and Europeans' concerns. The ESF+ programmes will concentrate in particular on challenges identified under the [European Semester](#) and the European Pillar of Social Rights;
- **A focus on youth unemployment and social inclusion:** Member States with a high rate of young people not in employment, education or training will have to dedicate a minimum of 10% of the ESF+ funding to support youth employment. The Fund will continue to contribute to the [Skills Agenda for Europe](#) and at least 25% of ESF+ funding should be allocated to measures fostering social inclusion and targeting those most in need. The ESF+ will also support Member States efforts to integrate legally present non-EU nationals into their labour markets and societies by focusing on measures that foster long-term integration. In this way, it complements the Asylum and Migration Fund which supports short-term integration measures;
- **Cutting red tape:** The Commission proposes to make the rules less complex in the next long-term EU budget with less red tape and easier access to funding from different sources for authorities, citizens or organisations benefitting from EU support;
- **Tailored support to healthcare:** the health strand will focus on the priority areas where EU cooperation has a proven benefit: strengthening cross-border crisis-preparedness, assisting Member States' health authorities, digitising health and care, supporting EU health legislation and enhancing cross-border cooperation, for instance on rare and complex diseases via the European Reference Networks.

## **2. The post-2020 European Globalisation Adjustment Fund**

The European Globalisation Adjustment Fund will be revised so that it can intervene more effectively to support workers who have lost their jobs.

Currently, workers can only get support from the Fund when their dismissals are due to changing trade patterns or consequences of the financial and economic crisis. Under the new rules, other reasons for restructuring, such as automation, digitalisation and more, can be eligible for support, taking account of new challenges on the labour market.

The new rules will also lower the threshold of dismissed workers for a case to be eligible from 500 to 250, which will allow more workers to get support. Other proposed changes include an improved mobilisation process to simplify and speed up the procedures. Finally, the Fund's co-financing rate, which currently stands at 60%, will be aligned with the highest ESF+ co-financing rates for a given Member State. In several cases this would mean that the EU co-finances a higher share of the total cost.

### **3. EU Justice, Rights and Values Fund**

The Commission is also proposing a new Justice, Rights and Values Fund, comprising of the Rights and Values, and Justice programmes. The Fund has a proposed budget allocation of €947 million over the 7 years, €642 million for the Rights and Values programme and €305 million for the Justice programme.

At a time where European societies are confronted with extremism, radicalism and divisions, it is more important than ever to promote, strengthen and defend justice, rights, and EU values. For instance, this programme will help fight inequalities and discrimination, better protect children, and improve judicial cooperation to better fight criminality and terrorism. The Fund will contribute to the further development of a European area of justice based on the rule of law, on mutual recognition and mutual trust. It will also enhance and support the key role of Non-Governmental Organisations and civil society in promoting, safeguarding and awareness raising for EU common values and ensuring people can enjoy their rights.

The creation of the new Fund represents a simplification as compared to the current situation of 3 programmes. In particular, the area of citizenship, which is currently dealt with by 2 different programmes, will be covered by the new Rights and Values programme.

#### **Next steps**

A swift agreement on the overall long-term EU budget and its sectoral proposals is essential to ensure that EU funds start delivering results on the ground as soon as possible.

Delays similar to the ones experienced at the beginning of the current 2014-2020 budgetary period would mean that 100,000 EU-funded projects could not start on time; that many people in need of support, including urgent material and food assistance, would have to wait unnecessarily; that trainings, increased job opportunities, actions to improve the quality of key services would be delivered late, or that schools would not be able to implement new quality educational programmes in time for the school year.

An agreement on the next long-term budget in 2019 would provide for a

seamless transition between the current long-term budget (2014-2020) and the new one and would ensure predictability and continuity of funding to the benefit of all.

## **Background**

The European Social Fund is Europe's oldest and main instrument to invest in people.

It was established together with the Treaty of Rome in 1957. Today it is an important driver of job creation, promoting better education, more modern public administrations and social inclusion, and therefore a means of ensuring fairer opportunities for all citizens.

The European Globalisation Adjustment Fund is an expression of EU solidarity with European workers who lost their jobs because of the impact of the combination of changing global trade patterns and technological change. Its objective is to retain or reintegrate workers into the labour market.

Today's proposals related to ESF+, EGF and the Justice, Rights and Values Fund are part of the [Commission's proposals for the long-term EU budget adopted by the Commission on 2 May 2018](#). The Commission's proposal for the ESF+ is closely related to the proposal for a [Common Provisions Regulation](#) adopted on 29 May 2018 which establishes the framework for action for a number of EU shared management Funds.

## **For More Information**

[Memo: Questions and Answers on the new Social Fund and Globalisation Adjustment Fund for the period 2021-2027](#)

[Memo: Questions and Answers on the Justice, Rights and Values Fund](#)

[Factsheet: EU budget for the future: European Social Fund Plus and European Globalisation Adjustment Fund](#)

[European Social Fund website](#)

[Press Release: the European Social Fund celebrates its 60th anniversary: 6 decades of investing in people](#)

[Common Provisions Regulation](#)

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