

EU Alliance for Investing in Children statement on the ESF+ political agreement¹

A milestone in EU budget talks, Thursday 28 January 2021 also marked a historical day for children's rights in the EU.

The EU's co-legislators reached an agreement on the European Social Fund Plus (ESF+) which for the first time, includes a specific objective and earmarking aimed at fighting child poverty.

Even before the COVID-19 outbreak, 1 in 4 children across the EU was growing up at risk of poverty and social exclusion². The pandemic and the socio-economic consequences that it has brought have already affected children and their families significantly. Child poverty levels are now likely to escalate, making it even more urgent to act on, preventing the impact of the crisis from growing further and mitigating its devastating effects on children's lives, today and in the future.

In this significant agreement, the co-legislators acknowledged this crisis and showed their commitment to supporting children growing up in poverty across the EU.

According to the agreement, EU Member States with an average of EU child poverty higher than the 2017-2019 EU average (23,4%) **will have to allocate at least 5% of their ESF+ financial resources to tackle child poverty.** Importantly, **the agreement also urges all EU Member States to allocate ESF+ financial resources** to targeted actions to combat child poverty.

The EU Alliance for Investing in Children **congratulates** the European Parliament, the Council of the EU and the European Commission in reaching this agreement and in championing children's rights.

Nonetheless, much remains to be done to fully capitalise on this agreement and tackle child poverty and social exclusion. For this reason, we call on:

1. The EU leaders to swiftly adopt the political agreement reached on 28 January 2021 and ensure that their countries allocate appropriate ESF+ resources to tackle child poverty.

The Eurostat data³ show that child poverty is a pan-European phenomenon that affects all EU Member States.

On average, between 2017-2019, more than 20 million children were already growing up in poverty across the European Union; from countries with higher GDP per capita and stronger social welfare systems, such as Sweden and Luxembourg, to countries with higher levels of poverty, such as Romania and Bulgaria.

However, this data does not take into account how the COVID-19 pandemic has impacted children and their families across the Union.

Considering that child poverty levels are likely to escalate as the full economic impact of the pandemic becomes apparent, the EU Alliance calls on all EU Member States to comply with the ESF+ agreement by allocating an appropriate amount of their ESF+ resources to targeted and multidimensional actions to combat child poverty and for those with higher levels of poverty to

¹ European Commission, [Commission welcomes political agreement on the ESF+](#), 2021

² Eurostat, [EU children at risk of poverty or social exclusion](#), 2020

³ *Ibidem*

earmark at least 5% of their ESF+ resources to invest specifically on this issue. All EU leaders should **commit that their countries will direct** enough resources in their **ESF+ programming** towards activities that will support children and families in poverty or at risk of poverty.

2. The co-legislators to ensure a direct and explicit link between the ESF+ and the Child Guarantee and urge the European Commission to launch an ambitious Child Guarantee in the form of a Council Recommendation.

The Child Guarantee is a pivotal opportunity for the EU and its Member States to invest more and better in preventing and reducing child poverty and social exclusion. The ESF+ must adequately support its implementation. Hence, the agreement reached on the ESF+ should **explicitly refer to the Child Guarantee**, ensuring that all Member States will allocate an appropriate part of the fund to support this crucial initiative.

The co-legislators should also call on the European Commission to launch a **rights-based and ambitious Child Guarantee**. It should also ensure that this instrument will take a **comprehensive approach** - acknowledging the links **between child and family poverty**; the links between monetary poverty and lack of access to **quality services** for children; and **ensuring the meaningful engagement of children** – and where needed- parents in decision-making.

Children’s access to essential services is crucial for their upbringing, and it can support them in having equal opportunities as their peers for a healthy and prosperous life. Therefore, the Child Guarantee should urge EU Member States to invest in children’s equal access to free high quality early childhood education and care, education, healthcare that includes health promotion and prevention, decent housing, adequate and health-promoting nutrition and leisure activities. However, child poverty and social exclusion **cannot and will not be solved if Member States only invest in these six areas**. As mentioned in the recent Joint Declaration of the EPSCO Council Ministers⁴, the Child Guarantee should recognise the close correlation between **parents participating in the labour market** – often single parents – and the economic stability of the families. In this sense, the Child Guarantee should be based on the integrated approach of the **European Commission’s Recommendation on Investing in Children**⁵ and ensure that children and their parents are holistically supported to exit poverty and social exclusion.

The Child Guarantee should also have a clear implementation, monitoring and evaluation framework. The EU Alliance for Investing in Children welcomes the European Commission’s intention to request EU Member States to develop **national multiannual strategies and Child Guarantee Action Plans**⁶. These plans should illustrate EU Member States’ challenges and priorities when it comes to tackling child poverty and social exclusion. They should identify groups of children in vulnerable situations starting from the target groups identified in the feasibility study such as children living in precarious family situations, children growing up in income-poor and single-parent households, children living in segregated areas, homeless children, Roma children, children in alternative care including those residing in institutions, children in migration, children with disabilities and other support needs. They should also describe what kind of policies and EU and national investments will be put in place to support them. Moreover, EU Member States should ensure that children, their

⁴ Joint Declaration by the Ministers of the EPSCO Council, [Overcoming poverty and social exclusion – mitigating the impact of COVID-19 on families – working together to develop prospects for strong children](#), 2020

⁵ European Commission, [Commission Recommendation of 20 February 2013 Investing in children: breaking the cycle of disadvantage](#), 2013

⁶ European Commission, [Basic services for children in need - European Child Guarantee](#), 2020

parents, and relevant civil society organisations, will participate in the design, implementation monitoring and evaluation of the Action Plans. **The Action Plans should be monitored and evaluated on an annual basis** through clear indicators and data. Member States should report to the European Commission on the implementation of the Action Plans, whereas the results should be reflected in the future **European Semester cycle** and in the monitoring of the **Action Plan to implement the European Pillar of Social Rights**.

3. EU Member States to ensure that the ESF+ is not seen as the only financial resource for investing in children and that EU funds and national budgets are used strategically and in line with the Child Guarantee Action Plans and multiannual strategies.

The EU Alliance welcomes the European Commission's call towards Member States to use this and other existing funding opportunities to further increase investments in the fight against child poverty⁷.

EU Member States should put children's and their family's needs at the heart of their recovery. Investing in a social and resilient Europe starts from investing in children.

As a first and urgent step, EU Member States should invest the unspent ESF, FEAD, ERDF resources (as part of the CRII, CRII+ programmes) and the REACT-EU financial resources in supporting children and families at risk.

In addition, as per the agreed 6th Pillar of the **Recovery and Resilience Facility**⁸, EU Member States should use the Recovery and Resilience Facility to tackle child poverty and social exclusion to implement the Child Guarantee. These investments should be outlined in the Member States' Recovery and Resilience Plans.

With regards to EU financial resources from the 2021-2027 EU funding period, EU Member States should also take into consideration other specific objectives of the ESF+ to support their investments in children. For example, the agreed **25% earmarking of ESF+ resources** should also be allocated to **promote social inclusion** and support the most vulnerable groups of individuals and could prioritise actions related to child and family in poverty and/or marginalised. In addition, EU Member States should direct part of the earmarked **3% of the ESF+ resources** to provide food and essential material assistance to children and families in deprivation, always together with social inclusion measures.

The child poverty reduction activities funded by ESF+ and the European Regional Development Fund should be outlined in the **poverty reduction national strategies** that Member States should develop as part of the Common Provisions Regulation enabling condition 4.3.

EU Member States should also use **different EU resources** to combat child poverty such as the Asylum and Migration Fund, InvestEU, Erasmus Plus, and HorizonEurope. These funds have specific priorities related to poverty reduction and social inclusion, such as the development of social infrastructure and the integration of those children in most vulnerable situations. In addition, EU4Health Programme should provide for Member States and the civil society's work on poverty reduction and social inequalities health-related areas, especially those of direct and indirect impact on children's health and well-being.

⁷ European Commission, [Commission welcomes political agreement on the ESF+](#), 2021

⁸ Council of the European Union, [Proposal for a Regulation of the European Parliament and of the Council establishing a Recovery and Resilience Facility-Confirmation of the final compromise text with a view to agreement](#), 2020

Last but not least, EU Member States should also prioritise their **national budgets** in their fight against child poverty. EU funds can trigger national investments, but they do not suffice to fully implement national social protection reforms.

EU Member States should ensure **coordination among national authorities on the allocation and spending of these resources**. EU and national budgets should be used **strategically in line with the priorities included in the national Child Guarantee Action Plans** to support the necessary reforms.

4. EU Member States and the European Commission to ensure that civil society is a key actor in the programming of the ESF+ and that it benefits from ESF+ resources.

EU Member States should ensure that multi-sectoral civil society organisations with experience and competence **participate as key-actors** in the design, implementation, monitoring and evaluation of the ESF+ programming. EU Member States should direct the agreed **0.25% earmarking to build civil society organisations' capacity to participate in the ESF+ Monitoring Committees meaningfully**. In addition, child and family rights organisations should also be **supported in accessing EU financial resources** to run their programmes supporting children and families in poverty or in social exclusion and in implementing the Child Guarantee. Consequently, the reduction of co-financing requirements for civil society should be considered where possible.

Endnote

The EU Alliance for Investing in Children has been advocating for a multidimensional, rights-based approach to tackling child poverty and promoting child well-being since 2014.

This statement was endorsed by the following partner organisations of the EU Alliance for Investing in Children:

- Alliance for Childhood European Network Group
- ATD Quart Monde
- Caritas Europa
- COFACE Families Europe
- Don Bosco International
- Dynamo International – Street Workers Network
- ERGO Network
- Eurochild
- Eurodiaconia
- EuroHealthNet
- European Association of Service Providers for Persons with Disabilities – EASPD
- European Anti-Poverty Network – EAPN
- European Federation of National Organisations Working with the Homeless – FEANTSA
- European Parents' Association
- European Public Health Alliance – EPHA
- European Social Network – ESN
- Inclusion Europe
- Lifelong Learning Platform
- Lumos
- Mental Health Europe

- Make Mothers Matter
- Platform for International Cooperation on Undocumented Migrants (PICUM)
- Roma Education Fund
- Save the Children
- SOS Children's Villages International.

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