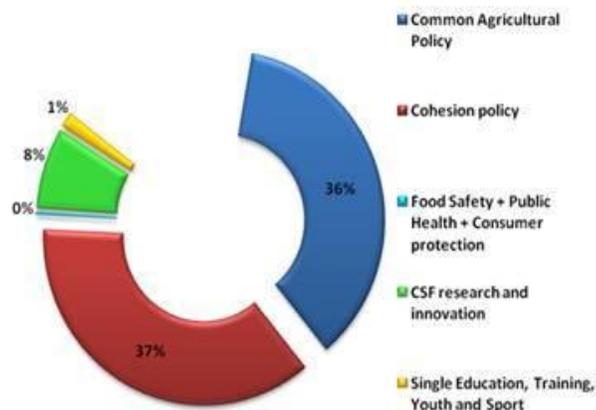


1. Introduction

In the Multi-annual Financial Framework 2014-2020 (MFF) published by the European Commission (EC) in June 2011, the EC proposed to allocate €376 billion (36.7% of the total MFF 2014-2020) to Cohesion Policy (1). The EC reaffirmed this commitment by publishing the proposals detailing how Cohesion Policy and the EU Structural Funds will operate post 2013.

In the proposals the EC asserts that all EU countries and regions will benefit from structural policy interventions and moreover, that the new package will bolster in particular social investment and empower people to face the future challenges of the labour market (2). However, generally speaking the main aim of the proposed package is to concentrate policies on a smaller number of priorities strongly linked to the Europe 2020 strategy, focusing on results and monitoring progress towards agreed objectives and simplifying delivery (2).



Disclaimer: This graph represents a rough overview of the MFF financial distribution 2014-2020

2. Summary of key aspects

The proposals represent the EC's attempt to increase the effectiveness and efficiency of structural investments to boost Europe's economic competitiveness, foster social cohesion, and create more and better jobs. Therefore, the EC envisage that this will be achieved:

- Establishing a structure of governance, a Common Strategic Framework (CSF), for the European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF), which will ensure an integrated use of the funds to deliver common objectives (2);
- Agreeing on a Partnership Contract between the EC and each EU country, bringing together all of a country's commitments to delivering European objectives and targets (2);
- Before funds are paid out, authorities will have to demonstrate that satisfactory strategic, regulatory and institutional frameworks are in place to ensure the funds are used effectively. For example, all EU directives linked to an area for investment proposed by a Member State must be transposed into national law before funds will be released (2);
- The release of additional funds will be dependent on performance. Steps will be taken to ensure that funds' effectiveness is not undermined by unsound macro-fiscal policies. Should the Member States violate EU financial guidelines, funds will be stopped (2);
- Procedures will be simplified and digitalised where possible. Eligibility rules for EU funding instruments will be harmonised. This will help cut costs (2);
- There will be three categories of regions eligible for support: **less developed regions** (whose GDP is below 75% of the EU average will continue to be the top priority for the policy); **transition regions** (whose GDP is between 75%-90% of the EU average); and **more developed regions** (whose GDP per capita is above 90% of the EU average) (3).

Furthermore, like in the current programme the EC has set a list of thematic priorities areas for investment. The new proposals identify 11 thematic objectives the Structural Funds will support, which are tied to the 'Europe 2020' strategy, and Member States can choose the priorities on which they will focus their efforts (4). In more developed regions, the bulk of investments will go to innovation, support of SMEs, energy efficiency and renewables, while in least developed regions these priorities are balanced 50/50 with development needs towards employment, education and poverty reduction (5).

3. Where does health fit in?

During the current programming period 2007-2013, health was, for the first time, included in the list of priorities. However, this will change post 2013. Instead, health will be included in the thematic priorities focusing on “*promoting employment and supporting labour mobility*” and “*promoting social inclusion and combating poverty*” (6).

However, it is important to note that there will be strict new conditionalities attached to investments before funds will be released. For example, under the objective to promote employment and support labour mobility, investments can focus on actions that promote active and healthy ageing provided that active ageing policies in the country are designed and delivered in accordance with EC employment guidelines¹. Likewise, in the objective for promoting social inclusion and combating poverty, actions on health can only be introduced when a national or regional strategy for health, that ensures access to quality health services and economic sustainability, is in place. This is further reinforced by stringent criteria for the fulfilment of actions. For example, actions related to health under the poverty objective should contribute to: 1) improving access to quality health services; 2) stimulating efficiency in the health sector; or 3) a framework outlining available budgetary resources for health care (6). In addition, the EC is now developing draft guidelines to show how structural funds can be used for investments in health.

A key aspect of the new package is that a minimum share of 20% of the European Social Fund will be dedicated to actions promoting social inclusion. As actions to support social inclusion can include investment to improve health, this will offer a significant opportunity for health actors at local, regional and national level to advocate for the inclusion of health initiatives in country's operational programmes.

The above thematic priorities will be funded mainly through the European Social Fund (ESF) and the EU Programme for Social Change and Innovation (PSCI). Each of the programmes highlighted can facilitate actions that will, directly or indirectly, impact on improving health status for the EU population.

Thematic objectives
1. Strengthening research, technological development and innovation
2. Enhancing accessibility to, use and quality of information and communication technologies
3. Enhancing the competitiveness of small and medium-sized enterprises
4. Supporting the shift towards a low-carbon economy in all sectors
5. Promoting climate change adaptation and risk prevention
6. Protecting the environment and promoting the sustainable use of resources
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures
8. Promoting employment and supporting labour mobility
9. Promoting social inclusion and combating poverty
10. Investing in education, skills and lifelong learning
11. Enhancing institutional capacity and an efficient public administration

¹ If a country specific Council Recommendation is in place, directly linked to this conditionality provision, then the assessment of its fulfillment will take account of the assessment of progress made in the fulfillment of the Country Specific Council Recommendation.

➤ The European Social Fund

The ESF is the key EU instrument for investment in people. Its main aim is to improve employment opportunities, promote education and life-long learning, enhance social inclusion, contribute to combating poverty and develop institutional capacity of public administration. With the new proposal, the role of the ESF will be reinforced:

- A minimum share of the budget will be allocated to each category of regions to support ESF actions. This will be higher than in the current programme. The new ESF proposal estimates at least €84 billion for the ESF, compared to the current €75 billion (3);
- Member States will have to concentrate the ESF on a limited number of objectives and investment priorities in line with the Europe 2020 Strategy, in order to increase impact and reach a critical mass (3);
- A greater emphasis is placed on combating youth unemployment, promoting active and healthy ageing, and supporting the most disadvantaged groups and marginalised communities such as Roma (3);
- Greater support will be provided to social innovation, i.e. testing and scaling up innovative solutions to address social needs, for instance to support social inclusion;
- The participation of social partners and civil society, in particular Non-Governmental Organisations (NGOs), will be further encouraged in the implementation of the ESF, through capacity building, the promotion of community-led local development strategies and the simplification of the delivery system (3);
- Equipment linked to investments in social and human capital will become eligible for support from the ESF (3).

➤ The EU Programme for Social Change and Innovation

The EU Programme for Social Change and Innovation (PSCI) is an instrument that will be managed directly by the EC, in support of employment and social policies across the EU (3). Together with the European Social Fund and the European Global Adjustment Fund, it forms the third pillar of the EU Initiative for Employment and Social Inclusion 2014-2020, as outlined in the MFF.

The PSCI integrates three existing programmes and extends their coverage: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility. It will enable the EC to increase policy coherence and the impact of its instruments. The PSCI will support policy co-ordination, sharing of best practices, capacity-building and testing of innovative policies, with the aim that the most successful measures be up-scaled, with support from the ESF. More specially, €574 million has been allocated to the Progress programme, where a key element will be to co-ordinate effective ways to tackle health inequalities by rolling out social innovation and experimental projects (3).

4. Next steps

These proposals will now be discussed by the Council and the European Parliament, with a view to adoption by the end of 2012, to allow for the start of a new generation of cohesion policy

programmes in 2014. At the same time, negotiations on the Multiannual Financial Framework (MFF) for the whole EU budget will continue in parallel. To follow up, the EC will adopt a Common Strategic Framework for all Structural Funds by the end of 2011, followed by a public consultation in early 2012.

5. Additional information

EuroHealthNet is currently a lead partner in the EC co-funded Joint Action on Health Inequalities, “Equity Action”. EuroHealthNet is developing a regional network, capturing and sharing regional approaches to reduce health inequalities, and strengthening understanding on how to influence and use structural funds to reduce health inequalities. For more information about Equity Action, please contact Ingrid Stegeman at i.stegeman@eurohealthnet.eu or Yoline Kuipers at y.kuipers@eurohealthnet.eu, or visit our new health inequalities website, www.health-inequalities.eu.

- European Commission, “[Common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund](#)”, 2011.
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Notes

- (1) European Commission, “A Budget For Europe 2020 - Part I – Communication”, 2011: http://ec.europa.eu/budget/library/biblio/documents/fin_fw1420/MFF_COM-2011-500_Part_I_en.pdfhttp://ec.europa.eu/budget/library/biblio/documents/fin_fw1420/SEC-868_en.pdf
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- (3) European Commission: Q&A on the legislative package of EU regional, employment and social policy for 2014-2020: <http://europa.eu/rapid/pressReleasesAction.do?reference=MEMO/11/663>
- (4) EUROPOLITICS, “Structural Funds: Conditions and performance: Key words in reform”, 2011: <http://www.europolitics.info/conditions-and-performance-key-words-in-reform-art314706-10.html>
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This publication is supported by the European Union Programme for Employment and Social Solidarity (2007-2013). For more information see: <http://ec.europa.eu/progress>. The information contained in this publication does not necessarily reflect the position or opinion of the European Commission.