Social Services Europe

European Commission Proposal for a Common Provisions Regulation
Suggested Amendments

A. Social Services and the Common Provisions Proposal

Social Services Europe is the largest network of not-for-profit social and healthcare providers at EU level, representing over 100,000 organisations through its 8 members: Caritas Europa, CEDAG, EASPD, EPR, Eurodiaconia, FEANTSA, the Red Cross EU Office and SOLIDAR.

As highlighted in our paper "Enabling Social Services through the Multi-Annual Financial Framework post-2020: A European Imperative" (March 2018), the EU budget plays a **key role in funding both innovation and continuity in quality social service provision**. As a result of such investment, the EU Budget contributes to improving the quality of life of all people in Europe; thus leading to **a more stable, inclusive, productive and resilient European Union**.

Our Initial Remarks on the Multi-Annual Financial Framework 2021-2027 (July 2018) welcome the general orientation of the European Commission's proposals, including in the Proposal laying down common provisions for ERDF, ESF+, CF and others. The Remarks also highlight 5 positive proposals and 4 areas with room for improvement.

These Remarks form the basis of our proposed amendments to the European Commission's CPR proposals. In red are the modifications we suggest to the initial proposal.

B. Proposed amendments

Recitals/Articles	Proposed Amendments
Recital 12	At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States develop their own national multiannual investment strategies in support of these reform priorities. These strategies should be presented alongside the yearly National Reform Programmes as a way to outline and coordinate priority investment projects to be supported by national and Union funding. They should also serve as a basis to use Union funding in a coherent manner and to maximise the added value of the financial support to be received notably from the Funds, the European Investment Stabilisation Function and InvestEU.
Recital 13	Member States should determine how relevant country-specific recommendations adopted in accordance with Article 121(2) of the TFEU and relevant Council recommendations adopted in accordance with Article 148(4) of the TFEU ('CSR's) are taken into account in the preparation of programming documents. During the 2021–2027 programming period ('programming period'), Member States should regularly present to the monitoring committee and to the Commission the progress in implementing the programmes in support of the CSRs, as well as the implementation of the European Pillar of Social Rights. During a mid-term review, Member States should, among other elements, consider the need for programme modifications to accommodate relevant CSRs adopted or modified since the start of the programming period.
Recital 19	The Member State should carry out a mid-term review of each programme supported by the ERDF, the ESF+ and the Cohesion Fund. That review should provide a fully-fledged adjustment of programmes based on programme per-

	formance, while also providing an opportunity to take account of new challenges, including the ~~and~~ relevant CSRs issued in 2024. In parallel, in 2024 the Commission should, together with the technical adjustment for the year 2025, review all Member States' total allocations under the Investment for jobs and growth goal of cohesion policy for the years 2025, 2026 and 2027, applying the allocation method set out in the relevant basic act. That review together with the outcome of the mid-term review should result in programme amendments modifying the financial allocations for the years 2025, 2026 and 2027.
JUSTIFICATION: The proposal to further link the EU funds to the European Semester process is understandable. Caution is however required. Whilst the Semester covers many important social issues, it does not and cannot cover the full range of social challenges in each Member State or region. By nature the Country Specific Recommendations provide guidance and advice on a few specific areas. As such, the Semester is limited in scope; whereas the EU funds have successfully helped to tackle much broader social issues. This limitation could be solved if the European Pillar of Social Rights and the Sustainable Development goals are also used as guiding mechanisms in the development of Operational Programmes as they cover a much broader range of challenges.	
Recital 34	As regards grants provided to beneficiaries, Member States should increasingly make use of simplified cost options. The threshold linked to the obligatory use of simplified cost options should be linked to the total costs of the operation in order to ensure the same treatment of all operations below the threshold, regardless of whether the support is public or private. Member States should consult the Monitoring Committees in the elaboration of such simplified cost options.
JUSTIFICATION: Simplified cost options can be beneficial to reduce the administrative burden of EU projects and therefore improve access to EU funds for smaller and less experienced organisations. Yet, they can also have negative sides, such as their possible impact on increasing the co-financing for end-beneficiaries. It is therefore crucial that the Monitoring Committees, which include end-beneficiaries, also have a say in the development of simplified cost options to ensure that such options benefit both managing authorities and beneficiaries equally. This position is further developed in EASPD's 2015 study: "Simplifying European Structural and Investment Funds for Social Service Providers".	
Recital 46	In order to hasten the start of programme implementation, the roll-over of implementation arrangements from the previous programming period should be facilitated. The use of the computerised system already established for the previous programming period, adapted as required, should be maintained, unless a new technology is necessary. Unnecessary complications linked to gold-plating should be avoided.
JUSTIFICATION: Managing authorities should be encouraged to preserve accessibility and usability of EU funds through their Operational Programmes at national level. Unnecessary complications (gold-plating) for end beneficiaries should be avoided. This issue is also highlighted in EASPD's 2015 study: "Simplifying European Structural and Investment Funds for Social Service Providers".	

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<tr><td>Article 6.3</td><td>The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/2014, which is fully applied to this Regulation (EU) Nr. …/… of… laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument.</td></tr>
<tr><td>Article 10.1</td><td>Member States may allocate, in the Partnership Agreement or in the request for an amendment of a programme, the amount of ERDF, the ESF+, the Cohesion Fund and the EMFF to be contributed to InvestEU and delivered through budgetary guarantees. The amount to be contributed to InvestEU shall not exceed 5% of the total allocation of each Fund, except in duly justified cases. Such contributions shall not constitute transfers of resources under Article 21. Whenever an amount of ERDF, the ESF+, the Cohesion Fund and the EMFF is contributed to InvestEU, the enabling conditions as described in Article 11 of this regulation should apply.</td></tr>
<tr><td colspan="2">JUSTIFICATION:
The CPR promotes the use of enabling conditions in several important EU funds: ERDF, ESF+ and others. Among other positive aspects, this allows EU funds to be used only to support EU policy objectives; including those linked to the European Pillar of Social Rights, the UN Convention on the Rights of Persons with Disabilities. From a social services perspective, this has enabled significant investment into community-based person-centred services; at a time when such opportunities have often been lacking at national or regional level.
InvestEU also represents an opportunity in this regard (see Social Services Europe's amendments on the InvestEU proposal). Yet rules regulating the use of InvestEU for social investments are not (yet!) as clear and precise as they are for EU structural funds. Without such amendments, there is an important risk that InvestEU is used as a way to side-line the policy objectives (and responsibilities) of the EU structural funds. The blending of instruments should mean that policy objectives are also aligned. This would enable policy coherence among the different EU social investment instruments.</td></tr>
<tr><td>Article 15.9</td><td>The scope and level of the suspension of commitments or payments to be imposed shall be proportionate, shall respect the equality of treatment between Member States and shall take into account the economic and social circumstances of the Member State concerned, in particular the indicators included in the Social Scoreboard ~~the level of unemployment, the level of poverty or social exclusion of the Member State concerned in relation to the Union average~~ and the impact of the suspension on the economy of the Member State concerned. The impact of suspensions on programmes of critical importance to address adverse economic or social conditions shall be a specific factor to be taken into account.</td></tr>
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Justification The Social Scoreboard was developed to help implement the European Pillar of Social Rights throughout the European Semester process. It is the most precise European mechanism currently available upon which to measures very precise social (and economic) challenges today. The Social Scoreboard is therefore the best instrument available in which to take into account the economic and social circumstances in EU Member States today. **https://ec.europa.eu/eurostat/web/european-pillar-of-social-rights/indicators/social-scoreboard-indicators**	
Article 35.1	The monitoring committee shall examine: […] (j) the measures linked to ensure simplified cost option for beneficiaries.
JUSTIFICATION: Simplified cost options can be beneficial to reduce the administrative burden of EU projects and therefore improve access to EU funds for smaller and less experienced organisations. Yet, they can also have negative sides, such as their possible impact on increasing the co-financing for end-beneficiaries. It is therefore crucial that the Monitoring Committees, which include end-beneficiaries, also have a say in the development of simplified cost options to ensure that such options benefit both managing authorities and beneficiaries equally. This position is further developed in EASPD's 2015 study: "Simplifying European Structural and Investment Funds for Social Service Providers".	
Article 50.2.	For the purposes of determining direct staff costs, an hourly rate may be calculated in one of the following ways: (a) by dividing the latest documented annual gross employment costs, with expected additional costs for example for an increase in tariffs or promotion, by 1720 hours for persons working full time, or by a corresponding pro-rata of 1720 hours, for persons working part-time; (b) by dividing the latest documented monthly gross employment costs, with expected additional costs for example for an increase in tariffs or promotion, by the monthly working time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.
Justification: Standard gross employment costs usually increase year on year. The Commission's proposal leads to situations where such increase in costs are financed by the project organisation, which leads to growing contributions by the beneficiaries. Adding such additional costs to already growing beneficiary contributions often leads to many organisations to simply not participate in such funding opportunities despite their impact on improving the quality of life of persons on the ground.	
Article 106.3.	The co-financing rate for the Investment for jobs and growth goal at the level of each priority shall not be higher than: (a) ~~70%~~ 85% for the less developed regions ; (b) ~~55%~~ 80%for the transition regions; (c) ~~40%~~ 50% for the more developed regions. The co-financing rates set out under point (a), shall also apply to outermost regions.

	The co-financing rate for the Cohesion Fund at the level of each priority shall not be higher than 70%. The ESF+ Regulation may establish higher co-financing rates for priorities supporting innovative actions in accordance with Article [14] of that Regulation, as well as for the fight against material deprivation and social exclusion according to article 7 paragraph 4 of the ESF+ regulation
JUSTIFICATION: The proposal to bring back the EU co-financing rate to pre-crisis levels could significantly hinder the funding of important social projects, given that the crisis radically impacted the funding systems for social service providers, where EU money often replaced national funding. Whilst it is important to bring national ownership to EU funded social projects, it is also important to keep in mind that national expenditure to social services has decreased – in real terms – throughout Europe. This proposal may therefore lead to less quality social services projects being funded, rather than increase national ownership of said projects	

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