



Promoting socio-economic inclusion of migrants and refugees in the next EU budget (2021 – 2027)

Policy Paper

I. Introduction

The next Multiannual Financial Framework (MFF) of the EU, which will set the annual limits on EU expenses for the years 2021 – 2027 and define the EU budget for different policy areas, is currently being negotiated by the European Parliament and Member States. This process and the eventual political agreements will define the future of EU funding for integration¹ of third country nationals² (TCNs) in the next decade.

Increasing anti-refugee and anti-migration rhetoric taking hold in many EU member states may result in shrinking national investments for the integration of TCNs. EU funding thus represents a key resource for ensuring the expansion or continuation of successful integration activities. This policy paper aims at providing an overview of the main legislative proposals regarding inclusion of TCNs, an analysis of the main issues in the negotiations and a list of recommendations for policymakers.

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- 1 Despite a different connotation in social policies with a special reference to migration, the wording « Integration » (employed within EU legislation and funding regulations) is used here interchangeably with “inclusion”, although the latter better reflects equal participation in society with no distinction between different groups.
 - 2 The wording “third country nationals”, abbreviated with “TCNs” is chosen here as the one used in the Commission’s proposals, and preferred to other ones for its inclusivity. It is intended to address migrants, refugees and people seeking international protection irrespective of their residence status.

II. Overview of MFF proposals

The current proposals issued by the European Commission foresee two main funding instruments to address the inclusion of TCNs: the [European Social Fund Plus \(ESF+\)](#) – with a proposed budget of 101.2 billion Euro, and the [Asylum and Migration Fund \(AMF\)](#), with an envelope of EUR 10.4 billion.

European Social Fund Plus (ESF+)

The ESF+, which succeeds to the current European Social Fund, will be the main EU instrument for delivering socio-economic inclusion, focusing especially on labour market integration. It will bring together all the main funds delivering on social aspects of the Cohesion Policy, the part of the EU budget which aims at promoting a more balanced, even and sustainable regional development and reducing disparities among European societies.

The current ESF³ will be merged with the Youth Employment Initiative (YEI), the Fund for European Aid to the Most Deprived (FEAD), the Employment and Social Innovation (EaSI) programme and the Programme for the Union's Action in the field of health (the Health Programme). Grouping more funding instruments, the Commission aims at simplifying procedures supporting the delivery of the European Pillar of Social Rights⁴ by addressing several objectives supporting social inclusion, enhancing synergies among existing instruments and simplifying funding applications.

For the first time in the next MFF, the ESF+ has added a specific objective on socio-economic inclusion of third country nationals and marginalised communities in the ESF+ as one of its priorities. The Commission aims at promoting a mainstream approach to integration, which would allow migrants, asylum seekers and refugees to access broader social inclusion measures which target EU citizens and which are generally coordinated by ministries of social affairs. Only about 1% of the fund will be directly managed by the Commission, while the main part (about EUR 100 billion) will be allocated to member states and their regions, on the basis of “operational programmes” in which member states develop detailed plans how money will be spent.

Asylum and Migration Fund (AMF)

Unlike the ESF+ mainstream approach to social inclusion, the AMF, like the current Asylum, Migration and Integration Fund (AMIF), is meant to provide resources for actions responding to specific priorities in asylum and migration. This includes mainly three objectives: a) to strengthen and develop all aspects of the Common European Asylum System, (b) to support legal migration to the Member States including to contribute to the integration of third-country nationals, (c) to contribute to countering irregular migration and ensuring effectiveness of return and readmission in third countries.

3 More information on the ESF, which aims at ensuring better social cohesion with actions mainly investing in integration within the labour market, is available on the [EC website](#).

4 For a comprehensive analysis of the connection between the ESF+ and the European Pillar of Social Rights, see the [Social Platform position paper](#).

AMF's objective on integration of TCNs aims at prioritising early integration measures and actions addressing specific needs of migrant and refugee populations⁵. Nonetheless, the regulation does not clarify the real size of this in terms of thematic consistency: unlike the current AMIF, which requires member states to spend at least 20% of their funding on integration, the proposal for AMF does not foresee any earmarking requirement for its priorities, leaving member states to decide the amount of resources to be allocated for each objective. This risks to undermine sufficient investment in integration across all member states. To provide adequate resources for early integration measures, at least 30% of the resources should be allocated and spent by member states on integration.

Besides the substantial increase of the fund, which will bring the AMF fund to 10.4 billion Euros from an initial AMIF envelope of 3.8 billion Euros in 2014, the AMF proposal sets a new balance in the management of the fund.

By suggesting that 60% of the AMF should be allocated to national programmes and 40% to a thematic facility that would be managed by the Commission, the proposal gives the EU the possibility to compensate possible imbalances between funding allocation and effective needs, and create a direct instrument to channel resources to civil society and local authorities.

In the view of enhancing synergies among existing instruments and simplifying funding applications, the Commission has proposed to include the AMF within the Common Provisions Regulation (CPR), an instrument aiming at unifying management rules for several EU funds.

Other EU funding programs

In addition to these two main instruments, several other EU programmes will contribute to delivering results on better inclusion of TCNs:

- the **European Regional Development Fund (ERDF)** will finance investments in social infrastructures and housing facilities;
- the **Erasmus +** fund is meant to provide resources to projects aiming at inclusion of young TCNs targeting disadvantaged groups in the areas of vocational training, informal and non-formal learning, youth work and sport activities;
- The **Rights and Values Fund** should sustain open, democratic and inclusive societies by financing the work of independent civil society organisations at the local and national level, with a special strand on non-discrimination and anti-racism.

5 Besides the Commission's proposal, which favours a separation of competences between the two funds on a timing basis, some member states and the European Parliament are proposing a thematic division of responsibilities between ESF+ and AMF/AMIF.

III. Analysis

An adequate budget to ensure short term and long term social inclusion

Although numbers have fluctuated in recent years (with arrivals of asylum seekers peaking in 2015 and since 2016 dropping off substantially), migration will remain a long-term reality for the EU. The next long term budget of the EU must provide an adequate amount of funding to support the integration policies of EU member states and deliver effectively on the main priorities set up in the [EU Action Plan for Integration of the Third Country Nationals](#)⁶.

The Commission has proposed an allocation requirement of 25% of the overall ESF+ budget for the specific objectives regarding social inclusion. However, no specific amount of money is designated for the socio-economic integration of TCNs, in order to not undermine the mainstreaming of integration policies and prevent the idea of a possible “competition” between TCNs and other disadvantaged groups. In addition, 2 % of the ESF+ budget will be earmarked to actions addressing material deprivation through food and/or basic material assistance, as a continuation of the FEAD programme.

Allocating at least 25% of expenditures to social inclusion, and at least 2% to tackling material deprivation does not take into account the increase of recipients, which will be supported through the ESF+ fund once it will become the main EU instrument funding the integration of TCNs.

For this reason, ECRE and PICUM, together with many civil society organisations active in the social sphere and the European Economic and Social Committee (EESC), recommended an allocation requirement of at least 30% for spending in social inclusion and 4% for actions addressing material deprivation. The current position of the European Parliament, which recommends 27% to be earmarked for social inclusion actions and increases the overall envelope of ESF+ from EUR 101.2 billion to⁷ EUR 106.8 billion in 2018 prices, manifests an understanding of the need for a stronger investment in people, besides their integration in the labour market.

Spending on social inclusion will not directly guarantee the delivery of inclusion services to TCNs. The lack of a specific allocation requirement for socio-economic inclusion of TCNs risks undermining meaningful spending on this target group in those EU member states that do not prioritise integration of migrants and refugees. When approving member states’ strategic programmes, it will be crucial for the Commission to ensure adequate importance for actions targeting this policy objective, together with the formulation of meaningful indicators which record the number of TCNs (regardless of migration status) who are recipients of mainstream social inclusion programmes. Reporting should take place on a voluntary basis, guarantee anonymity to service users and ensure a “firewall”⁸ approach between social services and migration authorities.

6 Pre/departure and pre/arrival measures, education, employment, access to social services – with a special regard to housing and health – and active participation in the society.

7 When reference is made in the funding regulation to “current prices”, allocations take into account a 2% adjustment for annual inflation.

8 Firewall protection for irregular migrants implies the clear separation of service providers and migration authorities. For better information on firewall, see [PICUM's website](#).

Splitting integration policy – which cannot be reduced to a series of chronological steps – into early and long-term integration risks creating parallel pathways between refugees/regular residents and newcomers/asylum seekers, producing discriminatory approaches and reducing the effectiveness of resources allocation. To successfully deliver social inclusion of TCNs, adequate coordination or even better joint planning and coordinated implementation between different managing authorities working with the two funds will be essential. While some member states currently adopt a thematic approach, delegating integration competences, in the scope of the AMIF fund, to the managing authorities responsible for the ESF, in most of the cases managing authorities lack systematic cooperation. Effective synergies in the formulation of policies and calls for proposals will be important to avoid the risk of certain categories or measures falling between the two schemes. Ministries responsible for social policies and home affairs in member states should establish joint monitoring committees for the coordination of their operational programmes on integration.

Last, to enhance policy coherence among different instruments, national policy frameworks for social inclusion and poverty reduction should adequately reflect the integration needs of each member state. Operational programmes for ESF, AMF and ERDF funds should be implemented in accordance with these frameworks.

Avoiding discrimination on the basis of residence status

Social inclusion is a process that benefits those in need, but also strengthens the overall cohesion and resilience of a society. Creating pockets of exclusion within disadvantaged communities not only prevents individuals from contributing to society or to meeting their full potential, but also creates divided and weaker societies.

To allow all TCNs to successfully integrate, it is essential to avoid discrimination among recipients of inclusion measures by ensuring that such measures reach the widest target group possible. Applying an approach strictly based on residence status risks undermining successful integration, and it is proven that starting integration from the day people arrive in an EU Member State produces better outcomes⁹. While asylum seekers can access the labour market only after a certain number of months (which varies according to national legislation), denying them the possibility of taking part in trainings and education would be strongly detrimental to their ability to be employed. Moreover, as migration status can change over time, denying access to services to certain categories of migrants who may later gain status, is short-sighted and expensive. Finally, status-based approaches may impede support for people whose asylum or other claims for protection have been unsuccessful but, for different reasons, cannot be returned.

9 Evidence shows that timely approaches to integration in education and labour increases the share of TCNs contributing to the society with a positive fiscal net contribution. Direct references to this is made in the European Commission's Action Plan on the integration of TCNs ([see reference 2](#)), with detailed notes to the relevant literature. See also : [OECD report 'Making Integration Work: Refugees and others in need of protection'\(2016\)](#), p.13.

ESF programmes have often imposed strict and burdensome reporting requirements to social services providers for the identification of the final recipients. This has a number of negative outcomes. First, social service providers are overburdened with reporting tasks and are obliged to divert resources to overseeing this. Second, identity and status checks can create mistrust among migrants and discourage them from using such services. Third, as different members of the same family may have different migration statuses (a parent with refugee status, an undocumented child, etc.) such policies can result in the forced separation of family members within social services. Such an approach fuels divisions and vulnerabilities within migrant communities, increases discretionary or ill-informed refusals by service providers, increases administrative costs and bureaucracy, and undercuts the overall aims and objectives of Europe's social inclusion strategy. For this reason, reporting requirements for actions delivering education and employment services, health and psychological assistance, accommodation and food or material support for the most deprived, but also guidance and counselling in professional issues and legal advice, should be kept as light as possible, and never include questions about or proof of migration status.

In many countries, integration is a key criteria for undocumented migrants to be regularized if they have been living for a certain time in a member state with irregular status. Regularisation campaigns and initiatives, both at local and national level, should be supported by EU funding, as they constitute an effective means to reduce irregular migration and effectively tackle unreported employment and socio-economic exclusion. Similarly, setting up services allowing undocumented

workers to safely report abuses by their employers without risking being reported to the migration authorities, being detained or deported, should be supported to remedy against labour exploitation and irregular employment.

A central role for civil society

Allowing civil society organisations and social partners to access funding ensures their expertise in integration is capitalised on, which ultimately leads to a better allocation of resources. To allow smaller organisations to access resources from both AMF and ESF+, it is important to simplify EU funding rules, align administrative requirements for different programmes and reduce burdensome procedures, which may discourage or make it impossible for smaller actors to apply for grants. Actors with smaller budget capacity, such as local NGOs and refugee and migrant-led organisations, as well as some local authorities should be granted lower co-financing rates to participate in call for proposals and to provide their expertise in services provision. To this extent ECRE and PICUM warmly welcome the proposal of 90% co-financing rate for integration related work in AMF thematic facility, and call for a similar approach in other funds.

In order to support civil society and local authorities in countries where national governments tend to oppose implementing actions on integration, the Commission should reserve specific percentages of funding directly managed at the EU level to civil society organisations and local actors, also for the inclusion measures foreseen within the scope of the ESF+ fund. Moreover, inclusion of civil society in the definition, planning and

implementation of activities carried out under direct management should take place on a regular basis with systematic consultations from the Commission.

The same holds for EU funding managed by EU member states. Civil society engagement in the management of funding in national programmes, and its involvement by the managing authorities in the preparation, implementation, monitoring and evaluation of operative programmes, has been very uneven across different member states. While in Germany, for instance, civil society plays an active role in the monitoring committees on the use of the ESF, many countries have responded to the requirements with generic consultations, which have not provided considerable added value to the programmes. With regards to the current AMIF funding, civil society's engagement has been generally less successful in management committees, due to stronger resistances within the managing authorities responsible for this fund. The inclusion of the AMF fund within the Common Provisions Regulation (CPR) should facilitate the establishment of a meaningful partnership principle with civil society organisations, with the example of the current ESF fund, and support civil society to play an oversight role in the monitoring committees.

Last, to strengthen the capacity of smaller civil society organisations to contribute to the inclusion of TCNs, sufficient resources under shared management need to be allocated for capacity building of civil society organisations and social partners. These measures would

also reinforce the partnership principle, enabling more civil society organisations to participate in the drafting, implementation, monitoring and evaluation of the actions. This support should take the form of training, networking measures, and improvement of social dialogue, as foreseen in the Parliament's position on ESF+ (see recommendations).

Ensure the inclusion of disadvantaged TCNs

Among other target groups of ESF+, TCNs present several vulnerabilities, which makes them qualify as a disadvantaged group. TCNs are 20% more likely than EU nationals to be at risk of poverty, and have, in average, a significantly lower income¹⁰. Specific attention to intersecting forms of discrimination need to be taken into account when formulating social inclusion policies so that children, women, LGBTI individuals, religious or ethnic minorities within a certain nationality, elderly people and people with disabilities do not face further disadvantages.

Children are at a higher risk of poverty than any other group of EU nationals. This risk is even higher for children with migrant background, as acknowledged by the Commission's recommendation Investing in children: breaking the cycle of disadvantage¹¹. In its position on the ESF+ proposal, the European Parliament has foreseen resources for a programme aiming at tackling inequalities among children, the "Child Guarantee". Although not yet designed, this instrument would represent a quota of funding in order to contribute to

10 Eurostat (2016); [Migration integration statistics - at risk of poverty and social exclusion](#).

11 European Commission (2013) [Recommendation "Investing in children: breaking the cycle of disadvantage"](#).

children's equal access to free healthcare, free education, free childcare, decent housing and suitable nutrition. The study on the feasibility, currently ongoing, has put children of migrants and refugees as one of the four target groups of disadvantaged children¹². It will be important therefore, when designing this instrument, to avoid any discriminatory approach to children because of their own or their parents' migration status.

Providing universal health care coverage is part of the Sustainable Development Goals¹³ to which the EU is committed, but also reflects a strong investment in society as a whole, in terms of public health goals and disease prevention. This would mean including services for irregular migrants, who experience restrictions in accessing health care in nearly all EU member states¹⁴. The current FEAD programme is a unique instrument allowing the distribution of food and material aid support to the most marginalised individuals. Including FEAD within the new ESF+ instrument is an opportunity to broaden the range of services provided without restricting based on residence status, including health (while FEAD can apply also to undocumented migrants, the current ESF is restricted to regularly residing third country nationals). Establishing services addressing the health and social needs of

migrants with irregular status is essential to prevent them from becoming victims of human trafficking and labour exploitation, and to protect them from severe destitution. For this reason, the objective (ix) of the ESF+ proposal, improving accessibility, effectiveness and resilience of healthcare systems and long-term care services, should focus on those who are excluded from mainstream social security, and therefore complement what is already in place for the rest.

Migration laws and policies create a number of barriers and inequalities for women in migration¹⁵. The European Parliament's resolution from 8 March 2016 on the situation of women refugees and asylum seekers in the EU¹⁶ recognises the shortcomings of the asylum system in addressing gender-specific needs and experiences. The Parliament's resolution from 6 January 2014 on the situation of undocumented migrant women in the EU¹⁷ highlights how migration laws and policies put migrant women at increased risk of losing their status and becoming irregular. The lack of safe spaces in camps and reception centres undermines the safety of many women, who are at particular risk of exploitation and human trafficking.

Despite having a multitude of skills, migrant

12 For more information, check the [Commission's terms of references for this study](#) and the [position of the S&D group in the European Parliament](#).

13 Within [the scope of SDG 3, Ensure healthy lives and promote wellbeing for all at all ages](#).

14 Platform for International cooperation on Undocumented Migrants, [Undocumented Migrants And The Europe 2020 Strategy: Making Social Inclusion A Reality For All Migrants In Europe, November 2015](#), p.11.

15 For more information on barriers to social inclusion for women in migration, check [PICUM's website](#).

16 [European Parliament resolution of 8 March 2016 on the situation of women refugees and asylum seekers in the EU \(2015/2325\(INI\)\)](#).

17 [European Parliament resolution of 6 January 2014 on undocumented women migrants in the European Union \(2013/2115\(INI\)\)](#).

women are usually confined to occupations such as cleaning, catering, domestic work, health and social care. These jobs may be low paid, have poor working conditions and tend to limit social inclusion opportunities. The contracts they receive often provide fewer rights and protections than citizens enjoy. Many migrant women in these sectors are unable to change employer and risk becoming undocumented if they flee exploitation. For women who migrate as part of a family unit, or to re-join a partner or spouse, the current family reunification or marriage visas make the foreign spouse economically and legally dependent, with limits in rights to work and accessing support services, while their visa depends on their relationship. Women with this visa may be forced to remain in violent or abusive relationships in order to retain their status, and may lack full access to sexual and reproductive health and rights.

For all the above-mentioned reasons, inclusion policies cannot be gender-neutral: besides the general promotion of gender equality,

operative programmes delivering on inclusion need to take into account these specificities, and design tailored services to ensure the promotion of equal opportunities between men and women within the context of migration, within the scope of all the funds involved.

Finally, family reunification remains a direct instrument for full and long-lasting integration, as it increases TCNs' wellbeing and socio-cultural stability, facilitating their integration in the receiving society. The AMF, under its policy objective of supporting regular migration and including the integration of TCNs, should provide adequate resources for actions aiming at facilitating family reunification and supporting social inclusion after family reunification. These actions, which would ensure a smooth and gradual integration of all relatives in a specific member state, should follow a person-centred approach and respect the specific vulnerabilities presented by different individuals.

IV. Recommendations¹⁸

To the European Commission, the European Parliament and the Council

Asylum and Migration Fund:

- **Earmark adequate resources for social inclusion**
 - At least 30% of the fund should be earmarked on the specific objective of integration of the resources granted to member states;
- **Finance effective measures to foster social inclusion**
 - The policy objective on integration should include the following actions, consistent with the current funding period:
 - › Pre-arrival measures
 - › Language courses and civic orientation
 - › One stop-shop for integration
 - › Capacity building for national authorities
 - › Designing integration strategies
 - › Exchanges with new societies and mutual learning
 - › Assistance within family reunification, with a special focus on social inclusion of children, women and elderly people
 - › Legal guidance
 - › Health, psychological and social care;
 - Invest in measures that facilitate regular migration and fight exploitation of irregular migrants, including mechanisms to enable undocumented workers to safely report exploitation and abuse. Programmes for facilitating regularisation of individuals already present in a member state and active in employment should be complementary to these measures;
- **Manage the fund and partnership with civil society and local authorities**
 - Support the participation of civil society organisations in the preparation, implementation, monitoring and evaluation of the actions implemented throughout the support of the fund, including meaningful instructions for a partnership principle in the regulation;
 - Promote the cooperation of managing authorities of different funds, for instance through the delegation of competences for delivering integration measures to the managing authority responsible for social inclusion policies (ministries of social affairs);
 - Support actions implemented by local and regional authorities or civil society organisations with the thematic facility strand through a specific earmarking.

18 Recommendations are based on the existing proposals issued by the European Commission, unless otherwise specified (when mentioning a position from the European Parliament or a member state).

European Social Fund +:

- **Earmark resources for inclusion policy objectives**
 - Ensure that resources are adequately distributed among different policy objectives to effectively implement the *EU Action Plan for the Integration of Third Country Nationals*;
 - Ensure the allocation of at least 4% of the ESF+ to the social inclusion policy objective addressing poverty and material deprivation;
- **Avoid discrimination on the basis of residence status in social services and employment actions**
 - Strengthen TCNs' participation in mainstream services for employment, training, housing and education in the actions supported by the fund;
 - Ensure that social services are accessible to all, irrespective of migration status, reducing reporting requirements and administrative costs, particularly for health and anti-poverty measures;
 - Ensure that funds are used to promote equal opportunities for children with migrant and refugee background, specifically within the proposed "Child Guarantee" (which according to the Parliament's report would be funded under ESF+);
- **Improve accession and management of funds for civil society and local authorities**
 - Provide effective measures to support local and regional experiences of successful inclusion throughout ESF+ resources under the direct-management strand of the EaSI programme;
 - Support the participation of civil society organisations in delivering social inclusion by allocating an adequate percentage of the resources under shared management to capacity building (the Parliament has recommended allocating 2% of funding in shared management);
- **Invest in specific labour market measures to protect migrant workers from abuses**
 - Invest in mechanisms enabling all workers regardless of their status to enjoy fair, safe and secure working conditions, file a complaint and access remedies in cases of abuses, including in the informal economy;
 - Implement measures to ensure that procedures to apply for residence status from within the country are accessible, including through information, legal and language support, adequate resourcing and minimal fees.

On all funds:

- **Improve simplification, accessibility and compliance with equality measures in the funds**
 - Strengthen synergies between different funding instruments, promoting and facilitating the joint use of more than one fund with synchronised applications, uniformed reporting requirements and unified auditing rules;
 - Maintain the co-financing rules for the current programming period in the CPR, and allow higher co-financing rates (e.g. 90%) for local and regional authorities or civil society organisations in implementing actions in the field of integration;
 - Ensure that the gender dimension and the promotion of equality between men and women, which is among the Union's core values, is respected and promoted when implementing the funds, and that gender equality is assessed as enabling conditions of funds. The national strategic policy framework for gender equality should include a specific focus on TCNs;
 - Ensure that a gender perspective is applied when preparing reporting indicators for the monitoring and evaluation of the funding programmes, through the disaggregation of data by sex.

To member states drafting national strategic programmes:

- **Improve coordination between the managing authorities responsible for different funds**
 - Set up shared management committees for ESF+ and AMF, in order to provide oversight, coordinate and clarify the areas of competences of the two funds, while avoiding overlaps and insufficient coverage of integration measures;
 - Ensure a thematic approach among managing authorities of different funds, for instance through the delegation of competences for delivering integration measures to the managing authority responsible for social inclusion policies (Ministries of social affairs);
- **Enable real priorities in inclusion to be respected through the establishment of a solid and effective partnership**
 - Implement the partnership principle through meaningful inclusion of civil society organisations, particularly by reserving quotas in the monitoring committees to civil society organisations;
 - Draft national strategic programmes reserving adequate resources to inclusion, also based on existing priorities and under consultation with civil society and local authorities and of evidence identified within Country Reports of the European Semester.



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SIGRID RAUSING TRUST



PICUM

Platform for International
Cooperation on Undocumented Migrants
Rue du Congrès / Congressstraat 37-41, post box 5
1000 Brussels, Belgium

Tel: +32 (0)2 210 17 80
Fax: +32(0)2 210 17 89
info@picum.org
www.picum.org

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ECRE

European Council
on Refugees and Exiles
Rue Royale / Koningsstraat 146, 1st Floor
1000 Brussels, Belgium

Tel: +32 (0)234 38 00
Fax: +32 (0)2 514 59 22
info@ecre.org
www.ecre.org