



EUROPEAN COMMISSION

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**REGULATORY SCRUTINY BOARD OPINION**

**Proposal for a regulation of the European Parliament and of the Council on  
the European Social Fund Plus (ESF+)**

**Proposal for a regulation of the European Parliament and of the Council on  
the European Globalisation Adjustment Fund (EGF)**

{COM(2018) 380 final}  
{COM(2018) 382 final}  
{SWD(2018) 289 final}



EUROPEAN COMMISSION  
Regulatory Scrutiny Board

Brussels,  
Ares(2018)

## **Opinion**

**Title: Impact Assessment – ESF+ and EGF for the period 2021-2027**

**Overall opinion: POSITIVE WITH RESERVATIONS**

(version of 28 March)\*

### **(A) Context**

The Commission plans to propose a new multiannual financial framework (MFF) for EU spending. The MFF will set an overall budget envelope and allocate funds across main headings. The process involves important choices about implementation.

MFF-related impact assessment reports should focus on those changes and policy choices that the MFF proposal leaves open. On account of proportionality, the impact assessment template has been adjusted for this purpose. The reports should explain programmes' structures and priorities, and options for service delivery. The reports should draw lessons from experience to date, explain what challenges successor programmes will face, and explain how they would deliver on objectives, e.g. simplification, greater flexibility or better performance. Impact assessments should also explain how future monitoring and evaluation would work.

The present impact assessment report underpins the merger of the European Social Fund (ESF), Youth Employment Initiative (YEI), the Fund for European Aid to the Most Deprived (FEAD) and the Employment and Social Innovation (EaSI) programme into a single ESF+ programme for the period 2021-2027. It also supports a revision of the European Globalisation Adjustment Fund (EGF) which is kept as a separate fund outside the MFF.

The joint policy objective of the ESF+ and EGF is to contribute to a more Social Europe, implementing the European pillar of social rights. It proposes to improve the programme by address 4 cross-cutting challenges: 1) Limited interaction between funds; 2) Funding framework not fully aligned with EU policy priorities and/or social policy needs; 3) Complex requirements and high costs in management 4) Performance and results orientation.

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\* Note that this opinion concerns a draft impact assessment report which may differ from the one adopted.

### **(B) Main considerations**

**The Board understands that the policy intention is mainly to build on continuity with the pre-existing programmes under the ESF+, while broadening significantly the EGF. The Board notes the decision to include the future health programme as a separate window within the ESF+. The report should be revised to reflect this.**

**The Board gives a positive opinion. However, the report still contains significant shortcomings that need to be addressed. As a result, the Board expresses reservations and gives a positive opinion only on the understanding that the report shall be adjusted in order to integrate the Board's recommendations on the following key aspects:**

- (1) The policy prioritisation of actions is not clear, in particular in relation to the European Pillar of Social Rights, as well as to accommodate potential reductions of funding.**
- (2) The rationale and future use of the European Globalisation Fund are not sufficiently explained.**
- (3) The report does not sufficiently demonstrate that the monitoring and evaluation system is robust and will deliver the necessary information in a timely way.**

### **(C) Further considerations and adjustment requirements**

(1) The lessons learned should more comprehensively build on the main general and fund-specific problems identified in the published evaluations and preliminary evaluations results. In case of the latter, the language should be more cautious. The impact assessment should demonstrate how the new structure addresses the shortcomings of the past, in particular for the YEI and the FEAD.

(2) The report should clarify the rationale for merging the funds, as well as the effects and potential risks related to it. In addition, the report should detail the modalities of the merger, both in terms of programme structure as well as eligibility.

(3) The baseline of the ESF+ programme needs to reflect the impact of Brexit. In addition, it should include a credible scenario for dealing with the associated reduction of the funding.

(4) The report should be more transparent on the prioritisation within the ESF+ programme. It should explain if, and how, the EFS+ will cover all or some of the different domains of the European Pillar of Social Rights. It should better explain the link between the structural reforms and the European Semester Process.

(5) The report should clarify whether or to what extent the ESF+ will address “public administration reform”. In case of discontinuation, it should refer to possible future support through other funding programmes, in particular the revamped Structural Reform Support Programme (SRSP).

(6) The report should highlight the key changes in the delivery mechanisms, in particular the link with the future Common Provisions Regulation (CPR). The report should also explain the main simplifications in the delivery of the ESF+, resulting from the CPR. In conjunction with the revision of the SRSP, the report should clarify how the ESF+ intends

to address the economic and social trade-offs. It should explain how it will secure the fulfilment of its mission for a socially inclusive society.

(7) Concerning the EGF, the report needs to strengthen the rationale behind its revision. It should present the precise modalities of its use and analyse to what extent these changes will address the identified problems. In particular, it needs to show that the loosening of the eligibility criteria will not lead to an excessive demand for funds. It should also elaborate the reasons for keeping the EGF outside the MFF.

(8) Whereas the report very much focuses on the internal coherence of the ESF+, it should elaborate the coherence with the other funds, in particular the European Regional Development Funds and Erasmus+ (in particular its extended adult learning component).

(9) The description of the ESF+ monitoring system should explain how it will satisfactorily address the criticisms that were voiced during the ESF (2007-2013) evaluation, including the issue of double counting outputs. The evaluation planning should include an interim evaluation of each fund, which should be ready in time for the design of the next MFF. The report should better present a transparent and comprehensive account of the stakeholders' views.

The Board notes that this impact assessment will eventually be complemented with specific budgetary arrangements and may be substantially amended in line with the final policy choices of the Commission's MFF proposal.

*Some more technical comments have been transmitted directly to the author DG.*

#### **(D) RSB scrutiny process**

**Without prejudice to the complements and amendments to the report to be introduced as a result of the policy choices of the MFF proposal, the lead DG shall ensure that the report is adjusted in accordance with the recommendations of the Board prior to launching the interservice consultation.**

Full title	Proposal for a regulation of the European Parliament and the Council on the European Social Fund Plus and on the European Globalisation Funds repealing the previous regulations.
Reference number	MFF
Date of RSB meeting	25/04/2018