



**NICOLAS SCHMIT**  
MEMBER OF THE EUROPEAN COMMISSION  
JOBS AND SOCIAL RIGHTS

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Dear Ministers,

**One year after the start of the COVID-19 outbreak, Europe is still facing its detrimental socio-economic consequences.** Both the direct and indirect effects of the pandemic will continue to have a substantial impact on all Member States in the medium to long-term with risks of increasing levels of youth unemployment, child poverty, social inequalities and exclusion if we fail to act decisively.

**Young people have been disproportionately hit.** From December 2019 to December 2020 youth unemployment has increased by 3 percentage points in the EU despite the wide use of short-time work schemes. This brings the number of unemployed young persons to over 3.1 million. Youth unemployment has been consistently and significantly higher than that of the adult population (over 25) with the latest figures showing a difference of over 10 percentage points (17.8% compared to 6.6% in December 2020).

**Child poverty is present** in all Member States. In 2019, more than one in five children, meaning 18 million children were at risk of poverty and social exclusion across the EU, with some Member States reporting particularly high numbers. The Covid-19 crisis is making it even harder for children to enjoy equal opportunities in accessing basic services such as education and healthcare and thus realising their full potential later in life.

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Mr Hubertus Heil  
Federal Minister of Labour and Social Affairs

Ms Franziska Giffey  
Federal Minister for Family Affairs, Senior Citizens, Women and Youth

Germany

**More generally, the number of people at risk of social exclusion and the most deprived is also growing as a result of the crisis.** We see longer queues of people waiting for food assistance or basic material support all across Europe's cities.

**On 28 January**, a key milestone was reached thanks to your work and that of the European Parliament. A good **provisional common understanding was agreed between the co-legislators on the European Social Fund Plus (ESF+)**, the EU's main instrument to support investments in people.

The agreement ensures that **all Member States need to allocate an appropriate amount of their ESF+ resources to youth employment measures**. Member States with high numbers of people aged 15 – 29 not in employment, education or training should invest at least 12.5% of their ESF+ resources to targeted actions in support to youth employment. In programming the ESF+ with Member States, we will make sure that these amounts will be adequate and enable the implementation and appropriate monitoring of the reinforced Council Recommendation of the Youth Guarantee, as well as other relevant measures under the Youth Employment Support initiative with a focus on activating the hardest-to-reach.

I would like to recall that we should have the overall ambition to increase the level of support dedicated to youth employment compared to the 2014-2020 financing period, which is estimated to be EUR 22 billion.

The **political agreement reached on ESF+ also recognises the urgency to invest in children** by requiring all Member States to allocate an appropriate amount of their ESF+ resources in the area of child poverty. Member States most affected by child poverty should allocate at least 5% of their ESF+ resources to implement measures to reduce child poverty. It is crucial to dedicate appropriate ESF+ funding to contribute to implementing the upcoming European Child Guarantee with the aim to tackle the challenge structurally.

Moreover, I encourage Member States to also use **other EU funding instruments** (such as the Recovery and Resilience Facility, European Regional Development Fund and InvestEU) **and national resources** to further support measures to address youth unemployment and child poverty and ensure better equality of opportunities for the next generation.

**On ESF+ support to social inclusion and support to the most deprived**, Member States will be required to programme at least 25% of their ESF+ resources to support social inclusion and, on top of this, at least 3% to support the most deprived. Overall, we should aim to have even 4% dedicated to this objective. Only this will ensure the continuation of the activities for providing food and basic material assistance currently delivered under the Fund for European Aid to the Most Deprived (FEAD).

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However, the ESF+ will not achieve its goals without the **shared ownership by social partners and civil society organisations**. The political agreement marks an important novelty by requiring Member States with a country-specific recommendation in the area of capacity building for social partners and civil society organisations to programme at least 0.25% of their ESF+ resources to this area, and for all other Member States, an appropriate amount of their ESF+ resources. The Commission will give due regard to this allocation and to the involvement and meaningful participation of social partners and civil society organisations in all stages of design, implementation and monitoring of programmes.

I encourage all Member States to proceed swiftly with their programming proposals, making sure that implementation can begin as soon as possible. My services remain at your disposal for assistance in the programming and any questions that you may have in this regard.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'N. Schmit', is enclosed within a thin blue rectangular border.

Nicolas Schmit

