

ESI funds and the new Multiannual Financial Framework: an overview of the future plan

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ESI Funds investments in Health now and in the next EU budget

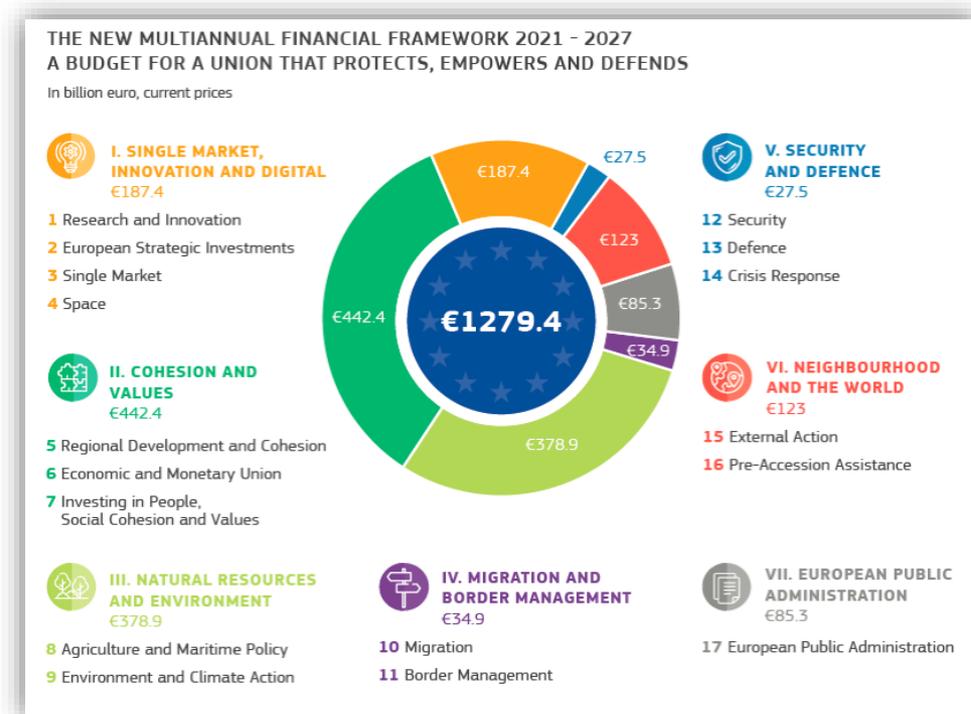
- ❑ The European Structural and Investment Funds (ESI Funds) support local and regional projects that contribute to job creation and a sustainable (and healthy) European economy, cornerstones of the Europe2020 strategy.
- ❑ The total budget of the (current) ESI funds is over €645 billion, which represents more than half of the total EU budget.
- ❑ (current) ESI Funds comprise of 5 funds (ERDF, CF, ESF, EAFRD, EMFF) – it is +/- likely to follow the same rule under the next EU budget and its programming – **therefore it is essential to discuss opportunities and challenges coming from beneficiaries' experience**, as well as results of projects such as this *ESI Funds for Health* one, and see them reflected in EC/EP/Council proposals and reviews.

Next EU long-term budget - Multiannual Financial Framework (MFF) 2021-2027: general information

- ☑ The EU's long-term budget, usually covering a seven-year-period. It sets the maximum level of resources ('ceiling') for each major category ('heading') of EU spending for the period it covers. Therefore, it not only sets amounts of money to be spent, it also **outlines priorities and areas** that money is to be spent on.
- ☑ The **next EU's long-term budget** - currently in negotiations between the European Commission, the European Parliament and the EU Council of Ministers (mostly of economy, finances, regional development, interior or foreign affairs, etc.) - will run from 2021-2027.
- ☑ It is expected that the **final decision is reached by May 2019**, when the 2019 European elections take place, after which a new Parliament and Commission will be formed.

Next EU long-term budget - Multiannual Financial Framework (MFF) 2021-2027

- On 2 May 2018, the Commission launched a chapeau communication on “*Long-term budget post-2020*”
- Since, the Commission published legislative proposals for various spending programmes, with a **total budget of €1,135 billion** in commitments (2018 prices). It is equivalent to 1.11% GNI of then EU27 (post-Brexit). This is an increase on the previous figure of 1.1%, but comparable to the current period given new responsibilities and inflation.

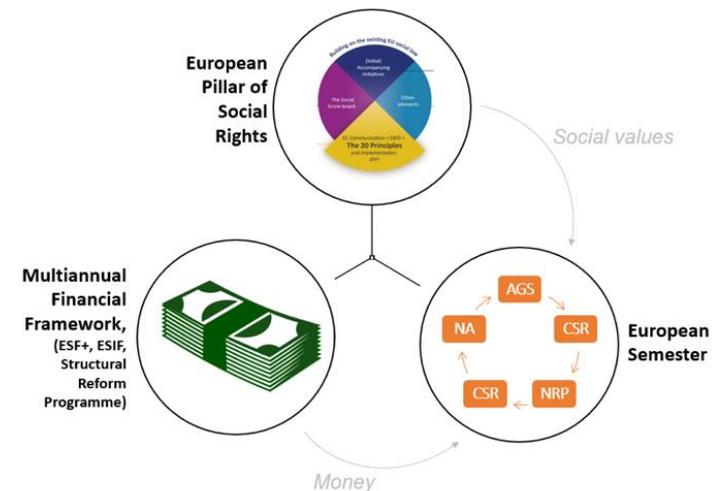


Next EU long-term budget - Multiannual Financial Framework (MFF) 2021-2027

- ☑ **A single rulebook:** One set of rules (Common Provisions Regulation) now cover 7 EU funds implemented in partnership with Member States ('shared management'), which will 'make life easier for EU funds programme managers'. It will also facilitate synergies between different funds that cover initiatives spanning over several funds' objectives. (combining funds, up to 5% transfer between funds to reach end goal, up to 10% of each fund for joint programming).
- ☑ **Doing more with less:** 58 programmes now cut down to 37 as many merge, eg. under ESF+
 - ▶ aligned to political priorities/clusters
 - ▶ flexibility to respond to changing political needs and unforeseen emergencies (migration, security)
- ☑ Common Provision Regulation **will not cover** the Employment and Social Innovation (EaSI) and the Health programmes (part of ESF+), which will be regulated under separate set of guidelines ('direct management').
- ☑ A strengthened link with the **European Semester**
- ☑ Support to the implementation of the **European Pillar of Social Rights**

Next EU long-term budget - Multiannual Financial Framework (MFF) 2021-2027

- ❑ **European Semester and the European Pillar of Social Rights link:** to improve the investment environment in Europe the Commission proposes to strengthen the link between different funds and the European Semester, so that both EU and national investments can deliver their full potential.
- ❑ The Semester is an annual cycle of economic, fiscal and (increasingly now) social reviews to enable national systems and policies coordinate with the EU approach and address challenges therein through structural reforms and boosted investment.
- ❑ Consisting of a detailed analysis of national budgetary, macroeconomic and reform plans, the Commission sends out Country Specific Recommendations (CSRs) to be implemented in the coming 1-1.5 year. Some of these relate to health, long-term and social inclusion areas.
- ❑ This link will also be fostered, complemented and coordinated with the new, enhanced EU **Reform Support Programme** and new **InvestEU** tool (Juncker's Plan successor) (up to 5% of ESI funds can be put in InvestEU).
- ❑ The **EU Reform Support Programme** can also be applied to support Member States in their efforts to respond to their CSRs, both through technical and financial support. The Reform Support Programme is being extended to help Member States design and implement institutional, administrative and structural reforms that are closely linked to European Semester priorities and to encourage the effective use of EU funds available.



Next EU long-term budget - Multiannual Financial Framework (MFF) 2021-2027

- ❑ **EU-added value:** additional to the value created by actions of individual Member States. It may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities. It reflects broader European relevance and significance of the action with a view to presenting models and mechanisms which can be applied not only regionally or nationally but also EU widely. Examples: implementing EU legislation, economies of scale, promotion of best practices, benchmarking for decision-making, networking, etc.
- ❑ **Rule of law mechanisms:** linked to the enabling conditions (ex-ante conditionalities), especially relevant to some EU Member States, therefore controversial in current negotiations. ('possibility to suspend, reduce or restrict access to funding in case of fraud or deficiencies in the judicial system')
- ❑ **Enabling conditions:** Member States will not be able to declare expenditure related to specific objectives until the enabling condition is fulfilled. This will ensure that all co-financed operations are in line with the EU policy framework.
- ▶ **horizontal conditions:** e.g. effective application and implementation of the EU Charter of Fundamental Rights, UN Convention on the Rights of People with Disabilities
- ▶ **thematic conditions:** good governance, strategic policy frameworks and plans

ESI Funds in the next EU budget: what do we know and what's still uncertain?

- ❑ Council Conclusions on *The synergies and simplification of cohesion policy* (November 2017), called for **synergies between ESI funds and other EU instruments**, as well as a **simpler and more coherent system of indicators** allowing a **better assessment of impact**.
- ❑ Council Conclusions on *The streamlining the delivery system and implementation of cohesion policy and the European Structural and Investment (ESI) Funds post-2020* (March 2018), supported the **territorial approach**, including a focus on **cross-border cooperation**, **smart specialisation**, **urban dimension** and a **strategic partnership** with the outermost regions.
- ❑ Despite moderate cuts (6-8%) total budget will be derived from funds expected to contribute to the next ESI Funds envelope = €374 billion from Cohesion Policy, €371 billion from Common Agricultural Policy
- ❑ Top it up - Consider combined use of the EU Reform Support Programme (25bln), InvestEU (4bln for health only), or DigitalEurope (4bln for health only), etc.

ESI Funds in the next EU budget: what do we know and what's still uncertain?

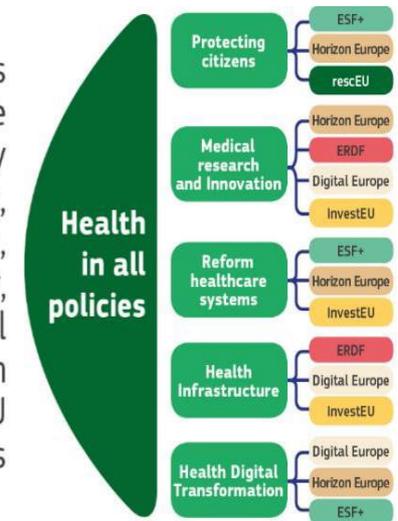
- ❑ **Locally-led:** Local, urban and territorial authorities will be more involved in the management of EU funds, while increased co-financing rates will improve ownership of EU-funded projects in regions and cities. (=> maximum co-financing rate of 70%, so less from EU, more from national/regional/urban)
- ❑ Continued support towards the **shift from institutional to community-based care** ('deinstitutionalisation' principle). The funds should not support actions that contribute to any form of segregation, incl. in health and social services.
- ❑ **Simplifying access to funds:** The Commission proposes to make the rules less complex in the next long-term EU budget.
- ❑ **A tailored approach:** To reduce disparities and help low-income and low-growth regions catch up, **GDP per capita remains the predominant criterion** for allocating funds. In addition, new criteria aim at better reflecting the reality on the ground – **youth unemployment, low education level, climate change and the reception and integration of migrants**. That is why, likely, ESI Funds will also cover AMIF and will have climate change mainstreamed throughout the programmes.

Multiannual Financial Framework (MFF): a healthy EU budget?

- Why is the next **EU budget relevant, if not essential, for work on health in the EU and its Member States?**



Health-related resources will be part of the budget of several priority areas: social protection, research and innovation, the digitisation of society, cohesion and global responsibility. Health policies will get EU funding through various mechanisms, mainly:



- Which of **health-related challenges can the EU budget address and how?** (health inequalities through SDoH, living conditions, access to healthcare and structural reforms, quality and digitalisation of care, research)
- Why is the next **EU budget important for ESI Funds** (and indirectly ESI Funds for Health)? (how setting priorities of ESIF now, matters for the next programming period, who sets the priorities?)

Multiannual Financial Framework (MFF): a healthy EU budget?

- ✔ EuroHealthNet analysed 14 MFF post-2020 proposals from a health and health equity perspective.
- ✔ We paid attention to how well health inequalities, social determinants of health, health promotion and disease prevention systems, accessibility and sustainability of health care systems, vulnerable populations perspectives are included.
- ✔ <https://eurohealthnet.eu/publication/analysis-multiannual-financial-framework-2021-2027>



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Brussels, September 2018

Total proposed budget for European Social Fund+ 2021-2027 = €100 billion this includes:
- Employment and Social Innovation (EaSI) strand: €761 million
- Health strand: €413 million
This represents:
- A 7.6% increase in total ESF spending compared to the previous period (2014-2020)
- A 6.6% cut to the EaSI programme
- A 8% cut to health
EaSI spending per person per year:
- current period: c.€0.23
- next period c.€0.25*
Health spending per person per year:
- current period: c.€0.13
- next period c.€0.13*

Thank you for your attention!

- Questions?
- Contact: D.Sienkiewicz@eurohealthnet.eu