

Funding health promotion and health promoting services? Unpackaging new EU funds and exploring other financing solutions

Webinar #6 – 23 October 2020

Key messages

- The EU funding instruments offer a key opportunity to offset shortcomings in national budgets and to fill some of the investment gap in social infrastructure such as housing, education and health.
- “Innovative” financing solutions, such as social outcomes contracting models, can also help fund health promoting services.
- The key to accessing new funds lies in improving communication and collaboration between health actors and other social sectors (within and between EU countries) to raise awareness of mutually relevant funding opportunities.

Webinar
series
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In light of proposed important changes to the EU's Multiannual Financial Framework (MFF) 2021-2027 (the EU's long-term budget) to help the European economy recover from the COVID-19 crisis, EuroHealthNet organised an interactive, members-only online meeting on Friday, 23 October 2020. The main purpose of the meeting was to uncover together new opportunities to fund health promoting activities.

The specific aim was to:

- Provide an overview of what we know about EU funds and the potential opportunities for the health sector during the 2021 – 2027 programming period and beyond
- Introduce the EuroHealthNet e-Guide on Financing Health promoting Services
- Share members' experiences and inspire them to explore new ways of financing health promoting services

Introduction

Alison Maassen, EuroHealthNet

Alison opened the meeting stressing that, even before the COVID-19 pandemic, investment in social infrastructure, such as housing, education and health, remained 20% lower than before the 2008 financial crisis. All while the demands for public services have been steadily rising.

She mentioned that the provision of sustainable national public budgets for social infrastructure and expenditure remains an utmost priority for all countries.

EU funding instruments offer a key opportunity to offset shortcomings in national budgets and to fill some of the investment gap. However, even with this support, we still anticipate gaps which can only be filled by thinking outside the box and applying 'innovative' financing solutions. To this end, EuroHealthNet launched the [e-Guide on Financing Health Promoting Services](#) which serves to orient public health professionals to the many different financing opportunities – both public and private – which exist and to support and inspire them with case studies and other resources to test these tools in their own settings.

New EU budget: funding health promotion?

Dorota Sienkiewicz, EuroHealthNet

The Multiannual Financial Framework (MFF): new EU long-term budget 2021-2027

Negotiations regarding the new EU long term budget, the [Multiannual Financial Framework \(MFF\)](#), for the period 2021-2027 are underway. The MFF regulation lays down the amounts that will be spent in different areas (e.g. cohesion and values, research and innovation, skills, agriculture) to match the EU's priorities (e.g., halting climate change and boosting green transformation and sustainability, digital transition,

recovery from the pandemic) throughout the programming period. In light of the COVID-19 pandemic, the European Commission has introduced a temporary recovery instrument to reinforce the MFF - “The Next Generation EU”. While negotiations to finalise the budget continue, proposed budget figures (current 11 November 2020) are as follows:

MFF 2021-2027 total allocations per heading (data from 11 November 2020)

	MFF	NEXT GENERATION EU	TOTAL
1. Single Market, Innovation and Digital	132.8	10.6	143.4
2. Cohesion, Resilience and Values	377.8	721.9	1 099.7
3. Natural Resources and Environment	356.4	17.5	373.9
4. Migration and Border Management	22.7	-	22.7
5. Security and Defence	13.2	-	13.2
6. Neighbourhood and the World	98.4	-	98.4
7. European Public Administration	73.1	-	73.1
TOTAL MFF	1 074.3	750.0	1 824.3

*All amounts in EUR billion.
Source: European Commission.*

Thus, a total of €1.074 trillion is proposed under the MFF for 2021-2027, as well as an additional €750 billion stimulus package, called NextGenerationEU, for 2021-2024. NextGenerationEU consists of several initiatives (primarily the EU Recovery and Resilience Facility, described below). It will offer €360 billion in front-loaded loans and €390 billion in grants, borrowed on the financial markets, and repaid over a long period (from 2028-2058). NextGenerationEU also provides funding for REACT-EU, an initiative to extend the COVID-19 crisis response and repair measures, and boosts key programmes such as Horizon Europe and the Just Transition Fund (described below) with additional funding.

Opportunities for health under the MFF

Dorota provided an overview of a number of important funds which could be directly or indirectly utilised to support health and health promoting activities. These included:

EU Recovery and Resilience Facility (2021-2024/6)

[The Recovery and Resilience Facility](#) is the central pillar of the recovery plan for Europe, NextGenerationEU. It provides financial support to EU countries to mitigate the social and economic impact of the COVID-19 crisis.

- Budget: €312.5 billion in grants and up to €360 billion in loans.

- The Facility is intended to mainly be used to address the challenges identified in the [Country Specific Recommendations \(CSRs\) 2019-2020](#), enabling countries to enhance their economic growth potential, job creation and economic and social resilience.
- 16 health-CSRs in 2019 and 27 health-CSRs in 2020 present a potential for investments in health.
- The recovery and resilience plans should also include measures to address the challenges and reap the benefits of the green and digital transitions.



EU4Health 2021-2027

Despite an initial budget proposal of €9.4 billion from the European Commission, the Council cut the proposed budget to a total of €1.7 billion, and, in early November, the European Parliament voted to provide a total budget of €5.1 billion. While still under negotiation, even the smallest proposed figure would represent a budget four times the size of the 2014-2020 health programme budget. The programme is managed by the European Commission's Directorate General for Health and Food Safety ([DG SANTE](#)).

EU4Health will aim to:

- boost EU's preparedness for major **cross-border health threats** (reserves of medical supplies, staff, surveillance)
- strengthen **health systems** (prevention, health promotion, healthy ageing, digital transformation, access for vulnerable groups)
- make **medicines and medical devices** available and affordable
- fight against **cancer**
- reduce **antimicrobial-resistant** infections
- improve **vaccination** rates
- expand European Reference Networks for **rare diseases**
- cooperate on **global health threats** and challenges
- improve medical and pharmaceutical **innovation**

European Regional Development and Cohesion Fund (ERDF) and Cohesion Fund (CF)

EU Regional Policy is the EU's main investment policy. It is designed to put Europe's countries and regions on a more equal footing by reducing disparities between the various EU regions. It is delivered through two main funds: the [European Regional Development Fund \(ERDF\)](#) and the [Cohesion Fund \(CF\)](#). The funds are managed by the European Commission's Directorate General for Regional and Urban Policy ([DG REGIO](#)).

- Proposed budget: €192.4 billion (ERDF), €42.5 billion (CF), plus additional €55 billion under REACT-EU until 2022.
- The ERDF's key investment priority 4 (out of 5 total investment priorities) focuses on delivering on the principles of the European Pillar of Social Rights, which include quality employment, education, skills, social inclusion, equal access to healthcare, health systems' resilience.

Cohesion funds are meant to bring 'Europe closer to citizens', meaning the use of a locally-led approach, investing in all European regions according to the need, and offering 6% allocation to urban development.

European Social Fund Plus (ESF+)

The [European Social Fund Plus \(ESF+\)](#) will be the main financial instrument to strengthen Europe's social dimension, by putting the principles of the [European Pillar of Social Rights \(EPSR\)](#) into practice. The fund is managed by the European Commission's Directorate General for Employment, Social Affairs and Inclusion ([DG EMPL](#)).

- Proposed budget: €87.3 billion
- ESF+-funded programmes and projects will concentrate on social challenges identified under the yearly [European Semester](#) cycle, the main mechanism for economic and social policy coordination in the EU.
- At least 25% of ESF+ will be allocated to fostering social inclusion, 4% to extreme poverty, 5% to child poverty, and 15% to measures in support of youth employment and activation of young people.

[REACT-EU](#)

This initiative forms part of the NextGenerationEU stimulus package. It aims to continue and extend the crisis response and repair measures that cohesion policy has already started delivering through the changes brought by the [Coronavirus Response Investment Initiative](#), while enlarging the scope to cover green, digital, and growth-enhancing investments.

[Read more about the available EU funding and financing to respond to COVID-19, in EuroHealthNet's briefing.](#)

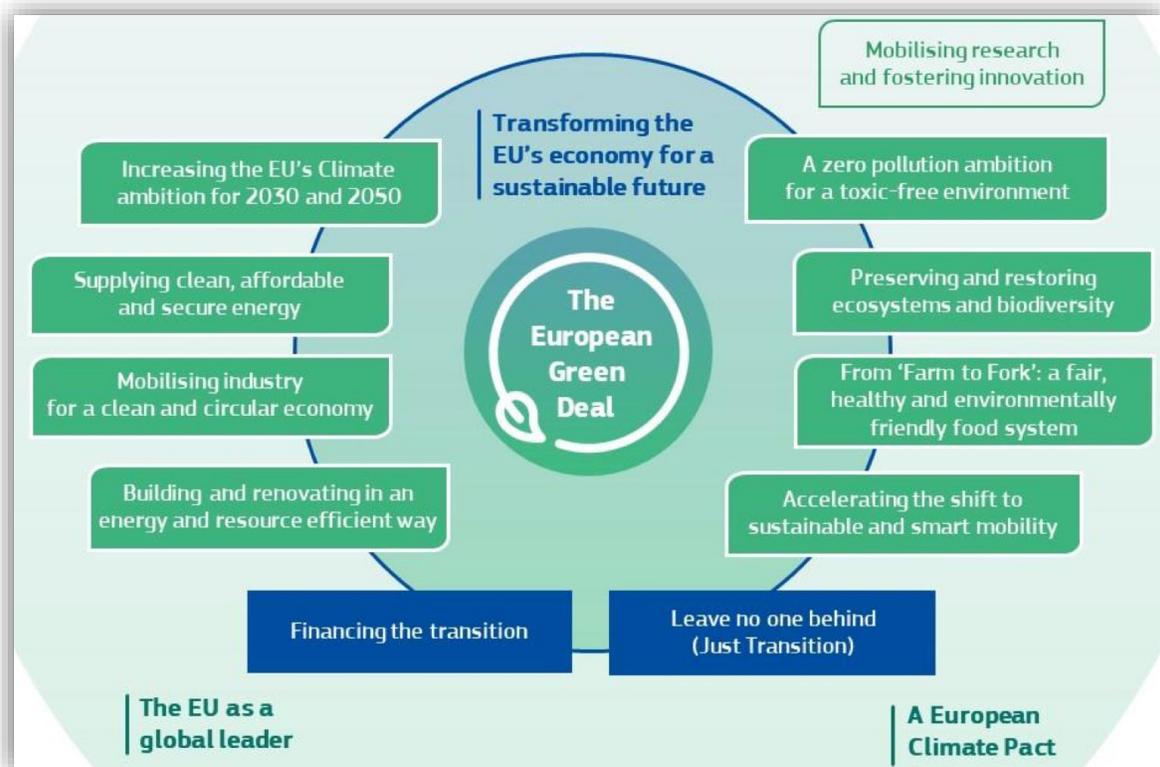
The European Green Deal's Just Transition Fund

The European Green Deal is the new sustainable growth strategy that sets out how to make Europe the first climate-neutral continent by 2050. [The Just Transition Fund \(JTF\)](#) was proposed by the European Commission in January 2020 as a part of the [European Green Deal](#).

The JTF is a financing tool which – while supporting green transition-linked economic activity – will help to avoid and mitigate increasing inequalities between regions through supporting the most affected territories, sectors and workers. It aims to foster:

- economic diversification of affected territories
- modernisation of the local economy;
- up-skilling and re-skilling of affected workers, to help them adapt to new employment opportunities;
- active inclusion of jobseekers in the labour market
- EC proposes an upgrade to €44.1 billion (€11.3 billion under the MFF, €32.8 from the NextGenerationEU Recovery Fund)

The European Green Deal



Horizon Europe

Horizon Europe is the European Union's research and innovation programme for 2021-2027, replacing the former Horizon 2020 programme. Its primary aims are:

- Taking forward the Sustainable Development Goals (SDGs) and five mission areas (cancer, food, oceans, climate change, climate neutral cities). These five priority missions were selected to increase the effectiveness of funding by pursuing clearly defined targets.
- The new research programme aims to boost R&I, green transformation and digital transition (to complement [The Digital Europe Programme](#), which itself is worth €8.2 billion), and support EU4Health's objectives of digital transformation.
- Budget: €74.9 billion (under the MFF), plus €5 billion (under the NextGenerationEU Recovery Fund)



InvestEU

The EU's flagship investment programme to kick-start the European economy. It builds on the model of the Investment Plan for Europe (or 'Juncker Plan').

InvestEU is based on three pillars:

1. The InvestEU Fund. It will support four policy areas: sustainable infrastructure; research, innovation and digitization; small and medium-sized businesses; and social investment and skills. The Fund will have the ability to react to market changes and policy priorities that change over time.
2. The InvestEU Advisory Hub. It will provide technical support and assistance to help with the preparation, development, structuring and implementation of projects, including capacity building.
3. The InvestEU Portal. It will bring together investors and project promoters by providing an easily-accessible and user-friendly database.



The driving motive of InvestEU is to help make EU funds go further by mobilising additional private investment with the incentive of an EU budget guarantee. It anticipates triggering at least €650 billion in additional investment in order to support broader investments in innovation and job creation across Europe.

Conclusions

Dorota closed her presentation by reiterating that the negotiations for all of these programmes are still ongoing and we may expect to see changes to both the budget figures and the conditions for accessing these funds over the coming weeks. EuroHealthNet is preparing an MFF briefing document which will be shared with all members in December 2020. In the meantime, it was noted that these various funds are typically available to different actors and accessible through different channels – and that these may change from one country to another. While EuroHealthNet members may not be able to directly access all of these programmes and funds themselves, it is important for them to be aware of these funds and their main beneficiaries. This could help improve messaging and cooperation to increase health funding during the period from 2021-2027, when health is particularly high on policy makers’ agendas.

The e-Guide on Financing Health Promoting Services

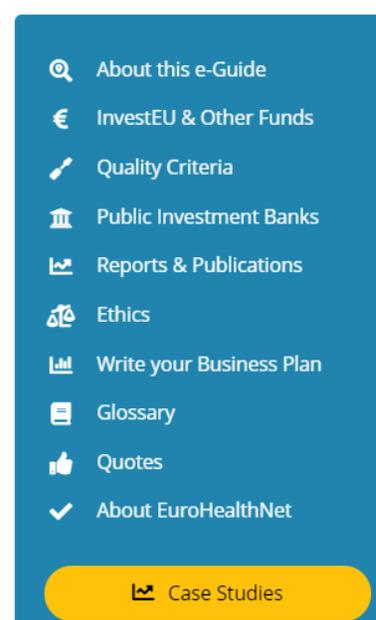
Lina Papartyte, EuroHealthNet



Lina presented on the EuroHealthNet [e-Guide on Financing Health Promoting Services](#). This guide, launched in 2020, is initiated in the context of the WHO Regional Office for Europe’s Coalition of Partners for Strengthening Public Health Services. **The intention of this e-guide is to assist health and social care planners, policymakers at national, regional and local levels in developing and financing of health promoting services that benefit health and wellbeing for all.** We aim to inspire through a body of evidence that includes examples drawn from across the world.

- The e-Guide introduces and explores different options of financing health promoting activities: social impact financing, insurance funds, frameworks for divestment, ethical finance labels, fiscal measures, working outside of health sector, etc.
- All topics are accompanied with associated case studies and contact information to reach out to the practice implementer.
- The e-Guide contains other useful tools and resources, including:
 - templates to write a Business Plan,

Resources & Tools



- criteria for quality investments,
 - introduction to Public Investment Banks, as well as
 - information about the EU funds.
- The e-Guide is regularly updated, if you come across innovative ways of financing health or other related sectors, get in touch with EuroHealthNet (l.papartyte@eurohealthnet.eu).

e-Guide Case Study: Social Outcome Contracting

Tomas Bokström, Research Institutes of Sweden, RISE

Tomas presented the details of one of the case studies available on the e-Guide on Financing Health Promoting services: a [Social Outcomes Contract \(SOC\) for a healthy workplace in Sweden](#).

In Sweden, a social outcomes contract project for a preventive and healthy workplace was developed in response to an increase in sick leave across the country. The costs of sick leave benefits had risen from €2.5 billion in 2013 to €3.9 billion in 2016 (+52%), a trend particularly noticeable in the workplaces of public regions and municipalities, compared to private employers. Increased sick leave imposed a high burden on these public employers, as they are responsible for covering the expenses of short-term sickness (1-14 days). In addition, a rise in sick leave increased indirect costs and negative effects, including productivity loss and lower quality in public services.

Insights of the SOC pre-study:

- In Botkyrka kommun in Sweden, the risk group (about 20% of the employees) accounted for 75% of the short-term sickness absence (day 1-14)
- Approximately 30% of employees in the risk group were long-term absent (15+ days) within a year after they were included in the risk group, which was six times more than the employees not part of the risk group.

The objective of the subsequent SOC model was to reduce short-term sick leave and improve health outcomes, while at the same time reducing overall societal costs.

Target groups for the 3-year intervention:

1. Employees in the risk group

Social outcomes contracting (SOC), or outcomes funds, are contracts in which payments are made only when pre-agreed social (or health promoting) outcomes are achieved by the funded programme/ organisation. This is in opposition to a 'payment-by-outputs' approach and it differs from the social impact bond. The most significant difference between impact bonds and outcome contracting is the inclusion of the investor in the programme development stage. SOCs help participating organisations to align their incentives to achieve social outcomes while also saving public expenditure due to its focus on prevention and generating return on investment.

Discussion

- Prolepsis, Greece, shared their experience working with the ERASMUS PLUS financing mechanism. Even though it mainly focuses on development of training, it also provides opportunities for health. Prolepsis has used this tool a lot to create training to address various health issues, for example, training health professionals concerning health of migrants and refugees; training health professionals to address the health of farmers; now received funding to develop a training for people working in restaurants about safety and health preparing food. Research activities are also justified under ERASMUS PLUS in order to help developing a training. ERASMUS budgets are quite small and require quite a lot of work but in the end it is worth it.
- In Germany, national and regional budgets fund most activities, and there is not broad awareness and a 'mindset' for using EU funds. Using the information on EU funds provided in this webinar could be useful to convince national actors to use other resources.
- Accessing certain European funds (e.g., ESF+, ERDF) requires the health sector to work with different ministries nationally. If there is interest among members, EuroHealthNet can facilitate exchanges among them to learn from each other's experiences working across sectors accessing different funds. Working with ministries of finance was cited as an important element that could help promote a health in all policies approach.
- The European Investment Bank is interested in further exploring the use of Social Outcome Contracting models in European countries. RISE is part of a European network of experts working to support the European Investment Bank's Financial Instruments Advisory Hub in capacity building and technical advice on SOC. There is a potential to pilot SOC models in different countries. RISE and EuroHealthNet are open for collaboration, please get in touch if you are interested to become a pilot site or learn more about possibilities to building knowledge together. Occupational health is one possibility for piloting SOC, but there are many different topics that could be explored and piloted.
- GGZ Nederland has started exploring new ways financing but they are at a very early stage. GGZ Nederland has started a cooperation with the [City mental health alliance](#) (CityMHA) which works closely with the private sector to set mental health workplace interventions. All the funding for the interventions is coming from private investors. The aim is to learn how CityHMA finances its activities.
- In the Netherlands, there are several examples of innovative financing at work. One is a Pride Initiative and another is a mental health promotion initiative in the city of Amsterdam. One of the main pillars of the latter initiative is workplace mental health.
- In Germany, one of the novel ways to fund prevention is through [insurance companies](#). The Prevention Act (Präventionsgesetz – PräVG) in Germany obliges insurance companies to engage and fund preventative activities. However, this positive law introduced in 2015 also brings about challenges since there are no outcome measurements introduced. The bi-annual report about the experiences applying the law portrays only the activities carried out (around 500 different initiatives across the country) but not the results.

Conclusions

In conclusion, participants agreed that the key to accessing new funds lay in further communication and collaboration at multiple levels. More could be done, for instance, in-country to link initiatives of different social sectors to support health promoting activities and to link the funding opportunities known to various ministries and government departments. More could also be done at the European level to improve communication around funding and financing instruments and their relevance for health programming.

EuroHealthNet will carefully monitor the ongoing MFF negotiations, keep the EuroHealthNet informed and continue to build on the e-Guide on Financing Health Promoting Services by collecting more innovative examples. EuroHealthNet encourages its members and partners to continue this conversation and collaboration, with the aim to improve investments in capacities, infra-structures and human resources for health promotion and health equity across Europe.

List of participants

- Tomas Bokström, RISE Research Institutes of Sweden
- Marjonneke de Vetten, Dutch Association of Mental Health and Addiction Care (de Nederlandse ggz)
- Pania Karnaki, Institute of Preventive Medicine Environmental and Occupational Health (PROLEPSIS)
- Frank Lehmann, Federal Centre for Health Education (BZgA)
- Alberto Martín-Pérez, Ministry of Health, Spain
- Caroline Costongs, EuroHealthNet
- Alison Maassen, EuroHealthNet
- Lina Papartyte, EuroHealthNet
- Dorota Sienkiewicz, EuroHealthNet