

European Commission
Directorate-General for Employment,
Social Affairs and Inclusion
Gelu Calacean
Rue de Spa / Spastraat 3, 1000 Brussels
Belgium

Prague, 9 February 2021

Dear Mr. Calacean,

We turn to you as providers of social services, human rights organizations, organizations working with children and young people, representatives of academia, associations, public administration and people with experience of homelessness or users of social services. We are concerned about the process of preparing the distribution of allocations of Cohension policy funds 2021–2027 in the Czech Republic for the current programming period and we would like to ask you for the support and firm position of the EC in negotiating the setting of allocations with the Czech government.

From the events of recent months, it seems that the Government of the Czech Republic does not take into account the comments of experts when setting allocations and rules for the distribution of European funds and continues to underestimate the importance of prevention in the area of social exclusion, for example by fostering access to housing,, employment, assistance to families, children, seniors, people with disabilities, etc. Despite the recommendations of the European Commission, evidence-based advice from monitoring committees or representatives of nonprofit organizations and other actors operating in the field of social and other services, the Czech government does not intend to change its position. Not only does it continue to plan to reduce the share of ESF+ funding in the 2021–2027 programming period by 10 % in favor of the European Regional Development Fund (ERDF), but it also wants to abolish the exemption from obligatory participation for social and other support services. In practice, this leads to a fundamental diversion of part of the funds from social services and makes access to European funds more difficult for non-governmental nonprofit organizations and municipalities, which, unlike commercial entities, do not have sufficient funds for the proposed mandatory participation.

As representatives of 36 organizations, associations and providers of public benefit services, we addressed a joint letter to the Prime Minister of the Czech Republic Mr. Andrej Babiš on









this issue on 10 December 2020. In it, we objected to the use of ESF+ funds for the period 2021–2027 in the way it is currently planned, asked for the allocation to be maintained at least in the originally planned amount proposed by the European Commission and offered our expertise in the further process of setting up the use of ESF+ funds, which cannot be done without proper involvement and consideration of territorial partners.

On 5 January 2021, we received a reply to our letter to the Prime Minister from the State Secretary for European Affairs Ms. Milena Hrdinková. We were advised to address directly the Minister of Finance Ms. Alena Schillerová, and the Minister for Regional Development Ms. Klára Dostálová on the issue of participation of civil society organisations and transparency in the further process. The Ministry of Finance of the Czech Republic, which is responsible for the preparation of the Rules for co-financing of EU projects for the 2021–2027 programming period, maintained the original setting of ex-ante project payment mechanisms under the conditions of using of funds, as we requested, but otherwise refused to meet to further debate the matters of reducing the ESF+ allocation and the exemption from mandatory co-financing for public benefit projects as social services were not allowed.

Representatives of the Ministry of Regional Development, with whom we were to discuss the issue of participation and transparency in the further process, accepted our meeting request and heard our arguments at the encounter on Friday, 29 January. However, we were told that the comments on participation did not fall within their remit and in the area of transferring 10 % to the European Regional Development Fund they act on the basis of government decisions, which they must respect, as they act only as officials and have no competence in transferring funds from ESF+ to CF. It is clear from this approach of the Czech government that the proposal to reduce the ESF+ allocation is a political decision that does not reflect the current needs of the population of the Czech Republic or the view of the professional public.

Both the proposal for the ESF+ allocation and the rules for the use of the ERDF therefore go to the government session in conflict. The settlement of comments, which we submitted in November, came only last week, and only in a way in which the authorities responsible for setting the use of funds only stated that, instead of a 25% reduction, there was a 10% reduction without dialogue with stakeholders and concerned organizations. They stated that this was a sufficient compromise on their part. The same happened with the Co-financing Rule for the 2021–2027 programming period, when we commented that we did not agree with the amount of co-financing and proved this by an analysis that was conducted in the spring on the initiative of the OPE Monitoring Committee through the Ministry of Work and Social Affairs. This analysis demonstrates that the absorption capacity of the ESF+ for non-profit









organizations providing social services for both care and prevention, as well as for small municipalities, would be significantly reduced.

In her reply, Ms. Secretary Milena Hrdinková further argues that it will also be possible to use REACT-EU funds for financing social services, which are used in the Czech Republic through the Integrated Regional Operational Program (IROP). However, these funds are primarily intended to support infrastructure through investment costs. Here, too, it is primarily an investment in buildings such as homes for the elderly and medical institutions for the long-term ill or hospitals equipment, but not in human resources. In addition, there are very few funds earmarked for the social area in the REACT-EU program; the allocation approved by the IROP Monitoring committee for social services infrastructure makes up only 9.6 % of the total REACT-EU allocation in the IROP. All this is in stark contrast to the transformation that is to take place in the Czech Republic; the National Recovery Plan does not even count on funding for the social sector.

Reducing the ESF+ allocation would affect a range of prevention services. For example, family services such as low-threshold centers for children and young people, social activation services for families with children, asylum services for mothers in need, professional counseling services for citizens dealing with debts, housing, employment, outreach services for people without home, or services that support housing (and thus partially replaces still pending legislation on affordable housing) as well as the transformation of psychiatric care and residential services for people with disabilities. These services are funded from the ESF + due to the fact that the inclusion of registered social services in the community plan of individual regions is lengthy and complex, as the municipality in which the social service needs to be established usually does not have the means to participate in its implementation. Funding would also be significantly lacking in the area of innovation and development of social services and in the area of employment solutions for housing and education of children and youth.

It is completely illusory to think that the reduced funds from the ESF+ can be covered by the Czech government from its own budget. Today, even properly registered social services, which are included in the community planning of individual regions of the Czech Republic, are not co-financed in this way. This leads to discrimination, as priority is funding of organizations established by the state, region or municipality, which are fully funded by the state by legislation, and only the rest of the funds are distributed to non-governmental and nonprofit organizations. They are already suffering from a lack of resources and therefore a lack of staff due to low wages; reduced funding and obligatory participation could then be completely damaging for them, as they would not be able to apply for funding for their social activities under the conditions proposed by the government.









Dear Mr. Calacean, we believe that you, like us, realize the need to continue structural changes in the social field in the Czech Republic, as well as the future risks of demographic and economic development. Therefore we would like to ask you to use all your opportunities to support our expert community in an effort to decide on the establishment of the ESF+ allocation in the Czech Republic for the next programming period for the years 2021–2027. This is probably the last opportunity to reverse the political decision of the Czech government, which in the next programming period may adversely affect the lives of people in the Czech Republic – not only the most vulnerable groups, but also the society as a whole.

Sincerely,

Iva Kuchyňková and Vít Lesák

Contacts:

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Platforma pro sociální bydlení / Platform for Social Housing

Vít Lesák, e-mail: <u>vit.lesak@socialnibydleni.org</u> Janovského 767/29, 170 00 Prague

Czech Republic







List of organizations that joined the content of the letter:



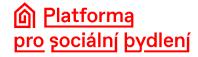
Initiative For Housing

Helps to enforce the institutional and legislative model which would prevent homelessness and poverty business



Caritas Czech Republic

An organization providing social and health services to people in distress or acute emergency, a member of the global organization Caritas



Platform for Social Housing

Association enforcing the law on social housing and the Housing First program



Children of the Full Moon

An association of parents and other family members of children with autism spectrum disorder



Assistance

Support for people with physical and combined disabilities and their independent life in a regular day environment



Association of Educators in Social Work (ASVSP)

Society associating higher professional and higher education institutions or their parts that offer education in social work in the Czech Republic

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One second after

A group defending the interests of children and young people growing up in institutional care



I&T Foundation

Help and counseling for families with children in an unfavorable situation



Center for Social Issues – SPOT

Association focused on urban policy in order to ensure a dignified coexistence of city dwellers



Child and family association

Association of 86 organizations operating in the field of care for children at risk



Association of Organizations in the field of penitentiary

Connecting different actors in the field of penitentiary and criminal justice and contributing to systematic changes in the field of criminal justice



Life 90

Organizations providing services to support and promote the independence of seniors

GERONTOLOGICKÝ INSTITUT

Gerontological Institute

Analytical, educational, conceptual, conference and consulting activities in the field of old age and aging. Old age from the perspective of science and experts



Salvation Army

An international Christian organization helping people in need



Hope

*NADĚJE

One of the oldest Czech

non-profit organizations

homeless and the elderly.

caring mainly for the

Czech Council of Children and Youth

The umbrella organization of the associations of children and youth in the



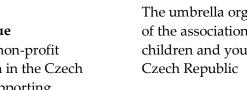
Fokus Prague

The largest non-profit organization in the Czech Republic supporting people with experience of mental illness



IQ Roma service

Support for the and determination of the Roma on the way to their growth and social application





possibilities, opportunities



SOS Children's Village

The oldest non-profit organization helping endangered children in the Czech Republic

Diakonie 🏗

Provider of social services

under the banner of the

Evangelical Church,

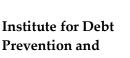
international platform



INSTITUTE FOR DEBT PREVENTION AND RESOL

Prevention and Resolution

An independent think-tank focused on the issue of household indebtedness, executions and personal



bankruptcies



ČOSIV - Czech **Professional Society for Inclusive Education**

Association supporting the development of inclusive education in the Czech educational system



Silesian Diaconate

Diaconate ČCE

Czech Brethren

member of the

Eurodiaconia

Provider of social services and assistance to the needy in the Moravian-Silesian region



Prevent99

South Bohemian organization providing services to young people at risk of addiction



Hnutí Křesťan a práce Movement Christian and labour

Movement Christian and Labor

A movement striving for the practical application of the social teaching of the church and for solving the current problems of our society Member of the European Christian Worker Movement



Association of Christian Seniors

An association that pursues the spiritual and material good not only of the elderly



Revival

An organization focused on reviving the rule of law, monitoring decisionmaking processes and promoting a support active citizenship



Valika child and family center

Help for vulnerable children and their families in the form of social activation services



EAPN CR

An independent network of organizations and groups involved in the fight against poverty and social exclusion



Pomáháme dětem. Nabízíme řešení.

Lumos

An organization focused on the deinstitutionalization and unification of the care system for children at risk

European Renaissance Institute

Institution which deals with the issue of cohesion and harmonization of life of citizens of the European Union



Aslido

Emancipation of homeless people through their involvement in solving housing needs and opening a dialogue between all actors involved in homelessness



Association of the Publicly Beneficial Organizations

The umbrella organization associating almost 100 non-governmental organizations, mainly the public services providers



Association of Community Services

The umbrella organization of the providers of social and health services for people with psychotic mental disorder