

**Amendments  
of the Association of German Social Welfare Organisations  
(BAGFW e.V.)**

regarding

**a proposal for a Regulation of the European Parliament and of the  
Council for the European Social Fund Plus (ESF+)**

as well as

**a proposal for a Regulation of the European Parliament and of the  
Council 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<sup>1</sup>**

**Reasoning:**

German Social Welfare Organisations are social service providers, which manage approximately 105.000 facilities with around 1,67 Million employees. Performance of duties is not for profit and aims at the needs of the people. German welfare organisations are also making use of European funding programs and have therefore specific expertise in the relevant areas.

The Association of German Social Welfare Organisations (BAGFW)<sup>2</sup> welcomes the proposals of the European Commission regarding the ESF+. Specifically the strategic connection of the European Social Fund (ESF) and the Fund for European Aid to the

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<sup>1</sup> Regarding migration specific aspects in the proposed common provisions on structural funds and in the regulation regarding the European Asylum and Migration funds, BAGFW decides to position itself at a later stage on this topic.

<sup>2</sup> The Association of German Social Welfare Organisations (BAGFW) consists of the leading associations of German welfare organisations (Deutscher Caritasverband, Der Paritätische, Deutsches Rotes Kreuz, Diakonie Deutschland, Zentralwohlfahrtsstelle der Juden).

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Most Deprived (FEAD) is a topic which is especially important for the Association of German Social Welfare Organisations. However, it is important, that the different approaches and target groups of ESF and FEAD are included in the ESF+ regulation. This includes for example equality between actions against material deprivation aid and social inclusion as part of FEAD as well as separated indication of ESF actions and actions regarding social inclusion for most deprived persons.

BAGFW sees it as especially positive, that the partnership principal is strengthened with the binding introduction of a code of conduct for good partnership in the common provisions on structural funds. Furthermore, it is seen as positive that the European regions are continuously bound to invest into the structural funds. However, for lead partners it is not possible to work with the proposed decrease of co-financing rates.

On the grounds of the association’s extensive experience in the present and past funding period, BAGFW proposes the following amendments to the regulations:

**Proposal of a Regulation for the European Social Fund Plus (ESF+)**

Proposal of the Commission	Amendment of BAGFW
<p><b>Article 7 Paragraph 4: Consistency and thematic concentration</b>            4. Member States shall allocate at least 2% of their ESF+ resources under shared management to the specific objective of addressing material deprivation set out in point (xi) of Article 4(1).</p> <p>In duly justified cases, the resources allocated to the specific objective set out in point (x) of Article 4(1) and targeting the most deprived may be taken into account for verifying compliance with the minimum allocation of at least 2% set out in the first subparagraph of this paragraph</p>	<p><b>Article 7 Paragraph 4: Consistency and thematic concentration</b>            4. Member States shall allocate at least <del>2%</del> <b>4 %</b> of their ESF+ resources under shared management to the specific objective of addressing material deprivation set out in point (xi) of Article 4(1) <b>and/or related to the specific aim provide funding for social inclusion of the most deprived according to Article 4 paragraph 1 (x).</b></p> <p><del>In duly justified cases, the resources allocated to the specific objective set out in point (x) of Article 4(1) and targeting the most deprived may be taken into account for verifying compliance with the minimum allocation of at least 2% set out in the first subparagraph of this paragraph.</del></p>
<p><b>Reasoning:</b>            The FEAD received 3,8 billion Euros for the funding period 2014-2020. In the case that the EU Member States agree on a minimum rate of 2% of ESF+ funds for the funding period 2021-2027, it would mean that the FEAD budget would be cut in half. The commission furthermore stated that the aim would be that every Member State invests in total 4 percent of their ESF+ funds into the specific aim of fighting material deprivation (see recital 19 of the ESF+ regulation proposal). BAGFW recommends</p>	

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therefore setting the minimum rate in Article 7 at 4 % in order to ensure that the minimum quota is reached at EU level.  
 Presently, the Member states are able to freely decide whether they use FEAD funds for material support (OP I) or for measures of social inclusion for most deprived persons (OP II). While it is in some cases needed to provide material support, it should always be considered as emergency support, since it does not fight the root cause of poverty and social exclusion. Member States with a right-based social system which provides a reasonable basic security in order to avoid serious poverty should therefore have the possibility to promote social inclusion or to combine food aid and social inclusion without being ask for further explanation in this regard. Both approaches should be handled equally.

**Article 8 paragraph 1: Partnership**  
 1. Each Member State shall ensure adequate participation of social partners and civil society organisations in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management.

**Article 8 paragraph 1: Partnership**  
 1. Each Member State shall, in accordance with Article 6 of the common provisions on structural funds and Regulation COM 240/2014, ensure adequate participation of social partners and civil society organisations in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management.

<sup>1</sup> **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 of the Association of German Social Welfare Organisations (ABl. ... of ..., S. ...).**

<sup>2</sup> **Commission Delegated Regulation (EU) No 240/2014 of 7 January 2014 on the European code of conduct on partnership in the framework of the European Structural and Investment Funds (ABl. L74 of 14.3.2014, S. 1).**

**Reasoning:**

The partnership design of the funds is proven to be a success factor for the development of the present ESF and FEAD. It should therefore also be used in the

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future ESF+. BAGFW is welcoming therefore the strengthening of the partnership principle as well as of the binding adherence to the code of conduct for partnerships defined in the common provisions on structural funds. In order to avoid misinterpretation of the definition and design of “adequate participation”, a reference to the corresponding article of the common provisions on structural funds and code of conduct should be made.

**Article 9: Addressing material deprivation**

The resources referred to in Article 7(4) shall be programmed under a dedicated priority or programme.

**Article 9: Addressing material deprivation *and social exclusion***

The resources referred to in Article 7(4) shall be programmed under a dedicated priority or programme. **The co-financing rate for this priority or programme is set at 85%.**

**Reasoning:**

The fight against material deprivation and social exclusion is normally fought by small non-profit organisations. This work is done with persons and in regions suffering from significantly severe poverty. These bodies (being communes, state bodies or civil society organisations) do not have the possibility to raise their own share of funds for projects. In order to work with the most deprived target groups it is necessary to maintain the present co-financing rate of the FEAD regulation.

**Article 14 Paragraph 4: Eligibility**

4. Direct staff costs shall be eligible for a contribution from the general support of the ESF+ strand under shared management provided that their level is not higher than 100% of the usual remuneration for the profession concerned in the Member State as demonstrated by Eurostat data.

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**Reasoning:**

The proposed common provisions on structural funds state in article 48 paragraph 1 in combination with article 57 clear definitions for the execution of eligible costs. Bodies and institutions bound by collective bargaining agreements are included in this regard. Therefore it is not understandable why the funding eligibility at hand should be made in accordance with Eurostat data. There is furthermore the danger that the personnel costs stated in Eurostat are below the bargained tariffs. Collective bargaining agreement bound organisations would be disadvantaged in this matter. The aim of ESF+ is to support good working conditions and therefore also collective bargaining bound wages. This is only possible if article 14 paragraph 4 is deleted.

**Article 17 Paragraph 4: Principles**

4. The delivery of food and/or material assistance may be complemented with re-orientation towards competent

**Article 17 Paragraph 4: Principles**

4. The delivery of food and/or material assistance ~~may~~ **should** be complemented with re-orientation

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<p>services and other accompanying measures aiming at the social inclusion of the most deprived persons.</p>	<p>towards competent services and other accompanying measures aiming at the social inclusion of the most deprived persons.</p>
<p><b>Reasoning:</b>  Food- aid and basic material aid should always be seen as emergency aid. These measures do not fight poverty and social exclusion in a sustainable way. Material aid should therefore only be seen as a door opener for long term solutions, such as social education measures which tackle the root cause of poverty. The engagement to carry out measures towards social inclusion of affected persons is a first step towards elimination of poverty. It can hinder structural consolidation of poverty.</p>	
<p><b>Article 20 Paragraph 1 Section e: Eligibility of expenditure</b>  e) the costs of accompanying measures undertaken by or on behalf of beneficiaries and declared by the beneficiaries delivering the food and/or basic material assistance to the most deprived persons at a flat- rate of 5% of the costs referred to in point (a).</p>	<p><b>Article 20 Paragraph 1 Section e: Eligibility of expenditure</b>  e) the costs of accompanying measures undertaken by or on behalf of beneficiaries and declared by the beneficiaries delivering the food and/or basic material assistance to the most deprived persons at a flat- rate of a <b>minimum of 5%</b> of the costs referred to in point (a).</p>
<p><b>Reasoning:</b>  Material aid should only be seen as a door opener for long term solutions, such as social education measures which tackle the root cause of poverty. The engagement to carry out measures towards social inclusion of affected persons is a first step towards elimination of poverty. It can hinder structural consolidation of poverty. In the context of an upward convergence, related to political cohesion, a flat rate of 5% is not enough in order to reach visible results in the fight against poverty.</p>	
<p><b>Article 40 Paragraph 2: Committee under Article 163 TFEU</b>  2. Each Member State shall appoint one government representative, one representative of the workers' organisations, one representative of the employers' organisations and one alternate for each member for a maximum period of seven years. In the absence of a member, the alternate shall be automatically entitled to take part in the proceedings.</p>	<p><b>Article 40 Paragraph 2: Committee under Article 163 TFEU</b>  2. Each Member State shall appoint one government representative, one representative of the workers' organisations, one representative of the employers' organisations, <b>one representative of civil society according to article 6 paragraph 1 section 1 c of the common provisions on structural funds</b> and one alternate for each member for a maximum period of seven years. In the absence of a member, the alternate shall be automatically entitled to take part in the proceedings.</p>

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<p><b>Article 40 Paragraph 3: Committee under Article 163 TFEU</b></p> <p>3. The ESF+ Committee shall include one representative from each of the organisations representing workers' organisations and employers' organisations at Union level.</p>	<p><b>Article 40 Paragraph 3: Committee under Article 163 TFEU</b></p> <p>3. The ESF+ Committee shall include one representative from each of the organisations representing workers' organisations and employers' organisations <b>as well as representatives of civil society</b> at Union level.</p>
<p><b>Reasoning:</b></p> <p>Besides workers and employers organisations, civil society organisations play a significant role in carrying out ESF+. Since the merge of FEAD and ESF into ESF+ results in expanding the fund to the target group of people furthest away from the labour market, ESF+ develops from a pure instrument of the labour market into a social political instrument. Social inclusion of the most deprived is especially a goal of civil society organisations. In light of the present partnership, also at union level, it is necessary to include civil society organisations both on national and union level to the same extent.</p>	
<p><b>Annex I: Common indicators for the general support of the ESF+ strand under shared management</b></p> <p>All personal data are to be broken down by gender (female, male, 'non binary'). If certain results are not possible, data for those results do not have to be collected and reported.</p>	<p><b>Annex I: Common indicators for the general support of the ESF+ strand under shared management</b></p> <p>All personal data are to be broken down by gender (female, male, 'non binary'). If certain results are <del>not possible</del> <b>not relevant</b>, data for those results do not have to be collected and reported. <b>Sensitive personal data can be registered anonymous in case of significantly deprived persons.</b></p>
<p><b>Reasoning:</b></p> <p>Extensive data collection, especially that of personal data resulted in a significant amount of problems regarding programme and project implementations in the present funding period. Since all participant data needed to be registered, regardless of ongoing projects and programmes, it resulted partly in irrelevant outcomes. BAGFW therefore suggests that irrelevant data should be disregarded. Furthermore, indicators should be tailored in a more programme specific way.</p> <p>In case that a participant did not submit data completely, it often happened that he or she could not be considered for funding in the context of ESF. In order to increase data collection on a voluntary basis within groups of most deprived persons, such as adolescents and people in precarious life situations, it is necessary to create the possibility of registering the collected data anonymously. Case by case data collection should be changed again to cumulative data collection per project.</p>	

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<p><b>Annex I Paragraph 1 Section 1b</b> (1b) Other common output indicators</p> <p>If data for these indicators is not collected from data registers, values on these indicators can be determined based on informed estimates by the beneficiary.</p>	<p><b>Annex I Paragraph 1 Section 1b</b> (1b) Other common output indicators</p> <p>If data for these indicators is not collected from data registers, values on these indicators can be determined based on informed estimates by the beneficiary. <b>Data is provided by the participant on a voluntary basis. In case of refusal of indication of data, it does not lead to negative implications for participants or project leads.</b></p>
<p><b>Reasoning:</b> Annex I paragraph 1 section 1b provides indicators, which are of most sensitive nature. Mandatory survey of this data could lead to discrimination. Therefore, provision of this data has to be on strictly voluntary basis. Refusal of provision of data, even without further explanation, must not lead to disadvantages for affected persons or project leads.</p>	
<p><b>Annex I paragraph 3: The common immediate result indicators for participants are:</b></p>	<p><b>Annex I paragraph 3: The common immediate result indicators for participants are:</b> <b>The following common immediate result indicators can be surveyed. If common output indicator data of participants of most deprived groups were surveyed anonymously, this data will not be used.</b></p>
<p><b>Annex I paragraph 4: Common longer-term result indicators for participants</b></p>	<p><b>Annex I paragraph 4: Common longer-term result indicators for participants</b> <b>The following common longer term result indicators can be surveyed. If common output indicator data of participants of most deprived groups were surveyed anonymously, this data will not be used.</b></p>
<p><b>Reasoning:</b> It is often not possible for project leads to survey indicators for immediate and longer term results. This is for example due to a participant leaving the measure without further notice and not being reachable from this moment on. Therefore, it should be possible to adjust immediate and longer term result indicators programme specific. Furthermore, this should be delegated in operational programmes on a national</p>	

level. This option is given by using the wording “can”.  
 In the case of most deprived person groups such as adolescents or people living in precarious situations, personal data should be collected anonymously. In these cases it is not possible to survey data for immediate and longer term results.

	<p><b>New: Annex Ia: Common indicators for ESF+ support to promote social integration of people threatened by poverty or social exclusion. This includes most deprived persons and children.</b></p> <p><b>Every personal data collected should be broken down according to gender (female, male not-binary). In case of irrelevance of results, the data at hand does not need to be surveyed and transmitted. Every data collected is anonymously surveyed. The provision of participant data is on a voluntary basis. Refusal of provision of data, does not lead to negative implications for participants or project leads.</b></p> <p><b>Common output-indicators:</b></p> <ul style="list-style-type: none"> <li>- <b>Deprived persons (for example unemployed, long term unemployed, people with disabilities, homeless people, single parents, third country nationals, minority groups, etc.)</b></li> <li>- <b>Children until the age of 18</b></li> <li>- <b>People below the age of 30</b></li> <li>- <b>People above the age of 54</b></li> </ul>
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**Reasoning:**  
 Working with people threatened by poverty and social exclusion such as most deprived persons and children requires special sensitivity when surveying personal data. These person groups are often experiencing discrimination and exclusion. Personalized surveying of data should therefore be avoided. Additionally a great extent of anonymity with regard to the data needs to be ensured. Surveying of long term result indicators is not possible with regard to these person groups. This is the reason for the requirement of a separate annex of indicators tailored to the needs of these groups outside of the classic ESF measures.



**Amendments to the proposal for a regulation of the European Parliament and of the Council 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 (common provisions on structural funds)**

Vorschlag der Kommission	Änderungsantrag der BAGFW
<p><b>Article 6 Paragraph 3: Partnership and multi-level governance</b>            (3) The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/201438</p>	<p><b>Article 6 Paragraph 3: Partnership and multi-level governance</b>            (3) The organisation and implementation of partnership shall be carried out in accordance with Commission Delegated Regulation (EU) No 240/201438, <b>which is fully applied to the 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 (ABI. ... of ..., S. ...).</b></p>
<p><b>Reasoning:</b>            The Commission Delegated Regulation (EU) No 240/201438 laying down the code of conduct for partnerships in the context of European structural- and investment-funds regulates extensively the organisation and implementation of partnerships in this regard for the funding period 2014-2020.            In order to ensure that this code of conduct is also applying to the funding period of 2021-2027, it is necessary to include the above addition in article 6 paragraph 3.            This lays down the basis for a partnership approach in planning, carrying out, implementing and evaluating the European funds.</p>	
<p><b>Article 10: Use of the ERDF, the ESF+, the Cohesion Fund and the EMFF delivered through InvestEU</b></p>	<p><b><del>Article 10: Use of the ERDF, the ESF+, the Cohesion Fund and the EMFF delivered through InvestEU</del></b></p>
<p><b>Reasoning:</b>            The aim of the European cohesion policy is to reach an increased social, territorial and economic convergence. Therefore, investment is done especially for less developed regions in order to balance the market. Invest EU is a market driven instrument, which supports risk investments through guarantees in order to foster the economy. Both instruments have therefore completely different aims and methods of investment. EFRE, ESF+, cohesion fund and EMFF should therefore</p>	

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stay separate with regard to their structure and financing. BAGFW rejects the proposal to have the possibility to transfer social funds into Invest EU. It is therefore suggested to delete Article 10 completely from the regulation.

**Article 50 Paragraph 2 section a:  
Direct staff costs concerning grants**

(a) by dividing the latest documented annual gross employment costs 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 by the monthly working time of the person concerned in accordance with applicable national legislation referred to in the contract for employment.

**Article 50 Paragraph 2 section a:  
Direct staff costs concerning grants**

(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.

**Reasoning:**

The suggested method of calculation lead to significant problems for project leads in the current funding period. An increase in tariffs or promotion is at the moment financed by the project organisation. This is in addition to the own contribution, which is in most cases not bearable for the organisation. Several organisations in Germany decided therefore to quit participation in ESF and AMIF funding. It is therefore necessary to include these costs of increasing tariffs or promotions into the personnel cost flat fee.

**Article 106 paragraph 3:  
Determination of co-financing rates**

(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 % for the less developed regions ;  
(b) 55 % for the transition regions;  
(c) 40 % for the more developed regions.

The co-financing rates set out under point (a), shall also apply to outermost

**Article 106 paragraph 3:  
Determination of co-financing rates**

(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

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<p>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.</p>	<p>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, <b>as well as for the fight against material deprivation and social exclusion according to article 7 paragraph 4 of the ESF+ regulation.</b></p>
<p><b>Reasoning:</b> The decrease of the co-financing rates is not bearable for the Member States. In many cases, Member States transfer these co-financing rates to the project organisations. These organisations are not able to finance such a high self-contribution and are therefore forced to quit participation in ESF funding. The organisational and financial complexity of the application process and the execution of projects results in a low incentive to participate in ESF funding. BAGFW demands therefore to leave the co-financing rates at the same level as they are set currently.</p> <p>Regardless of these co-financing rates, higher co-financing rates are needed in order to fight material deprivation and social exclusion in the context of ESF+ (see BAGFW amendments regarding article 9 of the ESF+ regulation).</p>	
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