

State of play and future challenges of the European Social Fund in promoting social cohesion in Europe's cities and regions

*Specific Contract 7437, implementing
framework contract n. CDR/TL2/130/2016*



**European Committee
of the Regions**

State of play of the role of the ESF in fostering social cohesion at local and regional level

- *A heterogeneous regional picture of the change in employment, social inclusion and education between 2006 and 2016 can be observed in most Member States. In general, the more developed regions are currently closest to the **Europe 2020 targets**, but the **progress of less developed regions was quicker up to 2015** while the rate stagnated in transition regions;*
- *A geographical split within Member States in terms of socio-economic disparities between rural and urban areas in employment rates, income and educational attainment: in most **EU13** Member States this trend leads to **growing inequality** and demographic disparities to the detriment of **rural areas**; conversely, an increasing internal and international migration towards **urban areas** in the **EU15** risks increasing **social exclusion** of disadvantaged groups.*
- *Needs identified at regional and local level have been addressed by the **programme strategies** and the arrangements have been made at programme level to ensure in a certain extent the **participation of regional and local stakeholders** in programme implementation.*
- *In some cases, **integrated tools** (e.g. ITIs, CLLDs or urban sustainable approaches) have been activated in ESF and multi-fund programmes as instruments to implement place-based approaches.*

European Added Value (evidence from case studies)

- *Most visible in **Poland**, which has also received the highest share of ESF funding in the previous and current programming period. **ESF interventions** have had a quantifiable impact in **tackling both national and region-specific issues** such as high unemployment rates, demographic decline and poverty.*
- *According to a number of case studies, targeting socio-economic issues such as employment and the integration of migrants through **ESF** has produced ‘**volume and quality effects**’ also in EU15 Member States, compared with what could have been done with regional or national instruments.*

Lessons learned from ESF implementation

Lessons learned from the implementation of ESF in the previous and current programming period in terms of capacity building, synergies and integration of funds, programming and administrative simplification:

- *Lower effectiveness of capacity buildings in weaker (smaller) LRAs;*
- *CSRs for capacity building in the European Semester often perceived as targeting only national structural issues rather than providing input for specific local and regional interventions;*
- *overall dissatisfaction with the general design of 2014-2020 OPs, considered too rigid and detailed; but satisfaction when it comes to simplification measures introduced in ESF 2014-2020;*
- *management of OPs at the national level that may impede necessary flexibility at the regional level to adapt the funds to the local challenges;*
- *improvement in coordination and synergies between funds compared with the 2007-2013 programming period, but regulatory and administrative challenges persist.*

Future challenges for ESF intervention

The main challenges identified are:

- *demographic change – ageing, urbanisation and isolation of rural and remote areas;*
- *social exclusion of disadvantage groups of people (e.g. long-term unemployed, youth);*
- *integration of migrants;*
- *fast labour market changes and their link to skills shortage and mismatch and the rise of the platform economy.*

Challenges related to the future of the ESF after 2020:

- *deeper integration and coordination between the ESF and the **European Semester** process;*
- *synergies to deliver the **European Pillar of Social rights**.*

Conclusions and recommendations

- *Enhance coordination between the EU, national, regional and local levels to allow achievement of the ESF objectives;*
- *Link the ESI funds, including the ESF, closer to the European Semester process and the European Pillar of Social rights through a deeper integration of planning and implementation;*
- *Increase capacity in LRAs to include the regional and local level in the implementation of CSRs;*
- *Closely involve local partnership in the programme implementation phase, ensuring access to documentation and to the decision-making process.*
- *Increase flexibility in reprogramming and shorten OPs duration to allow adaptation to an ever-changing social and political landscape at local level;*
- *Simplify planning documents (partnership agreements, operational programmes and implementation frameworks);*
- *Increase local discretion with regard to spending choices, local powers for strategic planning and development, and devolved funding at the city and regional levels (promoting a decentralised approach).*