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Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**establishing the European Social Fund as part of the National and Regional Partnership Plan set out in Regulation (EU) [...] [NRPPPlan] establishing conditions for the implementation of the Union support to quality employment, skills and social inclusion for the period from 2028 to 2034**

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

#### **• Reasons for and objectives of the proposal**

This proposal establishes the European Social Fund (ESF), the main instrument to invest in Europe's people, their future and preparedness. The proposal reflects the current social and economic context and provides a concrete response to the call from the European public for a more social Europe and for greater investments in people in the European Union. The ESF is the EU's main instrument to promote and strengthen social cohesion in Europe's societies. This proposal accompanies the proposal for the National and Regional Partnership regulation. Both regulations are mutually reinforcing and complementary. The ESF, as part of cohesion policy, will be implemented as one element of the overarching [National and Regional Partnership Plans] and complements the [NRP Regulation] on ESF specific policy elements. The ESF supports the objectives of the NRP Plan within its scope of support, as set out in this Regulation.

The strength of Europe is its people. On 17 November 2017 the European Parliament, the Council and the Commission jointly proclaimed the European Pillar of Social Rights.<sup>[1]</sup> Its targets set clear and ambitious goals for employment, skills and poverty reduction. Reaching these goals is not only a moral imperative; it is also an economic necessity. The Political Guidelines 2024-2029 note that our unique social market economy gives Europe many advantages over competitors.

The Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the Competitiveness Compass<sup>[2]</sup> states, *“effective social policies built around the European Pillar of Social Rights are central to shaping a competitive Europe. A more competitive economy with high productivity will ensure that our social model is financially sustainable in the long term and that citizens see clear pathways to their own economic success. All Europeans must be able to contribute to and benefit from greater competitiveness improvements”*. Indeed, it has consistently been shown that economies with the most effective investments in human capital are also amongst the most competitive, resilient and economically sound.

The European Council Conclusions of 20 March 2025 highlight that *“following the Commission communication of 5 March 2025 on a Union of Skills, further efforts should be made to enhance the acquisition, recognition and retention of skills across the EU, from the building of basic skills to engaging in life-long learning, reskilling and upskilling, in line with the European Pillar of Social Rights and its Action Plan”*. The same Conclusions refer to the Budapest declaration on specifically the need to *“harness [...] Europe's talent and investing in skills to foster high-quality jobs throughout the Union”*. Furthermore, beyond ensuring people are skilled, a strong labour force participation in the current demographic context, is required.

Despite progress, tackling unemployment, skills gaps, labour shortages and persistently high rates of poverty remain a priority throughout the EU. This not only threatens the prospect of reaching the headline targets set for the European Pillar of Social Rights, but also hampers progress in strengthening the competitiveness of Europe in an increasingly globalised world.

Social issues and services for citizens, such as education, including early childhood education and care and health and long-term care, as well as the availability of social housing and lacking progress in poverty reduction are a primary concern of European citizens<sup>[3]</sup>. More is expected in these areas from the Union. There is an increased need for targeted actions to address these challenges.

In addition, in a context of increased geo-strategic uncertainty and an increased frequency of extreme weather events, it is crucial to be prepared for the unexpected. [During the coronavirus outbreak the temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) showed the importance of protecting employees and the self-employed, and thus reducing the incidence of unemployment and loss of income. This proposal establishes a confirmation of European solidarity which can also be provided in the future when circumstances duly justify the need].

The ESF will support EU policy implementation, and national or regional structural reforms in the areas of employment, education and skills, social inclusion, and care services including long term and healthcare. This corresponds to the remit of the Employment Guidelines (Article 148 TFEU). It will contribute to Member States' efforts to reduce unemployment, advance quality and equal opportunities in education and training and improve social inclusion and integration. The ESF will specifically also contribute to the implementation of the Skills Guarantee in line with the Union of Skills. Supporting Individual Learning Accounts should in this regard be an important dimension, assisting Europe's strategic business investments to progress in the immediate future by having access to the right skills. It will furthermore support sustaining and further developing open, rights-based, democratic, equal and inclusive societies which are based on the rule of law and on social dialogue. Additionally, to support integrated approaches, investments in both infrastructure and people are encouraged from the Funds.

Therefore, the ESF will help to build an empowering social Europe and contribute to economic, social and territorial cohesion in accordance with Article 174 TFEU, which is a necessary condition for the proper functioning of the EU as a stable and viable economic and political union.

- **Consistency with existing policy provisions in the policy area**

The ESF, as part of cohesion policy, will be operating within the National and Regional Partnership Plan (NRP Plan) and its single rulebook. The ESF builds upon the long-standing visibility and proven success of the European Social Fund Plus (ESF+) as a trusted framework for investing in people, in line with the European Pillar of Social Rights, European Semester and Employment Guidelines. Therefore, while tightly connected to the NRP Plan, the ESF will maintain its independent legal base as set out in Article 162 of the Treaty on the Functioning of the European Union (TFEU).

Efficient and effective implementation of actions supported by the NRP Plan, including the ESF, depends on good governance and partnership between all actors at the relevant territorial levels and the socio-economic actors, in particular the social partners and civil society organisations.

The ESF supports policies and priorities which aim to help create full employment, enhance quality and productivity at work, increase the geographical and occupational mobility of workers within the Union, improve education and training systems, and promote intergenerational fairness, social inclusion and health.

The overarching policy objective of the ESF Regulation is to create a more performing and resilient 'Social Europe' and implement the European Pillar of Social Rights, as well as the

social and employment priorities endorsed by the European economic governance process. The ESF will contribute to implementing the Integrated Guidelines adopted in accordance with Articles 121 and 148(4) TFEU and the relevant country-specific recommendations adopted in the context of the European semester. It will also feed into the overall objective of smart, inclusive and sustainable growth beyond 2030 (the UN's sustainable development goals<sup>2</sup>) and upward convergence.

Furthermore, the ESF will help to improve employment opportunities, raise the standard of living and health, and help increase labour mobility and economic, social and territorial cohesion as set out in the TFEU and the EU Charter of Fundamental Rights as well as the UN Convention on the rights of persons with disabilities. The ESF also aims to contribute to the Union of Skills and the integration of third country nationals. Setting a minimum share and amounts for the ESF will ensure that the EU's priorities described above are adequately reflected in the volume of investment that directly target European citizens.

- **Consistency with other Union policies**

The ESF aims to improve synergies and coherence with other measures investing in human capital development under the National and Regional Partnership (NRP Plan), in particular within the framework of cohesion policy, fisheries and agriculture policy support, as well as with the European Competitiveness Fund.

The ESF will continue to complement the support by Erasmus. The ESF and Erasmus are active in similar fields, notably helping people gain new skills, upskilling to answer the need of industrial sectors, improving digital competences and quality of education and training.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The Treaty on the Functioning of the European Union (TFEU), in particular, Articles 164, 174, and 175 of TFEU, provide the legal framework for the measures covered by this proposal. The ESF is based on Articles 162 and 164 TFEU and support to fight poverty, notably by addressing food and basic material deprivation, and support to promote fundamental values of the EU is based under Article 175(3) TFEU.

This proposal defines the scope of support of the ESF in relation to the specific objectives defined in the NRP Plan Regulation, as well as targeted actions in the area of social innovation. It also makes reference to the ESF Committee under Article 163 TFEU.

Additionally, the Commission adopted on 16 July 2025 a proposal for a 'National and Regional Partnership Plan' Regulation in order to improve the coordination and harmonise the implementation of support under shared management, with the main aim of simplifying policy delivery. The ESF is also covered by these common provisions.

- **Fundamental rights**

Alongside the Conditionality Regulation which will continue to apply to the whole of the EU budget, this Regulation includes strong safeguards to ensure that the funds are implemented in compliance with the Charter of Fundamental Rights of the European Union and the principles of the rule of law, as set out in Article 2(a) of Regulation (EU, Euratom) 2020/2092. This initiative will also respect the principles of the United Nations Convention of Rights of persons with disabilities.

- **Subsidiarity (for non-exclusive competence)**

In the areas of social and employment policy and public health, the EU has either shared competence with Member States (Article 4 TFEU), competence to lay down arrangements within which they must coordinate their action (Article 5 TFEU) or competence to carry out actions to support, coordinate or supplement the actions of the Member States (Article 6 TFEU).

The ESF is underpinned by the subsidiarity principle. Under shared management, the Commission delegates strategic programming and implementation tasks to the EU Member States and regions. It also limits EU action to what is necessary to achieve its objectives as laid down in the Treaties. Shared management aims to ensure that decisions are taken as closely as possible to the citizen and that EU-level action is justified in light of the possibilities and specificities at national, regional or local level. Shared management brings Europe closer to its citizens and connects local needs with European objectives. Moreover, it increases ownership of EU objectives, as Member States and the Commission share decision-making power and responsibility.

- **Proportionality**

In accordance with the principle of proportionality, this proposal does not go beyond what is necessary to achieve its goals

- **Choice of the instrument**

The choice of instrument is a Regulation of the European Parliament and the Council to establish the European Social Fund.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

[Please see NRP Plan regulation IA]

### **4. BUDGETARY IMPLICATIONS**

[placeholder]

The total budget allocated for the ESF amounts to EUR XX billion (in current prices) for the 2028-2034 period.

Details on financial and staffing needs can be found in the Legislative Financial and Digital Statement of the NRP Plan Regulation.

### **5. OTHER ELEMENTS**

- **Implementation plans and monitoring, evaluation and reporting arrangements**

[Please see NRP Plan regulation IA]

- **Detailed explanation of the specific provisions of the proposal**

The ESF Regulation includes the subject matter and defines the scope of support of the ESF in relation to the objectives defined in the NRP Plan Regulation. It also includes provisions social innovation. Finally, it outlines the Committee under Article 163 TFEU and the date of entry into force.

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 164, and Article 175(3) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee

Having regard to the opinion of the Committee of the Regions

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) On 17 November 2017, the European Pillar of Social Rights was jointly proclaimed by the European Parliament, the Council and the Commission as a response to social challenges in Europe. The twenty key principles of the pillar are structured around three categories: equal opportunities and access to the labour market; fair working conditions; social protection and inclusion. The twenty principles of the European Pillar of Social Rights should guide the actions under the European Social Fund (ESF). On 4 March 2021, the Commission put forward an Action Plan for the implementation of the European Pillar of Social Rights (the ‘Action Plan’), including ambitious yet realistic Union headline targets for 2030 on employment (that at least 78 % of the population aged 20-64 should be in employment), skills (that at least 60 % of all adults should participate in training every year) and poverty reduction (that at least 15 million fewer people should be at risk of poverty or social exclusion, including 5 million children) (the ‘Union headline targets for 2030’) and complementary sub-targets, as well as a revised Social Scoreboard. In order to contribute to the implementation of the European Pillar of Social Rights the ESF should support investments in people and reforms of the systems in the policy areas of employment, education and social inclusion, thereby supporting economic, territorial and social cohesion in accordance with Article 174 of the Treaty.
- (2) The guidelines for the employment policies of the Member States, as provided for in Article 148(2) of the Treaty, adopted annually by the Council in the context of the European Semester, are a key instrument for coordination of Union and national employment and social policies. They provide common priorities and targets for employment, education, skills and social policies with a view to improving the

Union's competitiveness and making it a better place to invest, create jobs and foster social cohesion. The ESF is the Union's main instrument for supporting the employment guidelines and achieving Union objectives in employment and social policies. The employment guidelines complement the principles of the European Pillar of Social Rights. In this context, the scope of the ESF for 2028 to 2034 should be fully aligned with Council Decision (EU) ... <sup>1</sup> [Employment guidelines adopted by the Council at the latest by 1 January 2027].

- (3) At Union level, the European Semester of economic policy coordination is the framework to identify national reform priorities and monitor their implementation. Member States should submit annual progress reports on the implementation of their medium-term fiscal-structural plans. That framework should be the basis for the use of Union funding in a coherent manner, including with a view to maximise the added value of the financial support to be received.
- (4) The Union is confronted with structural challenges arising from economic globalisation, vulnerable supply chains, the management of migration flows and the increased security threat, the clean energy transition, technological change and demographic change, an ageing workforce, lack of social housing, and growing skills and labour shortages in many sectors and regions.
- (5) Taking into account the changing realities in the world of work, the Union should be prepared for current and future challenges by investing in relevant skills, by making growth more inclusive and by improving employment and social policies, including in view of labour mobility and sectoral restructuring, paying attention to urban and rural areas that face particular social weaknesses .
- (6) Between now and 2040, the Union labour market will comprise approximately 1 million fewer persons each year. Furthermore, in addition to a shrinking workforce, some regions are affected by a small and stagnant share of the population with tertiary education, making it difficult to compensate for the loss of labour through higher labour productivity. This will increase pressure on the social welfare model of the Union, putting its sustainability and adequacy under pressure. It will also increase labour and skills shortages in the labour market, putting strain on economic growth and competitiveness. For some sectors this will lead to labour cost pressures. This is why the ESF needs to support an increase in participation in the labour market, especially of women and young people, persons with disabilities, Roma communities and to support employers in finding the right people for available jobs, empower older workers with appropriate labour market and workplace measures, ensure a skilled workforce able to tackle major societal challenges, and support a healthy work life balance including by ensuring access to quality childcare.
- (7) On 29 January 2025, the Commission presented the Competitiveness Compass. The Compass sets a path for Europe to become the place where future technologies, services, and clean products are invented, manufactured, and put on the market, while being the first continent to become climate neutral. It recognises five horizontal enablers for competitiveness, including promoting skills and quality jobs, and highlights that the foundation of Europe's competitiveness is its people. To be competitive and prepared for the future, the Union needs to support and prepare its people with the skills and competences needed for success in learning, work, and life.

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<sup>1</sup> Insert publication reference

- (8) In addition, on 26 February 2025 the Commission adopted the Communication “The Clean Industrial Deal: A joint roadmap for competitiveness and decarbonisation”. It is vital to recognise the critical role of skills in facilitating a successful transition to a cleaner and more competitive industrial future within the Union. Developing a highly skilled workforce is essential for driving innovation and advancing decarbonisation and circularity across vital industries. This focus on skill enhancement is crucial for achieving the Union’s objectives of a just transition and for sustaining and enhancing the Union’s global competitiveness. Furthermore, access to environmental resources and their benefits is unequally distributed across society, as are environmental hazards and health risks. It is more likely to fall disproportionately on vulnerable groups.
- (9) The Union of Skills aims to support the development of quality, inclusive and adaptable education, training and skills systems to increase the Union’s competitiveness, preparedness, security and democracy. Therefore, in line with the Union of Skills, the Union should ensure sufficient funding to build solid skills foundations and promote lifelong and future-oriented upskilling and reskilling opportunities for all, in particular to address the challenges of the digital and green transitions. This will contribute to notably digital skills and key enabling technologies but also , skills to support emerging sectors, with a view to providing people with skills adjusted to digitalisation, technologically and innovation-driven changes, social and economic change, facilitating career transitions, mobility and supporting in particular low-skilled or poorly qualified adults. In line with the Union of Skills, the challenges of the digital and green transitions need to be addressed by upskilling and reskilling workers, aligning education with industry needs, and fostering partnerships among educational institutions, employers, and public authorities. It is also necessary to enhance circulation and adequate allocation of skills in the internal market, including through easier skills portability, and be able to attract and retain skills in the EU.
- (10) Regulation (EU) [NRP Regulation] establishes the general rules on the National Regional Partnership Plan (the ‘NRP Plan’) and lays down, in particular, the objectives to be supported by the National Regional Partnership Plans and the rules concerning the preparation, implementation, management and control of such Plans. The ESF is one of the nationally pre-allocated funds grouped under the National Regional Partnership Plan, in accordance with Regulation (EU) [...] [NRP Plan Regulation]. It is therefore necessary to clarify the scope of support of the ESF in relation to the objectives set out in the NRP Regulation and lay down specific provisions concerning the implementation of the ESF.
- (11) Efficient and effective implementation of actions supported by the NRP Plan, including the ESF, depends on good governance and partnership between all actors at the relevant territorial levels and the socio-economic actors, in particular the social partners and civil society organisations.
- (12) In order to strengthen Europe’s societies and Europe’s Social model, Member States should allocate a minimum amount of resources under their National and Regional Partnership Plans adopted in accordance with Regulation (EU) [NRP Plan Regulation] to the ESF. The diverse nature and severity of different socio-economic challenges in Member States requires a more flexible approach to programming. Whilst a minimum level of support for social policies is necessary to ensure action commensurate to these challenges, it also needs to be closely corresponding to the national and regional characteristics. The underlying sources of social disparities or problems need to inform the relative importance given to investments and reforms within the realm of the



Employment Guidelines and the ESF. This implies that policy safeguards through thematic concentration should result from engagement between Member States and the Commission. The minimum amount of ESF must also find the balance between the strategic interest the Union has in investing in its people, and thereby in the quality of labour supply as well as social progress, and at the same time investment needs covered by other specific objectives enlisted in article 3 of the [NRP Plan Regulation].

- (13) The ESF should support employment, equal access for all to the labour market, fair and quality working conditions and labour mobility. The ESF should support Member States in providing support to unemployed and inactive people with effective, timely, coordinated and tailor-made assistance based on support for job searches, training, up- and reskilling and access to other enabling services, paying particular attention to people in vulnerable situations and people negatively affected by the green and digital transitions or labour market shocks, as well as those furthest away from the labour market. The ESF should continue to focus on youth unemployment and the issue of young people not in employment, education or training (NEETs) through the prevention of early leaving from education and training, and structural improvement of the school-to-work transition, including through the full implementation of the reinforced Youth Guarantee, which should also support quality youth employment opportunities. In addition, the ESF should continue to invest in skills crucial for the green and digital transitions.
- (14) The ESF should enhance labour supply and improve education and training and lifelong acquisition of skills. In particular, the ESF should help progression within education and training and transition to work, support lifelong learning, including formal, non-formal and informal learning that takes place at all stages in life and employability, and contribute to competitiveness and societal and economic innovation by supporting scalable and sustainable initiatives in these fields. This could be achieved for example through work-based learning and apprenticeships, lifelong guidance, skills anticipation in cooperation with industry, up-to-date training materials, forecasting and graduate tracking, training of educators, validation of learning outcomes and recognition of qualifications.
- (15) The ESF should facilitate access to services, including the strengthening of the modernisation, digitalisation and the resilience of both healthcare and long-term care services. The ESF should support Member States in implementing measures to eliminate all forms of discrimination and ensure equal opportunities for all, and in particular for groups that are under-represented in the labour market, ensuring equal access to services. The availability of affordable, sustainable and high-quality services such as early childhood education and care, out-of-school care, education, training, and health and long-term care, in particular family and community-based care services, is a necessary condition for ensuring equal opportunities and labour mobility. The ESF should ensure that everyone, including children in line with the European Child Guarantee, have access to essential services of good quality. The specific needs of persons with disabilities, including accessibility, should be taken into account in relation to those services as well as independent living. The ESF should also contribute to the modernisation of social protection systems with a view in particular to promoting their accessibility.
- (16) Support through the ESF should be used to promote equal opportunities for all, to support strong social safety nets, foster social inclusion, intergenerational fairness and fight poverty. The ESF should support Member States' efforts to tackle poverty, including by addressing material deprivation, with a view to breaking the cycle of

disadvantage across generations and promote social inclusion by ensuring equal opportunities for all, tackling discrimination and addressing health inequalities. This implies mobilising a range of policies targeting the most disadvantaged people regardless of their age, including children in poverty, marginalised communities such as the Roma, the working poor and the most deprived. The ESF should promote the active inclusion of people far from the labour market with a view to ensuring their socio-economic integration. The ESF should also tackle homelessness, including with prevention and alleviation measures in line with the Lisbon declaration of 2021. Support to social innovation plays an important role in achieving these objectives and should therefore be promoted.

- (17) The principles of democracy, the rule of law and protection of fundamental rights are fundamental values of the Union. These values are fundamental for every single person, especially for those who are most vulnerable. Furthermore, they are instrumental for the effective implementation of the ESF. Therefore, the ESF should also support the promotion and implementation of these values for all. The ESF will also continue to address the rights of persons with disabilities as enshrined in the UN Convention on the Rights of Persons with Disabilities. It will also ensure coherence with the Union of Equality and its related Strategies<sup>1</sup> that aim at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation and ensure social cohesion by sustaining and developing open, fundamental rights-based, democratic, equal and inclusive societies based on the rule of law.
- (18) Regulation (EU) [National Plan Regulation] requires that Member States respect horizontal principles in the preparation and implementation of the national and regional partnership plans. In this context, Member States should also be encouraged to use the ESF to support targeted actions to promote horizontal principles such as the promotion of gender equality and ensuring the accessibility of services for people with disabilities and to enable people with disabilities to actively participate.
- (19) To ensure that the social dimension of Europe as set out in the European Pillar of Social Rights is duly put forward and that a sufficient amount of resources is targeting those most in need, Member States should allocate resources of the ESF to fostering social inclusion.
- (20) Due to the particular need to support children in poverty Member States should also programme resources of the ESF to address the measures under the Child Guarantee.
- (21) The ESF should contribute to the reduction of poverty by supporting national schemes aiming to alleviate food and material deprivation and promote the social integration of people at risk of poverty or social exclusion and the most deprived. Member States should allocate resources of the ESF to address the forms of extreme poverty with the greatest social exclusion impact, such as homelessness and food and material deprivation.
- (22) In light of persistently high levels of youth unemployment and inactivity in a number of Member States and regions, in particular affecting young people who are neither in employment, nor in education or training, it is necessary that those Member States continue to invest sufficient resources of the ESF towards measures to promote youth employment, including through the implementation of the Youth Guarantee. Member States should therefore allocate an appropriate amount of resources to this challenge. Member States seriously affected by youth unemployment should allocate resources of the ESF to support youth employability.

- (23) Efficient and effective implementation of actions supported by the ESF depends on good governance and partnership between all actors at the relevant territorial levels and the socio-economic actors, in particular the social partners and civil society. It is therefore essential that Member States encourage the participation of social partners and civil society in the implementation of the ESF. Member States that have received a country-specific recommendation in this area should allocate resources of the ESF to promote the capacity building of social partners and civil society organisations.]
- (24) Taking into account the special characteristics and constraints of the outermost regions, the Member States should include in their Chapter for outermost regions, measures for enhancing employment and labour mobility, in particular for young people, education and skills, social inclusion.
- (25) Since the objective of this Regulation, namely enhancing the effectiveness of labour markets and promoting access to quality employment, improving access to and the quality of education and training, promoting social inclusion and health and reducing poverty cannot be sufficiently achieved by the Member States but can rather, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

##### *Subject matter*

- (1) This Regulation lays down specific conditions for the implementation of the European Social Fund for the 2028-2034 programming period as part of the Union support in accordance with the general objectives laid down in Article 2 of Regulation XX [NRP Plan Regulation], and in particular point (b) and (e) thereof.
- (2) This Union support shall be provided under the National and Regional Partnership Plan, in accordance with the rules set out in Regulation (EU) [...] [NRP Plan].

#### *Article 2*

##### *ESF support*

- (1) The European Social Fund (ESF) shall support the specific objectives set out in Article 3 of Regulation XX [NRP Plan Regulation].
- (2) For the purpose of paragraph 1, Member States use of the ESF shall, for the purposes of Article 2, point (b) of Regulation XX [NRP Plan], be based on the guidelines for the employment policies of the Member States, as provided for in Article 148 (2) of the Treaty, set out in the Decision (EU) xxxx [Employment guidelines adopted by the Council at the latest by 1 January 2027].

#### *Article 4*

##### ***Social innovation***

- (1) Social innovation shall be supported in the areas falling within the scope of the ESF, in particular with the aim of testing, evaluating and scaling up innovative solutions, including at the local or regional level, in order to address social needs in partnership with the relevant partners and, in particular, social partners.
- (2) The Commission shall use technical assistance at its own initiative, in accordance with Article 12 of Regulation (EU) [NRP Plan Regulation] to facilitate capacity building for social innovation, in particular through supporting mutual learning, transnational cooperation, establishing networks, and disseminating and promoting good practices and methodologies.

#### *Article 5*

##### ***Support for demographic transition***

Member States and regions shall, where appropriate, set out an integrated approach to addressing challenges stemming from the demographic transition in one or more dedicated chapters of the National Regional and Partnership Plan.

#### *Article 6*

##### ***Support for addressing material deprivation***

- (1) Member States may provide support for addressing material deprivation through the distribution of food and goods that are in conformity with the Union law on consumer product safety.
- (2) Member States and beneficiaries shall choose the food and/or the basic material assistance on the basis of objective criteria related to the needs of the most deprived persons. The selection criteria for the food, and where appropriate for goods, shall also take into consideration climate-related and environmental aspects, in order to ensure a fair and just green transition, in particular with a view to reduction of food waste and single-use plastics. Where appropriate, the choice of the type of food to be distributed shall be made having considered their contribution to the balanced diet of the most deprived persons. The food and/or basic material assistance may be provided directly to the most deprived persons or indirectly, for example, through vouchers or cards, in electronic or other form, provided that they can be redeemed only against food and/or basic material assistance. Support for the most deprived persons shall be additional to any social benefit that may be provided by national social systems or according to national law.
- (3) The Commission and Member States shall ensure that aid provided in the framework of the support for addressing material deprivation respects the dignity and prevents stigmatisation of the most deprived persons.

- (4) Member States shall complement the delivery of food and/or basic material assistance by accompanying measures, such as referrals to competent services or by promoting the social integration of the most deprived persons.

The first subparagraph, shall not apply where the provision of such measures is not possible, for instance, where the support is provided in response to an emergency situation such as a natural disaster

- (5) For the purposes of this Article, ‘most deprived persons’ means natural persons, whether individuals, families, households or groups of persons, including children in vulnerable situations and homeless people, whose need for assistance has been established according to the objective criteria which are set by the national competent authorities in consultation with relevant stakeholders while avoiding conflicts of interest, and which may include elements that allow for the targeting of the most deprived persons in certain geographical areas.

#### *Article 7*

#### ***Partnership***

Member States shall ensure meaningful participation of the social partners and civil society organisations in the delivery of support for quality employment, education and skills and social inclusion policies in accordance with Article 6 of Regulation XX [NRP Plan].

#### *Article 8*

#### ***Committee set up under Article 163 TFEU***

- (1) The Commission shall be assisted by the Committee set up under Article 163 TFEU (‘the ESF Committee’) with regard to the support provided for the general objective referred to in Article 3(1), point (c) [specific objective – employment] of Regulation XX [NRP Plan].
- (2) Each Member State shall appoint one government representative, one representative of the workers’ organisations, one representative of the employers’ organisations and one alternate for each member for a maximum period of seven years. In the absence of a member, the alternate shall be automatically entitled to take part in the proceedings. The Committee shall also include one representative from each of the organizations representing workers’ organisations and employers’ organisations at Union level.
- (3) The Committee may deliver opinions on any issues regarding the implementation of the ESF.

#### *Article 9*

#### ***Entry into force and application***

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

It shall apply from the date of application of Regulation (EU) [...] establishing the National and Regional Partnership Plan for the period 2028-2034.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

