

11th Meeting of the ESF Network in the Danube Region | 24-25 September 2024 | Split, Croatia

Introduction and Welcome

Roland Hanak, Priority Area Coordinator PA9 “Investing in People and Skills”, Federal Ministry of Labour and Economy, Austria

Claudia Singer-Smith, Priority Area Coordinator PA 10 “Institutional Capacity”, City of Vienna

Roland Hanak, Coordinator of the Priority Area 9 “People and Skills” and Claudia Singer-Smith, Coordinator of Priority Area 10 “Institutional Capacity and Cooperation”, welcomed all participants.

In his introductory statement, Roland Hanak shared his experience of 30 years within the administration of the ESI-Funds, starting off with the first period of the ESF implementation in Austria (1995-1999). During this challenging implementation period the ESF-Mission within the Federal Ministry for Labour achieved the first financial return of European Funds to Austria. In the 2000 and 2007 ESI Funds period Hanak drafted the then so called Community Initiative Programme EQUAL, a transnational experimental Labour Market Programme. In the ESI Funding period 2007-2014 Hanak opened a funding scheme for Active Labour Market Policy Projects financed by the European Regional and Development Funds (ERDF) in Austria, which has been operating ever since. In the ESF Funding period 2014-2020, as Head of Staff Unit for Bilateral Cooperation, his unit acted as an Intermediate Body for the implementation of labour market projects for Roma/Romnja. The implementation of the ESF was always characterised by ever changing regulations and administrative rules. At the same time, the ESF in Austria was of high relevance in budgetary terms to implement labour market measures and projects. Hanak also emphasised the importance of the ongoing support Austria got from other EU Member States since the beginning of the implementation of the Funds in Austria, which also was the motivation and the starting point for policy exchange schemes initiated by Austria for and with new and future Candidate Countries. Also the meetings of the ESF Network in the Danube Region were found in that spirit and Hanak offered continuing support and facilitation for the exchange of experience between EU Member States and Candidate Countries in the Danube Region.

ESF Network in the Danube Region – a Vision for Macro-Regional Strategic Cooperation

Claudia Singer-Smith (PA10) and Barbara Willsberger (PA9)

(Detailed information please find in the attached presentation.)

The ESF Network of the EUSDR was established following the Meeting of Ministers in charge of EU funds at the margins of the EUSDR Annual Forum in Ulm, Germany in 2015. The Network constitutes a platform of ESF Managing Authorities and from 2024 for representatives of Candidate Countries in the Danube Region to facilitate the exchange between EU Member States and Candidate Countries, the coordination between the Managing Authorities, the respective Priority Areas of the EUSDR and the European Commission as well as further relevant stakeholders. It aims at fostering transnational cooperation in the Danube Region, to thereby connect cooperation and

investment, and serve as a joint knowledge hub for implementation, planning and exchange of experience with social policies. The EUSDR ESF Network is chaired and organised by PAC9 “People and Skills” and PAC10 “Institutional Capacity” together with the network partners.

With this meeting we aim to identify further steps to explore options for transnational cooperation at programme and project level.

Implementing Labour Market and Social Policies in the Context of ESF+ in the Danube Region

Ivana Šarić, Ministry of Labour, Pension System, Family and Social Policy, Croatia (Detailed information please find in the attached presentation.)

In Croatia 1.85 billion Euros are allocated for the ESF+-Programme Efficient Human Resources 2021-2027 to invest in employment and increasing the level of skills, social inclusion, education and lifelong learning as well as in health and long-term care.

Ivana Šarić focused in her presentation on the key activities of the ESF+ in the fields of

- Inclusive labour market and promoting employment;
- Youth employment;
- Social inclusion and
- Social Innovation.

She identified the following topics of the ESF+ which are in connection with EUSDR:

- Cooperation through project partnerships at the user level
- Social entrepreneurship and social innovations
- Activation of women for the labour market
- Activation of young people
- ALMA
- Long-term integration support
- VET regional competence centres
- Support to educational institutions with a large number of Roma students

Based on the presentation a discussion about alignment of EU’s vision for investment and the policy support in the respective countries started. For example, in some countries not every topic of the ESF+ is coordinated by a policy unit and, therefore, the project implementation is lacking. In this context, the question about administrative burdens in the ESF+ raised – for project promoters as well as for Managing Authorities and Intermediate Bodies. The participants agreed to put a focus on simplification efforts for post-2027 in one of the next meetings.

Until now transnational cooperation within the ESF+ had its emphasis on know-how exchange, but within the period 2021-2027, for example, Croatia plans to implement transnational projects, which cover also the costs for non-Croatian partners to foster the cooperation between countries. Aligning policy measures, which has not yet been discussed at the macro-regional level, is another key topic.

State of Play - Tour de Table and Discussion of Synergies

Matthias Boll (ESF MA Baden-Württemberg) mentioned that the state of implementation is progressing as planned. Due to the necessity of a high national co-financing and the administrative challenges beneficiaries are disillusioned, doubting changes in the next funding period. Beneficiaries face issues where mistakes could lead to bankruptcy, prompting them to seek other funding sources. An ESF fatigue is observed, which stems from the increasingly strict and complex auditing process as well as increased documentation requirements. Transnational cooperation is a horizontal priority within the ESF+ in Baden-Württemberg.

Una Schneider (ESF Managing Authorities Baden-Württemberg) mentioned six ongoing projects with transnational partners, focusing on reintegration, education, and employment for women (including Roma women). For more information see attached presentation. A challenge for the implementation of transnational projects is, that the transnational partners must finance their project costs by own funding resources.

Eva Masárová (MA Slovakia) stated that the focus in Slovakia is on a more Social Europe, employment, and active labour market measures. Roma inclusion is prioritized across all policy objectives. Special focus is put on NEETs and brain drain among young people, with efforts to establish a one-stop shop for youth services. A further emphasis is on developing green and digital skills. As the definition of green skills is an ongoing process a transnational exchange would be fruitful and supportive. Martina Kaplan (Ministry of Labour, Pension System, Family and Social Policy, Croatia) offered a know-how exchange on bilateral level.

Angelika Saban (Ministry of Labour and Social Protection, Moldova) stated that Moldova is in the process of adjusting legislation in line with EU requirements. On October 20, a referendum will be held to modify the constitution for EU accession. Areas of focus include the environment, social issues, and Roma inclusion. Moldova seeks to learn best practices from other countries.

Filip Miličević (MA Croatia) mentioned that Croatia is financing large national projects such as Active Labour Market Measures (ALMs), but smaller-scale calls for NGOs are costly and time-consuming. He proposed an further exchange on simplified cost options, such as assistance for disabled children and elderly care. He stated that one of the challenges in the ESF is coordinating policy units from the respective country to align with the EU's vision for investment. For certain topics, no policy units have been assigned, which poses a risk to the project's implementation.

Jelena Banašević, Granica Simičević (Ministry of Social Welfare, Family and Demography, Montenegro) and Milodarka Vukasinovic (Division for European Integration and EU Funds/IPA Unit) mentioned that their current focus areas include inclusive growth, youth guarantee programs (piloted in three municipalities), and child guarantee programs under IPA III. The legal framework for social economy is under development and will be supported by IPA III. Priorities include reducing informal work, improving health and safety at work, and preparing for future ESF+ participation. In the area of education training programs for teachers (including universities), modernisation

of VET (vocational education and training) for lifelong learning, and ensuring equal opportunities by improving institutional capacity are planned. Special focus is put on STEM education and removing barriers for students with special needs.

Jelena Bešlin (Department for International Cooperation, EU Integration and Projects) stated that Serbia shares similar priorities with Montenegro, including a Youth Guarantee scheme piloted in three municipalities, with plans for a national rollout by 2027, supported by Annual and Multibeneficiary IPA. Other focus areas include social entrepreneurship, development of integrated social services, and social housing. Long-term care is of particular interest to Serbia, especially in supporting children with developmental issues.

Transnational Cooperation in the Context of ESF+

Lucrezia Ioannoni Fiore, DG Employment

Transnational cooperation in the ESF+ focuses on facilitating the transfer and scaling of innovative projects and solutions. The ESF+ supports through

- EaSI social experimentation (direct management);
- ESF+ in the Member States (shared management);
- ESF+ Social Innovation+ and
- European Competence Centre for Social Innovation:

The entrusted entity to implement the European Competence Centre for Social Innovation (ESF+ Social Innovation+) is the Lithuanian Managing Authority (esfa). Until 2024, four calls for transnational projects were launched, like upskilling of vulnerable groups and NEETs or social innovative approaches to tackle long-term unemployment. In 2025, the focus will lay on the topics of Disability Employment Package and Child Poverty.

A strong focus of ESF+ Social Innovation+ is on mutual learning and knowledge-sharing. Therefore, five Community of Practices (CoPs) are active:

- Employment, Education and Skills
- Social Inclusion
- Social Innovation
- Migrant Integration
- Material Deprivation (Former FEAD)

Furthermore, the EURoma Network and the ALMA-Network are accompanied. For more information see attached presentation.

Active Inclusion of NEETs: ALMA (Aim, Learn, Master, Achieve) – Implementation in Slovenia

Ana Klinar, Employment Service of Slovenia

Aim, Learn, Master, Achieve - ALMA is an active-inclusion initiative for disadvantaged young people (aged 18-30 years) that are not in employment, education or training (NEET's). Through mentoring support, it offers participants a supervised work-related learning experience for a period of 2 to 6 months in another EU Member State.

In late 2022, the Commission in the frame of the ESF+ Social Innovation+ launched a pilot call (indicative budget 15 million Euros) to support EU countries and regions to integrate ALMA in their ESF+ programmes, by piloting or scaling up an ALMA type of activity. 29 grant agreements were signed and some other ALMA projects are co-funded through national ESF+ programmes.

In Slovenia ALMA is implemented by the Employment Service of Slovenia (ESS) as a labour market measure (it complements the Slovene Active Employment Policy) and is co-financed by the ESF+.

From 2017-2022 a pilot project was developed and tested in Slovenia and from 2024-2028 the Slovenian ALMA Initiative is part of the ALMA Network. It's a 6-month mentoring programme for NEETs aged between 18-35:

- Each participant gets his/her own mentor.
- During individual mentoring sessions mobility plan is drafted.
- Personal and occupational skills and experiences that participants want to develop or improve during the mobility stage are being identified.
- Registered NEET's are reached through Slovene ESS Regional Offices (12) and Job Centres (58).
- Information campaigns and communicate with network of job counsellors on a regular basis.
- External Promotion of ALMA to encourage also non registered NEET's to join.

In the following discussion Ana Klinar emphasized that a reliable partner organisation is the key for success and the mentors are employees of this organisation. The partner organisation receives funding from Slovenia to cover expenses like housing for participants. Furthermore, when dealing with participants facing mental health issues, assessments are made on a case-by-case basis. A positive outcome is when 50% of participants are integrated into the workforce one year after completing the program, especially considering the vulnerability of the groups we work with.

The participating representatives of Candidate Countries expressed their interest in the ALMA Initiative.

Boosting Skills to Improve Employability: Individual Learning Accounts

Martina Kaplan (Ministry of Labour, Pension System, Family and Social Policy, Croatia)

In April 2022, a voucher system was introduced to increase the rate of participation in adult education and promote the acquisition of digital and green skills. In May 2023, it was expanded to include other skills needed on the labour market.

Voucher users and training providers access the voucher portal (<https://vauceri.hzz.hr>) via NIAS (National Identification and Authentication System), using digital credentials. Furthermore, career guidance services are available and a cost-sharing between different institutions (beneficiaries or employers can co-finance part of the cost in case the cost of training is higher than the cost of voucher) is allowed. For unemployed persons additional entitlements are available (transportation costs and medical check-up costs if needed for the training). The chosen educational institution receives the funds for the selected program directly. One voucher is issued per individual for one education program to avoid double funding. For now, the programme is limited to one voucher per person to ensure clarity and prevent complications.

Based on the success of the voucher system the project „Strengthening the connection between education and the labour market” – development of Individual Learning Account model for Croatia by the end of 2027 is planned (financed via ESF+). The project is expected to start with implementation in 2024.

Mid Term Review of the ESF+

Plenary Discussion

In 2025, the Midterm Review under the Common Provisions Regulation has to be reported by the member states to the European Commission. The mid-term review must be aligned with the results of the European Semester and the country-specific recommendations. The base for the mid-term evaluation are country reports, socio-economic data and data from the ESF-implementation, especially milestones and indicators. An exchange of the status quo was initiated between the participating MAs.

Currently, Croatia prepares to conduct the mid-term review. At the moment just some minor amendments to the programme are expected. The future focus will be on social services and integration, especially with regard to the voucher system for education. In this context, Croatia expressed concern over the short timeline for the review, limiting opportunities for large-scale changes, including transnational cooperation. Also, in Slovakia the report will be conducted and no reduction on activities is planned, but an adjustment of indicators. In Baden-Württemberg a significant rate of ESF-funding is already committed. Therefore, the Managing Authority does not expect any major adjustments.

Based on the mid-term review, a discussion about indicators was raised. The participants discussed the challenges of collecting data and required evidence for indicators on vulnerable groups, like Roma, people at risk of poverty or specific groups like sex workers or women affected by domestic violence. Representatives from Baden-Württemberg highlighted issues with bureaucratic processes, including difficulties in getting beneficiaries to sign forms due to privacy concerns. Roland Hanak

shared experiences of possible accusations of discrimination when collecting data on minority groups, like Roma, but stressed that, to a certain extent such data collection is necessary for compliance with EU regulations. Experiences from participating countries showed that there are different approaches: E.g. in Austria hand-written data-sheets were used by project promoters to avoid the digital systematisation of data by public authorities. Those data sheets stay with the project promoters and were not uploaded to the ESF-database. In case of an audit the signed datasheets are available at the project promoters. In Slovakia, the MA relies on data from the Atlas of Roma Communities and uses this dataset for relevant indicators in the context of Roma.

The need to communicate these difficulties to financial auditors was stressed to increase the knowledge of financial auditors about the complexity of socio-economic data collection.

European Social Policy Funding post 2027

Plenary Discussion

In the first half of 2025, the draft regulations of the European Commission for the upcoming financing period are expected. The participants emphasized the importance of starting internal discussions about transnational cooperation as soon as the draft regulation becomes available – on national level as well as within the network. The aim is to have a clear vision of how transnational cooperation will work.

The next meeting of the Technical Working Group of the ESF+ will be in November 2024 in Budapest, with a focus on transnational cooperation. It was agreed that the participants of the network will suggest a more proactive approach to these discussions to ensure better preparation for the next funding period.

During the discussion concerns about decreasing ESF funding and the potential impact on project feasibility were raised. Low ESF funding for projects will increase the difficulty of finding respective co-financing and the administrative burden of project implementation will outweigh the benefit of funding. Likewise, the participants pointed out the need for clear rules before project implementation. The experience with project starts in the current funding period was rather challenging as funding rules were not clear before the start of projects, leading to delays and confusion. In this context, the measurement of success of projects was also discussed, especially, for projects working with vulnerable groups. Furthermore, the shift of financial risk to beneficiaries, project promoters or member states was criticized.

Katharina Lenz (Danube Strategy Point, Austria) mentioned transnational programmes like Interact and shared information of a harvesting event in Brussels, where transnational programmes were open to cooperating with the Macro-Regional Strategies (MRS), focusing on capitalisation efforts.

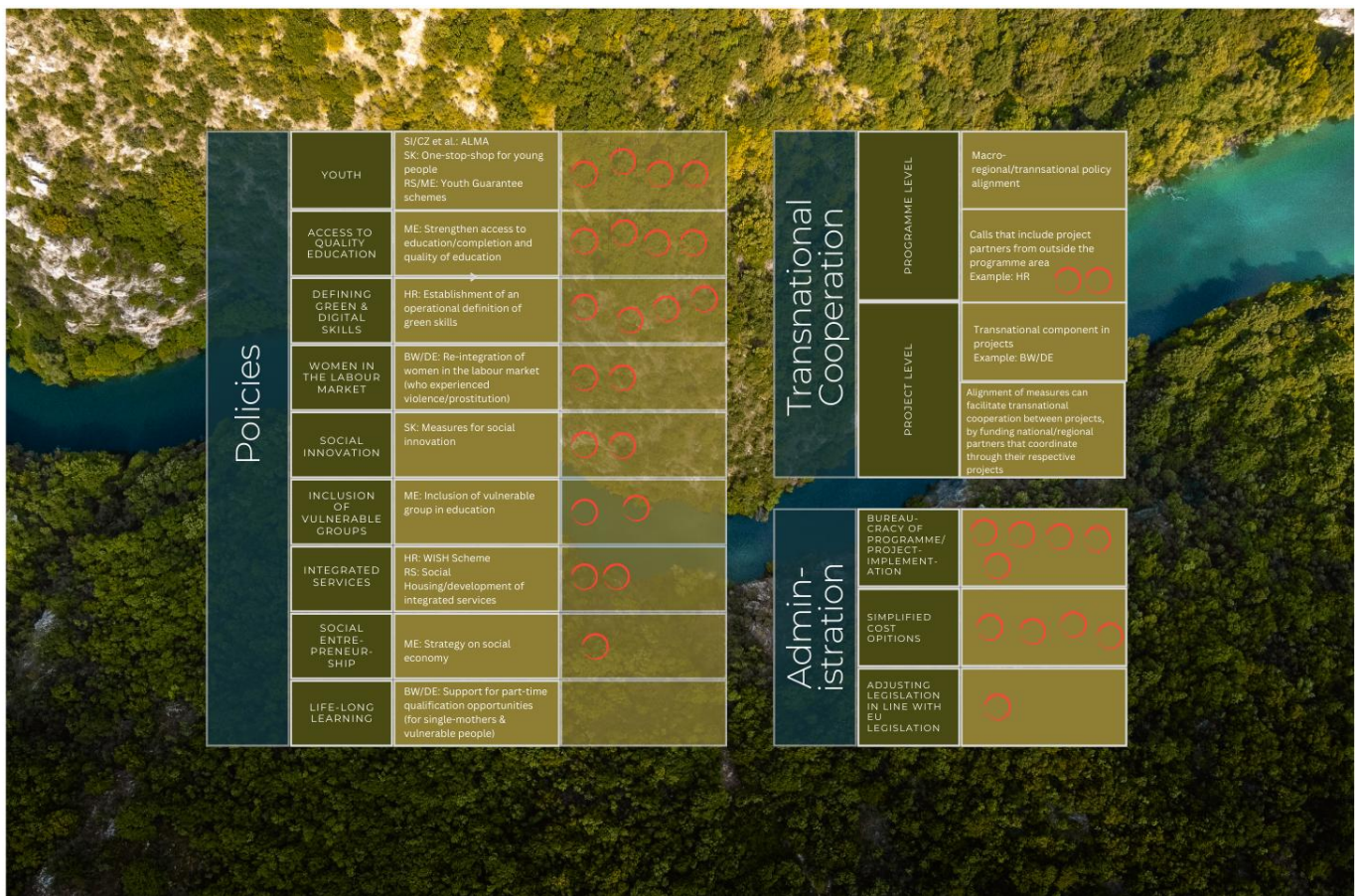
Further Steps of Transnational Cooperation within the ESF Network in the Danube Region

Wrap up and Next Steps

The long history of transnational cooperation within the network was highlighted and it was stated that transnational projects need years of collaboration between MAs and develop strong, trust-based relationships. Especially the knowledge exchange was highlighted in the discussion. An open question is the financing of transnational projects within the ESF+ (coordinated calls, so that similar projects are financed by the respective countries or transnational projects financed via one national ESF+-programme to tackle transnational challenges).

Especially the participants from the Candidate Countries emphasised their need for guidelines to implement a future ESF+ as the possibility for a know-how-exchange. A strong willingness to support the accession process by the participating MA's was stated.

The wrap up of the mentioned topics is shown in the graph below:



Next Steps:

The participants agreed that the ESF Network in the Danube Region should schedule two key activities from 2025 on (1 online and 1 onsite). The share of best practices should be a relevant focus point of all meetings. For 2025, a twin-meeting in Vienna

and Bratislava with project visits was discussed. As prioritized topics the following were mentioned:

- Tackle youth unemployment (special focus on NEETs)
- Definition of green skills and the collaboration of Danube Region countries, which work on this topic (e.g. HR and SK)
- Explore potential for simplified cost options for implementing ESF+-projects on national level and to facilitate transnational cooperation
- Continued discussions on data collection and success metrics for vulnerable groups and how to address these challenges;
- Efforts to enhance transnational cooperation should continue, with a focus on macro-regional strategies and practical cooperation across programmes.
- Continue policy exchange on the basis of prioritised topics