



POLICY PAPER

PROMOTING ACCESS TO ESSENTIAL SERVICES

GOOD PRACTICES AND
RECOMMENDATIONS FOR
POLICYMAKERS

Eurodiaconia  *Connecting faith
and social justice
through action*

2024



EURODIACONIA

Eurodiaconia is a European network of churches and Christian NGOs providing social and healthcare services and advocating social justice.

ORGANISATION VALUES



MISSION AND VISION

Inspired by our Christian faith, our vision is of a Europe where social injustice is eradicated and each person is valued, included, and empowered to realize their fullest potential, particularly the most vulnerable and marginalized.

Eurodiaconia is a network of churches and Christian organisations that provide social and health care services and advocate for social justice. Together we work for just and transformative social change across Europe.

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INTRODUCTION

Essential services are fundamental for promoting social inclusion and ensuring a dignified life for all. However, barriers persist, particularly for those living at risk of poverty or social exclusion, hindering access to vital services such as water and sanitation, energy, digital communications, financial services, and transport. These essential services are not only the building blocks of basic living standards but also crucial enablers of broader social and economic participation.

Members of Eurodiaconia play a critical role in addressing these gaps, particularly where public systems fall short. Our members are at the forefront of innovative solutions, working to ensure access to essential services for the most disadvantaged individuals and communities.

This policy paper explores key questions: What are essential services? What is their place within the EU policy framework? Why are they crucial to social inclusion, and what barriers do people face in accessing them? It also shares good practices from Eurodiaconia's members aimed at promoting access to essential services, and it provides targeted recommendations to policymakers to improve the current policy landscape.

We extend our gratitude to our member organisations for sharing their valuable work, which has greatly informed this policy paper:

- Diakonie Austria (Austria)
- Diakonie Düsseldorf (Germany)
- Diakonie Herzogsägmühle (Germany)
- Diaconia of the Evangelical Church of the Czech Brethren (Czech Republic)
- Deaconess Foundation (Finland)
- Ecumenical Humanitarian Organisation (Serbia)
- Kirkens Bymisjon (Norway)
- Philanthropy Serbia (Serbia)
- Slezska Diakonie (Czech Republic)

1. WHAT ARE ESSENTIAL SERVICES?

Despite being the region with the lowest inequality levels in the world, more can be done in Europe, and in the EU specifically, to promote access to essential services, particularly for people living at risk of poverty or social exclusion (AROPE). Essential services should be accessible, available, and affordable for all. They can be viewed as an infrastructural net that is indispensable in setting up basic living standards for a dignified life for everyone in Europe.

EU POLICY FRAMEWORK

The European Union anchored the right to essential services in the European Pillar of Social Rights (EPSR), a set of 20 principles proclaimed in 2017 by the European Parliament, the Council and the Commission aimed to build a strong social Europe that is fair and inclusive¹. According to Principle 20 of the EPSR,

“Everyone has the right to access essential services of good quality, including water, sanitation, energy, transport, financial services and digital communications. Support for access to such services shall be available to those in need.”

In 2021, the European Commission followed up on the proclamation of the EPSR by drawing up an Action Plan to contribute to the implementation of the Pillar through specific actions at EU level. Overall, the Action Plan sets three overarching targets to be met by 2030, one of them being closely linked to essential services: *“The number of people at risk of poverty or social exclusion should be reduced by at least 15 million by 2030”*. To reach this target, at least 22 billion euros from the ESF+ fund (25% of the overall budget) should be allocated to combat poverty and social exclusion.

Regarding Principle 20, the Action Plan envisioned the first Commission report on “Access to Essential Services”, delivered in 2023. The Commission’s Report confirms the crucial role of essential services in reaching the target of reducing the number of people AROPE, citing that *“essential services fulfil basic human needs and are key to well-being and social inclusion, especially for disadvantaged groups.”*² Presenting a comprehensive overview of the situation across the EU, the report focuses on affordability, providing indicators regarding the impact and significance of essential services. It highlights their importance as enablers of social and economic inclusion and labour market participation. Furthermore, it underlines how the green and digital transitions can contribute towards fostering availability, affordability, and accessibility of essential services, overcoming current divisions and obstacles.

On the other hand, the Commission's report also highlighted the lack of a clear definition of essential services. This creates uncertainty in interpretation, both at EU level and within member

¹ European Pillar of Social Rights - Building a fairer and more inclusive European Union - Employment, Social Affairs & Inclusion - European Commission ([europa.eu](https://european-council.europa.eu/media/e3000420/1/1/162722main_en.pdf))

² European Commission 2023. Report on access to essential services in the EU, Commission staff working document, p.5.

states, most of which lack a formal definition of essential services at national level.³ While Principle 20 lists six essential services - water, sanitation, energy, transport, financial services and digital communications - this list is not exhaustive, contributing to ambiguity. Additionally, the EPSR Action Plan includes healthcare among essential services, even though it is not mentioned in Principle 20.

Alongside the European Pillar of Social Rights, the United Nations' 2030 Agenda for Sustainable Development also recognizes the central role of essential services in promoting social inclusion, reducing poverty, and ensuring that all people can enjoy their rights fully and equally. The 2015 Agenda for Sustainable Development adopted by all UN members, including the EU countries, created the framework of the Sustainable Development Goals (SDGs).

There are numerous SDGs directly related to the EU's framework of essential services, namely the goal to end poverty (SDG 1), to ensure available and sustainable management of water and sanitation (SDG 6), to ensure access to affordable energy (SDG 7), to build resilient infrastructures (SDG9) as well as the goal of making cities and human settlements inclusive (SDG 11). Having endorsed this framework, the EU committed to mainstreaming the SDGs throughout its policies and initiatives. Developing access to essential services therefore contributes to the wider goal of reducing poverty through sustainable development.

1. Recommendation: Establish a standardised definition of essential services across the EU and develop a framework to measure barriers to access them.

The European Pillar of Social Rights provides an adequate framework of essential services. However, the term 'essential services' remains vague and is widely used for a diverse range of social and public services. Even in the EPSR Action Plan, essential services are already extended and do not fully match those in the EPSR. A **common understanding** of essential services across the EU is crucial for shaping an effective and adequate policy response on European, national, and regional level. Furthermore, **measurable indicators** are needed to accurately measure, evaluate and monitor the **accessibility, affordability, and availability of essential services**.

³ Baptista, Isabel & Marlier, Eric (2020). Access to essential services for people on low incomes in Europe – An analysis of 35 countries. Brussels: European Commission & ESPN, p.30

SERVICES OF GENERAL INTEREST AND SERVICES OF GENERAL ECONOMIC INTEREST

Services of General Interest (SGIs) refer to services whose provision meets public need and are thus subject to public regulation.⁴ They can be economic or non-economic in nature.⁵ A sub-category of SGIs, Services of General Economic Interest (SGEIs), covers commercial services of general economic utility. While SGIs are not specifically mentioned by the EU Treaties, the legal framework for SGEIs was established by the Lisbon Treaty, which formally introduced these services into EU primary law. In a broader context, access to these services is vital for promoting economic, social and territorial cohesion and is integral to supporting the European social model.

Essential services and SGIs/SGEIs are closely interrelated due to significant overlaps between the examples of services they encompass. The European Commission's 2011 Quality Framework for Services of General Interest in Europe emphasises *“the need to guarantee that every citizen continues to have access to essential services of high quality at prices that they can afford”*.⁶ The Commission identifies supporting Member States in ensuring access to these services as a key strand of action, alongside clarifying the legal certainties of EU rules and promoting quality initiatives for social services. Although neither this framework fully defines essential services, it stresses that these services should be reassessed on a regular basis, particularly in response to changing citizen needs and technological advancements.

The link between Essential Services and Services of General Interest is also underlined in Enrico Letta's report *“Much more than a market”*. Letta illustrates how essential services are integrated within SGIs, noting that Principle 20 of the EPSR, among others, is *“dedicated”* to SGIs and aligns with the framework of SGEIs. While Letta acknowledges the importance of essential services for social inclusion and a life of dignity, he criticizes the gaps that currently exist, which prevent some EU citizens – especially those at risk of poverty and social exclusion - from accessing those services.

To address these gaps and promote equal treatment, Letta proposes that the providers of SGIs establish territorial coverage of essential services at affordable prices across the EU, particularly in rural areas, to foster European cohesion and social inclusion. Affordable pricing and cost transparency are crucial to guaranteeing access for disadvantaged groups which are often left behind. Letta also calls for a shift of mindset: instead of perceiving SGIs as a crisis response, member states and EU institutions should recognise their long-term potential in increasing cohesion and invest constantly in (social) infrastructure.⁷ The European Commission's 2023 Report

⁴ Eurofound. (n.d.). *Services of general interest*. Retrieved September 15, 2024, from <https://www.eurofound.europa.eu/en/european-industrial-relations-dictionary/services-general-interest>

⁵ European Commission. (n.d.). *Services of general interest*. Retrieved September 15, 2024, from https://commission.europa.eu/topics/single-market/services-general-interest_en#:~:text=There%20are%20three%20categories

⁶ European Commission. (2011). *A quality framework for services of general interest in Europe* (COM(2011) 900 final, p. 9). European Commission. <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52011DC0900>

⁷ Enrico Letta. 2024. *“Much more than a market – Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens”*. Pp. 98-99.

on Access to Essential Services also outlines how the SGI framework can be leveraged to enhance access to essential services.⁸

2. Recommendation: Strengthen and adequately Fund Services of General Interest

Essential services are closely linked to Services of General Economic Interest, which have been underfunded and investments for which have been scarce, particularly in rural areas. However, SGIs are essential for upholding the rights enshrined in the EPSR and ensuring a life of dignity. To ensure access to **affordable, high-quality SGIs for all Europeans**, targeted investments are needed. Following the principle of subsidiarity, the EU, alongside national and local governments, must **direct investments towards SGIs, especially in rural and underserved areas**, and enforce compliance with quality standards to guarantee access for all; this has recently also been underlined by the Letta report.⁹ A coordinated strategy to enhance public and private investments is also necessary to modernize and expand these services.

3. Recommendation: Adequately fund social services and revise the SGEI de minimis ceiling

Our members are providing innovative and indispensable services to support those without access to essential services. Nevertheless, they often face funding gaps or difficulties in accessing long-term, sustainable funding, relying solely on project funding. To ensure everyone's right to essential services and support people in need, **adequate funding of social services** is needed, as underlined in the EPSR Action Plan. To promote high-quality social services, state aid rules need to be revised and simplified and the **SGEI de minimis ceiling must be increased substantially**, taking into consideration the inflation and rising cost of living.¹⁰

⁸ European Commission. (2023). *Access to essential services: Key challenges for the most vulnerable*. European Union. <https://ec.europa.eu/social/main.jsp?langId=en&catId=1592&furtherNews=yes&newsId=10595>

⁹ Enrico Letta. 2024. "Much more than a market – Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens". P. 99.

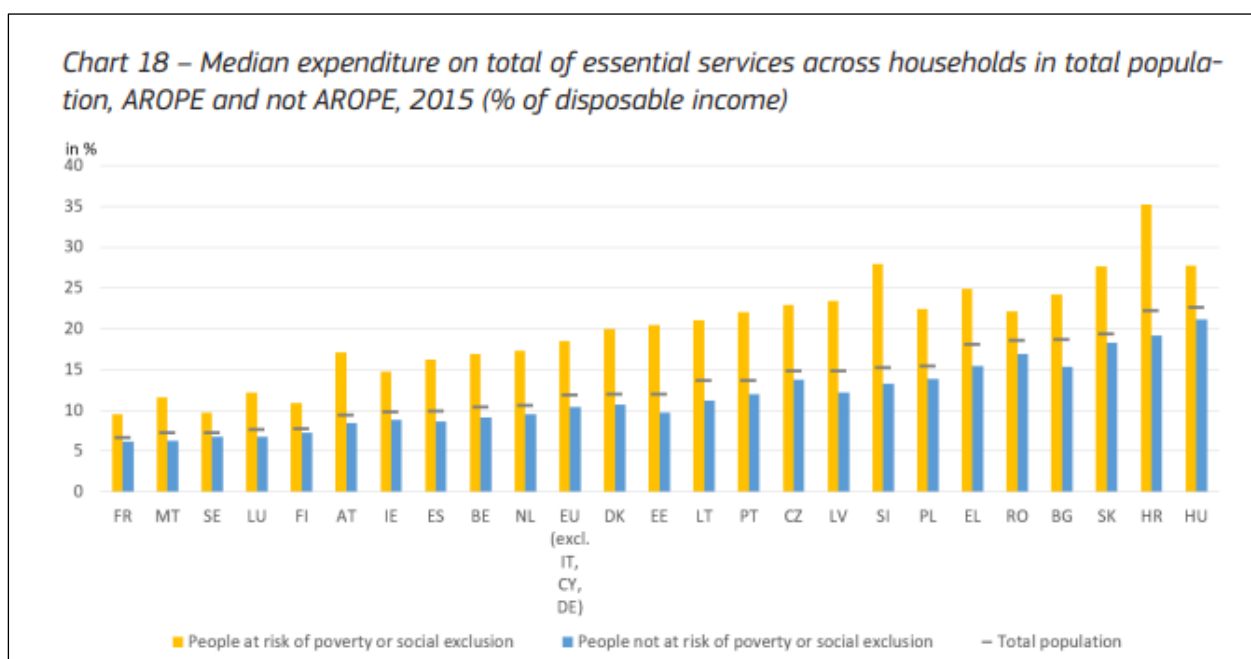
¹⁰ Please find more information regarding the SGEI de minimis ceiling here: <https://www.socialserviceeurope.eu/consultation-on-revision-of-sgei>

2. WHY ARE ESSENTIAL SERVICES FUNDAMENTAL TO SOCIAL INCLUSION?

Access to essential services is a key pillar of social inclusion. They act as vital enablers of social participation and a life of dignity. However, many individuals across the EU, particularly the most marginalized in society, continue to face significant barriers in accessing them. Tackling these challenges is essential to reducing inequalities and ensuring that all people in Europe, regardless of their background or circumstances, can fully participate in society.

BARRIERS TO ACCESSING ESSENTIAL SERVICES

Although most people in the EU have access to essential services, the most marginalised and disadvantaged groups in Europe’s societies face the highest barriers to accessing those services. On average, people at risk of poverty and social exclusion in the EU spent 18.5% of their disposable income on essential services (excluding financial services) compared to 10.4% of those not living AROPE.¹¹



Source: European Commission 2023, p.58

Across the EU, people face multiple barriers to accessing essential services, with the challenges varying depending on the type of service and the affected population. These barriers can be broadly categorized as follows:

¹¹ Ibid, p. 57-58

- **Affordability:** This is particularly significant for energy, followed by digital communications, transport, and water and sanitation.
- **Availability and accessibility:** Certain areas, such as marginalized communities and specific regions, face limited access to water and sanitation. Transport infrastructure and broadband connections are also less developed in these areas, affecting access to both transport and digital communications.
- **Lack of necessary skills:** This barrier mainly affects access to financial services and digital communications, where a lack of knowledge or skills prevents people from fully benefiting from these services.

A lack of infrastructure remains a significant challenge for Roma communities living in segregated areas, where access to most or even all essential services is severely limited. Many Roma settlements are still not connected to the local water, sanitation, or energy infrastructure, and even fewer have access to the public transport system. Similarly, people in homelessness face numerous obstacles: public access to drinking water is often scarce, public toilets are rarely free, a proof of fixed address is sometimes needed to open a bank account, and any means of transport usually incurs costs.

Barriers such as accessibility and availability highlight the rural-urban divide in accessing essential services: in rural areas, availability and access to transport and digital communication is often hindered by underdeveloped and neglected expansion of needed infrastructure. Despite the absence or poor development of certain services affecting the daily lives of many, there is a notable lack of data regarding the availability of many essential services, making it difficult to fully assess and address the situation. Nevertheless, the recently published report “The future of European competitiveness” by Mario Draghi, underlines the need for investments in infrastructure such as digital communication and transport to tackle the rural-urban divide and foster cohesion between regions¹².

The mere availability of essential services does not guarantee their accessibility. Elderly people and individuals with disabilities continue to face specific challenges in using services such as public transport or digital communication tools. For instance, transport vehicles may not always dispose with barrier-free to access for people in wheelchairs or those with impaired physical ability, and skills, and digital literacy plays an important role in the take up of digital services and communications. Any analysis of access to essential services must consider different perspectives: affordability, accessibility, and availability of those services.

4. Recommendation: Address the data and knowledge gaps by ensuring EU-wide, comparable, and disaggregated data collection on all essential services.

¹² Mario Draghi (2024). The future of European competitiveness, p. 15. https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en?filename=The%20future%20of%20European%20competitiveness%20_%20A%20competitiveness%20strategy%20for%20Europe.pdf

While good quality disaggregated data at EU level is available for some essential services, such as energy (particularly energy poverty) and access to sanitation, significant gaps exist in other areas, such as transport and financial services. Even though some EU member states already collect data on specific services, methods are not always standardised among member states which leads to non-comparable data. Since policy development is driven by data, the lack thereof can have severe consequences. **EU-wide, comparable, and disaggregated data on all essential services** is thus needed to develop targeted policy interventions. Holistic indicators that track accessibility, availability and affordability of essential services need to be developed, ensuring that progress is measured consistently, and gaps are identified.

5. Recommendation: Ensure that access to essential services is prioritized in the allocation of ESF+ funds.

The European Social Fund+ (ESF+) is the main financial tool supporting the implementation of the EPSR. According to the Action Plan, Member States are required to allocate at least 25% of the disposable funds to combat poverty and social exclusion. Since essential services play a crucial role as enablers of social inclusion, their importance should be reflected in the calls for proposals. The **calls for proposals** should provide more adaptability, include calls that are accessible for smaller organisations and **reduce the administrative burden** of ESF+ projects through simplifications and more flexible frameworks.¹³

6. Recommendation: Include a focus on the availability of essential services and invest in rural areas.

The Commission's "Report on access to essential services" mainly focused on their affordability. However, besides affordability, access to essential services must also be analysed from the **perspectives of availability and accessibility**. In light of the rural-urban divide, a focus on availability is needed since many people living in rural areas face the unavailability of essential services such as transport or digital communication every day. As elaborated in the Draghi report, targeted investments in the development of rural areas are therefore essential to foster cohesion between regions and **tackle the urban-rural divide**.

7. Recommendation: Foster a Holistic Approach to Essential Services in the EU's Anti-Poverty Strategy.

While most Europeans have access to essential services, those living in extreme destitution continue to face significant barriers accessing these services. To ensure that everyone, regardless of their location or social status, can access affordable and available essential services, investment in social infrastructure must be coordinated across sectors. The announced **Anti-Poverty Strategy** provides an excellent opportunity to enforce this **comprehensive approach** to ensure access, affordability, and availability of essential services across sectors.

¹³ Please find our extensive recommendations concerning the ESF+ fund here: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13746-European-Social-Fund-Plus-ESF+-mid-term-evaluation/F3454502_en

ESSENTIAL SERVICES AS ENABLERS OF SOCIAL INCLUSION

What makes these services essential is that they are interconnected and act as enablers of other rights, allowing access to a wider array of goods and services crucial for leading a well-rounded life. Services such as water and sanitation, digital communications, transport, and financial services are gateways for people to access healthcare, education, early childhood education and care, employment, long-term care as well as different areas of civic life. Without these services, individuals are often excluded from the opportunities for full social and economic participation.

For example, digital communication has become a key enabler of access to education, healthcare, and employment opportunities. In today's increasingly digital world, being connected is not a luxury but a necessity. Likewise, affordable and reliable transport is essential for accessing work, schools, and healthcare services, particularly in rural or remote areas. Similarly, without access to clean water and sanitation, other efforts to improve quality of life and health, reduce poverty, and enhance social participation are severely undermined.

It is important to note that housing, although not explicitly mentioned in the non-exhaustive list of services under Principle 20 of the European Pillar of Social Rights (EPSR), is an essential precondition for directly accessing other services like water, sanitation, and energy. Housing security also indirectly enables or prevents individuals to benefit from digital communications services and financial services, such as opening a bank account (see below section on financial services). Given the increasing digitalisation of European societies and the push towards cashless payments, access to financial services is a precondition for effective social inclusion.

8. Recommendation: Emphasise essential services in the mid-term review of the EPSR Action Plan.

The current EPSR Action Plan only contains a short elaboration on essential services. While the Commission has delivered its "Report on access to essential services in the EU", no further action regarding Principle 20 has been envisioned by the Action Plan. However, as argued by the report, essential services play a crucial role in enabling social inclusion and access to rights envisioned by the other Principles of the EPSR. With the upcoming review of the **EPSR Action Plan in 2025**, the European Commission should take stock of the report's findings as well as of the work done by the civil society and propose **further actions and measures to promote the availability, accessibility, and affordability of essential services.**

3. EURODIACONIA MEMBERS' WORK ON THE ACCESS TO ESSENTIAL SERVICES

The latest Eurobarometer highlighted that the high costs of living remain priority and significant concern for many EU citizens.¹⁴ Although the rising prices have had severe consequences for many households in Europe, households at risk of poverty or social exclusion suffered disproportionately from high prices and inflation. At-risk households spent almost twice as big proportion of their income on essential services than households that were not AROPE (18.5% of disposable income compared to 10.4% of disposable income).

EU Member States have set up diverse support mechanisms to help those in need. For example, in the case of energy poverty, Member States have introduced cash benefits, implemented social tariffs, or reduced the costs for end users.¹⁵ To intervene where these measures fall short, social service providers have been at the forefront of efforts to support vulnerable groups and people affected by the rise of costs in the past years.

Despite these efforts, many social service providers are struggling to meet the increasing demand¹⁶ and highlight the urgent need for more robust and sustainable policy interventions at both the national and European levels. Eurodiaconia members too have ramped up their efforts, offering targeted assistance where necessary. Our members are actively engaged in various efforts to improve access to all the services outlined in Principle 20 of the EPSR, frequently integrating the provision of those services with additional initiatives aimed at promoting social inclusion.

WATER AND SANITATION



Most people in the European Union have access to water and sanitation. However, the most marginalized groups, including Roma and people living in extreme poverty, as well as the homeless, continue to face this severe form of deprivation and too often lack access to water and sanitation. While only 1.5% of the EU population didn't have access to sanitation in 2020, this figure rises up to 5.1% of those living at risk of poverty and social exclusion, with a peak of 56.6% in Romania. Sanitation expenses in EU countries ranged from less than 1% to more than 3% in 2015, with an average of 1.7% of a household's disposable income. People AROPE faced a significantly heavier burden, spending 2.9% of their income on water and sanitation. Additionally, 23 million Europeans (4%) are at risk of health issues due to the lack of, or barriers in accessing clean drinking water.¹⁷

¹⁴ European Commission. (2024). Special Eurobarometer 546: Social Europe. Directorate-General for Communication. <https://europa.eu/eurobarometer/surveys/detail/3187>

¹⁵ Eurofound 2022. Access to essential services for people on low incomes: Energy, public transport and digital communications. Publications Office of the European Union, Luxembourg. p. 10-19.

¹⁶ More information about our member's experience can be found [here](#).

¹⁷ European Commission (2023). Report on access to essential services in the EU, Commission staff working document, p.15-17.

To improve access to sanitation, the European Parliament and the Council have agreed on a proposal for a revision of the Urban Wastewater Treatment Directive.¹⁸ The proposal envisions free or affordable public toilets and sanitation facilities in public spaces, keeping in mind vulnerable groups, such as the homeless (Art. 25, 26). This initiative could be an important step towards ensuring access to sanitation for all, especially for groups facing severe destitution.

Slezska Diakonie

Czechia

Our Czechian member Slezska Diakonie works with people experiencing homelessness who often face high barriers in accessing water and sanitation facilities. Our member Slezska Diakonie runs a low-threshold day centre where they welcome up to 25 people a day and offer free access to sanitary facilities. The centre provides two showers for men and one for women in separated spaces and thus gives space to perform overall body hygiene. Additionally, the visitors can use the washing machine and do their laundry for only 20 CZK (0,80 Euros), a service that is often denied and inaccessible for people in homelessness. Offering those essential services enables the team to get in touch with their target group, learn more about their needs and situation and thus assist and support them wherever needed. Combined with their outreach activities, which provide information and help for rough sleepers, and a network of counselling centres and shelters, Slezska Diakonie tries to offer access to water and sanitation in an easy and accessible way and sees this approach as a first step towards social inclusion.

Ecumenical Humanitarian Organisation

Serbia

According to our Serbian member, access to clean drinking water remains a significant challenge for socially disadvantaged families, particularly in substandard settlements where Roma communities predominantly reside. In these areas, local governments often do not prioritize infrastructure development, leaving many without basic services. As a result, families living in illegally built homes, which are often their only shelter due to poverty, struggle to secure access to water and sanitation. The main target group served by these projects is the Roma community, which constitutes about 80% of the beneficiaries. The remaining 20% include other socially disadvantaged families living nearby or along the routes of newly constructed water systems.

To address this issue, the Ecumenical Humanitarian Organization (EHO) has been implementing various housing and infrastructure projects aimed at securing permanent access to water. Depending on the specific needs of the community and the existing water supply system, EHO selects the most appropriate model of intervention. This might include building a new water supply system, extending the existing system and connecting houses, or drilling wells. These

¹⁸ Proposal for a Directive of the European Parliament and of the Council concerning urban wastewater treatment (recast) 2022/0345 (COD), <https://data.consilium.europa.eu/doc/document/ST-7108-2024-INIT/en/pdf>, accessed 17.08.2024

interventions are conducted in close consultation with the target communities and local Water Supply Utilities, which are usually founded by the local government.

Following the establishment of access to water, EHO often works to ensure a hygienic minimum by constructing toilets and bathrooms in homes, a part of their comprehensive model for supporting vulnerable communities. In addition, EHO assists in the legalization of houses, which is a crucial step in allowing these families to permanently connect to basic infrastructure, including water, electricity, and sewage systems. EHO's approach is highly participatory, involving all relevant local institutions, utilities, and the communities themselves. The goal is to secure access to clean drinking water and sanitation for socially disadvantaged families, recognizing that access to water is a basic human right. EHO believes that collaborative efforts can ensure that access to clean drinking water is recognized not as a privilege, but as a fundamental right for all.

Kirkens Bymisjon (Church City Mission)

Norway

Our Norwegian member highlights the significant difficulties faced by destitute migrants, particularly EEA citizens temporarily residing in Oslo, in accessing essential services like laundry, sanitation, and digital communication. Many individuals, including Roma from Romania and job seekers from Poland, Lithuania, Latvia, and Romania, experience barriers due to uncertain legal statuses, precarious employment situations, and limited financial resources. Some have lived in Norway for years without securing formal residency, which disqualifies them from social rights like emergency assistance or temporary housing, despite potentially being entitled to unemployment benefits. This makes them particularly vulnerable to exploitation, homelessness, and extreme poverty. To mitigate these challenges, the Church City Mission (CCM) offers a laundry service that operates six days a week, providing free washing and drying facilities. With a capacity of 12 washes on weekdays and 8 on weekends, the laundry ensures that those in need can maintain their hygiene even in challenging situations.

In addition to laundry services, CCM runs an emergency shelter for women and couples, which accommodates 80 beds across 20 rooms, each equipped with a shower. The shelter charges a minimal fee of 15 kr (1,25 Euros) per night, while non-residents can access the shower facilities for 10 kr (0.85 Euros). Furthermore, CCM has partnered with Bymiljøetaten, Oslo's urban environment agency, to provide free access to public toilets for their guests, as these facilities usually require a bank card for entry.

CCM's approach is deeply responsive to the needs of the communities they serve. The laundry service was developed as a natural extension of their growing understanding of the migrant population's needs in Oslo. At the time of its establishment, there were no other affordable services available in the city for this target group. Initially, a small fee was charged for the service, but it was waived during the pandemic to ensure accessibility. However, most other services offered by the CCM are paid, provided in exchange for a very small amount of money. The broader philosophy of maintaining a nominal fee for some services reflects the organisation's intention to give users a sense of agency and the ability to voice concerns if they feel the service is inadequate.

9. Recommendation: Enforce the access to water and sanitation for everyone.

We welcome the proposal for the Revision of the Urban Wastewater Treatment Directive and the aim to ensure access to sanitation for all. The directive, expected to be adopted by the end of 2024, calls for free or affordable public toilets and sanitation facilities in public spaces with a particular consideration of vulnerable groups. We urge national, regional, and local authorities to ensure that these **public facilities are made available, affordable, and accessible for all**, in line with Art. 25 and 26 and as quickly as possible.

Furthermore, installing **drinking water and sanitation in Roma settlements** must be a priority and should follow a participatory approach, as provided by our member EHO, to ensure the perspective of Roma is upheld. Efforts must also focus on increasing the agency of Roma communities, empowering them to collaborate with local governments and municipalities. It needs to be ensured that **access to water, which is a human right, is enforced and a reality for everyone in Europe.**

ENERGY



Access to energy remains a challenge for many in the European Union. Energy poverty affects nearly 1 in 10 Europeans (9.7%), meaning that households struggle to access essential energy services due to income poverty, high energy costs, and/or energy-inefficient homes due to income poverty, high energy costs, and/or energy-inefficient homes.¹⁹ This often results in inadequate levels of heating, cooling, hot water supply, or energy for powering appliances. The numbers vary widely between countries: in Finland, only 3.9% of people at risk of poverty and social exclusion are affected by energy poverty, while the rate in Cyprus is as high as 50%.²⁰ Although AROPE individuals are most impacted, the cost-of-living crisis has led middle-income households to also question their ability to afford adequate heating during winter. Eurodiaconia has provided valuable insights through our members' experiences, an analysis of the EU policy framework, and policy recommendations aimed at addressing energy poverty in its recent policy paper.²¹

Diakonie Austria

Austria

In Austria, energy poverty has been rising in the past years. To support families and people in need, our member Diakonie Austria has co-founded the project "Wohnschirm" ("living shield"). The participating counselling centres, both in rural and urban areas, offer financial and psychosocial support for low-income families and individuals struggling with high prices and inflation. People below a certain income threshold can seek support to tackle their rent and/or energy bills debts: the energy provider or the landlord will be contacted to find solutions and sometimes even pay the current invoice and energy debts. Furthermore, the people in need have access to counselling

¹⁹ [Commission Recommendation](#) (EU) 2020/1563 of 14 October on Energy Poverty. Further details: [Directive](#) of the European Parliament and of the Council on energy efficiency and amending Regulation (EU) 2023/955 (recast)

²⁰ European Commission (2023). Report on access to essential services in the EU, Commission staff working document, p.23.

²¹ Please find the policy paper on energy poverty [here](#).

to avoid future debt: they are supported in changing the energy provider, moving to a cheaper apartment, or gaining more financial literacy if needed. That way, low-income families are specifically targeted and can avoid a debt pitfall as well as homelessness. The program is financed by the Austrian Ministry of Social Affairs and delivered by non-for-profit social service providers such as our member Diakonie Austria.

Diakonie Düsseldorf

Germany

Diakonie Düsseldorf has launched an energy sponsorship program aimed at providing financial assistance to individuals struggling with energy bills. The initiative operates on a sponsorship model, where donors voluntarily contribute funds that go directly to those facing energy poverty. While acknowledging that this is not a long-term solution, the program offers immediate relief for those impacted by high energy costs and the ongoing cost-of-living crisis. This effort is part of a larger debt counselling initiative by Diakonie Düsseldorf (see financial services section), which includes prevention, (e.g., raising awareness about managing money and improving financial literacy), financial advice to help reduce expenses—including energy costs—and guidance on accessing social security benefits.

10. Recommendation: Mitigate the regressive impacts of ETS2 on low-income households

The extension of the EU Emissions Trading System (ETS2) to buildings and road transport is an important step toward reducing carbon emissions. However, there is a risk that this policy could **disproportionately affect low-income households** and in doing so worsen low-income groups' access to essential services, such as energy. Studies show that carbon pricing often has regressive effects, as low-income individuals spend a higher proportion of their income on carbon-intensive goods, such as heating and have less financial capacity to invest in carbon free alternatives. This can exacerbate existing income inequality and increase the financial burden on vulnerable populations.

While the European Commission has proposed a Social Climate Fund (SCF) to address these impacts, there are concerns that this will be insufficient to fully mitigate the negative effects. Therefore, the **Social Climate Fund should be expanded and strengthened** to ensure adequate resources are available to protect low-income households from rising energy costs. A larger fund could finance targeted subsidies, energy efficiency improvements, and support for sustainable transport options for those most affected. In addition, a significant portion of **ETS2 revenues should be reinvested in low-income communities** to fund energy efficiency projects, such as home insulation and the installation of renewable energy technologies

DIGITAL COMMUNICATION



Digital communication and digital skills are essential for participation in today's society, labour market and education systems. However, 2.4% of Europeans cannot afford a sufficient internet connection at home, with rates reaching up to 9% in Bulgaria. Data

shows that among those living AROPE, the situation is even more severe: up to 25% of individuals AROPE in Romania cannot afford internet at home.

Moreover, many Europeans lack the skills to effectively and confidently use digital tools. The levels of basic digital skills²² vary significantly, ranging from 79% in Finland and the Netherlands to only 28% in Romania.²³ On average, 54% of EU citizens have basic digital skills, while 87% used the internet regularly, highlighting a significant skill gap.²⁴ Certain societal groups have on average significantly lower skills than others, particularly the elderly, people living in rural areas, people with no or low formal education, and the unemployed.²⁵ This lack of skills, combined with the increasing digitalisation of services, can disproportionately impact people at risk of poverty and social exclusion: the requirement to apply online for social benefits can create barriers for individuals in need, further contributing to the invisibilising poverty.

Access to digital communication tools is closely linked to the availability of internet connection. While 90% of EU households have internet access at home²⁶, only 60% of people living in rural areas had access to high-speed internet (compared to the EU average of 86% in 2021).²⁷

Deaconess Foundation

Finland

A significant portion of the Roma adult population, along with other socially excluded minority groups, is not well-acquainted with the new technologies currently employed for service provision, civic engagement, and political participation. For those not interacting with these technologies regularly, it is challenging to keep pace with the rapid developments in the IT sector, particularly when it comes to using applications, online forms, and even email. Each new update to e-services necessitates the acquisition of new skills, creating barriers for socially excluded individuals to use these services effectively, challenges that intensify over time. A baseline study conducted to better understand the needs and skills of Roma adults across the project partner countries revealed that Roma adults indeed rarely use IT tools for e-services offered by public and private institutions.

The DIRA project's primary goal is to improve the socio-economic conditions of Roma adults through IT education and digital skill development. It focuses on enabling the adult population to utilize electronic services available in their communities and become more integrated into society through enhancing their knowledge and skills in using digital tools and e-services. Additionally, the initiative seeks to influence policies and practices related to Roma, establishing collaboration to

²² According to [Eurostat](#), a person is considered to have digital basic skills if they “know at least one activity related to each of the following areas”: information and data literacy skills, communication and collaboration skills, digital content creation skills, safety skills, and problem-solving skills”

²³ European Commission 2023. Report on access to essential services in the EU, Commission staff working document, p.43

²⁴ European Commission (2022) Questions & Answers: Digital Economy and Society Index (DESI) 2022. URL: <https://digital-strategy.ec.europa.eu/en/policies/desi>, accessed 15.08.2024

²⁵ European Commission 2023. Report on access to essential services in the EU, Commission staff working document, p.42

²⁶ Statista (2024). Percentage of households with internet access in Europe from 2001 to 2029. <https://www.statista.com/forecasts/1137817/household-internet-penetration-forecast-in-europe>, accessed 14.08.2024

²⁷ European Commission (2021). Connectivity: key to revitalising rural areas. <https://digital-strategy.ec.europa.eu/en/news/connectivity-key-revitalising-rural-areas>, accessed 14.08.2024

develop a model of best practices for Roma adult education and e-services at local, regional, national, and international levels.

To achieve these objectives, the DIRA project implements various activities focused on strengthening Roma adults' digital skills and their ability to use e-services, including:

- Development of the DIRA learning platform and open access training materials,
- Educating Roma on using the platform and e-services while improving their language skills,
- Training the trainers.

The DIRA project's policy recommendations emphasize the importance of conducting user research, usability testing, and gathering feedback from the target users to better understand their needs, challenges, and preferences through surveys, interviews, and other methods of engagement.

The project consortium includes organisations from 4 countries: Deaconness Foundation in Finland, FICT in Northern Macedonia, UGD in Serbia and Romni-APS in Italy, with the target group being the adult Roma population in these countries.

Diaconia of the Evangelical Church of Czech Brethren (Diaconia ECCB)

Czech Republic

Lifetool is a service provided by our Czech member whose mission is to support people with disabilities and seniors at risk of social exclusion who face significant challenges in accessing digital and financial services to live more independent lives. Helping them develop personal and social skills through assistive technologies and digital skills training, the support provided is crucial for their social integration and well-being. The service aims to overcome barriers to communication and independence by offering assistive technologies and digital skills training.

The Lifetool service offers group activities such as Digi Club for seniors, where participants learn the basics of working with tablets and smartphones, safely navigating the internet, and using social networks like WhatsApp. In addition to group work, the service provides individualized support, including assistance with online banking, setting up social media accounts, and writing and sending emails. These services are adapted to using assistive technologies such as eye-guided controls, specialized joysticks, and oral mice for those who require them. The project also supports individuals in alternative and augmentative communication (AAC) to facilitate everyday communication and relationship building. The service helps users become more independent and maintain dignity by assisting them in mastering these technologies.

Delivered through a small team of five staff members, the service is mobile with a nationwide reach. However, maintaining the specialized assistive technology equipment needed for these services poses a financial challenge.

To improve the current situation and enhance visibility, our member encourages greater empathy in society, a stronger presence of people with disabilities and seniors in public spaces, and improved social and health care linkages. They also advocate for increased funding and availability

of assistive technologies, as well as greater societal support for at-home and community-based care, respite services, and an accessible public environment.

Kirkens Bymisjon (Church City Mission)

Norway

Church City Mission plays a crucial role in helping migrants navigate Norway's highly digitalized welfare system. Many of their clients lack the necessary digital credentials, making it difficult to apply for welfare benefits or track their applications. The CCM counseling team frequently steps in to assist, helping clients complete paper forms and make phone calls to welfare offices, thereby overcoming language barriers and digital exclusion.

CCM encounters several obstacles in delivering these services, especially regarding digital communication. The Norwegian welfare system's dependence on digital platforms excludes those without the necessary access, often due to their non-resident status. This results in longer waiting periods for paper-based applications and difficulties in gathering required documentation. Language barriers further complicate these processes, requiring significant support from CCM's counseling team.

To address these issues, CCM advocates for policy changes at the local, national, and European levels. They argue that digital access should not be tied to one's legal residency status and that access to financial services should not be limited to those with employment, as it is essential for receiving social benefits. These changes are critical to preventing the further marginalization of vulnerable groups in an increasingly digitalized world.

Philanthropy Serbia

Serbia

Our Serbian member, Philanthropy Serbia, is running two initiatives aimed to address the digital divide by improving digital skills and access to services for older persons and youth in rural areas.

Digital Skills for the Elderly: During the five-year project aimed at improving the digital literacy of older persons in both rural and urban areas, over 150 older individuals have participated in computer courses that cover essential digital skills, including the use of social media, the Internet, and e-banking. Supported by the Austrian Federal Ministry of Social Protection, Health, Care and Consumer Protection, and Diakonia Austria, the project seeks to improve the quality of life for elderly people by ensuring they have access to vital services and can stay connected in an increasingly digital world. The project primarily targets older persons, including those who are immobile or semi-mobile, in both urban and rural areas.

Back on Track – Digital Skills for Rural Youth: In addition to its work with the elderly, Philanthropy Serbia is involved in a project focusing on improving the digital and communication skills of rural youth. The "Back on Track" project is a significant initiative aimed at promoting and facilitating the integration of young NEETs (young people not in Education, Employment, or

Training) from rural areas in the Danube Region. Funded under the Danube Region Programme, the project will establish a cross-sectoral transnational network of stakeholders to ensure the long-term sustainability of its results. It will also develop strategies to mobilize, support, and involve NEETs in rural areas, implementing a mentoring program and creating innovative digital training courses. These activities aim to improve NEETs' basic skills and adaptability, offering them new perspectives for individual development, training, and career guidance, all while allowing them to remain in their rural communities.

Philanthropy Serbia got involved in the project because young people not in Education, Employment, or Training are often invisible and outside the system. The project targets at least 200 NEETs with activities designed to increase their visibility and involvement, aiming to ensure they do not get lost and are successfully integrated into education or the labour market. They are supported to believe in their potential, no matter the challenges they face, and are encouraged to make new plans for their careers, enabling them to reintegrate into the labour market or vocational training programs, fostering self-determination and a better future.

11. Recommendation: Ensure digital access for everyone and foster digital inclusion.

In today's societies, digital communication and services are not "nice to have" anymore, they are a necessity for active participation and a precondition for accessing other services, such as financial services and transport. Therefore, access to digital communication should not be dependent on a household's income and the area of living. Initiatives like Wifi4EU²⁸ are a first step towards providing **access to the internet for all**. Such programs, providing free access to the internet, should be scaled up and implemented everywhere in the EU, but **especially in rural areas**.

While it is important to have access to the internet, many people still lack the skills to use digital devices to their fullest. Only 54% of Europeans have basic digital skills and certain groups have difficulties using digital devices despite their importance in today's societies. Therefore, well-targeted programs such as the DIRA program, developed by our member Deaconess Foundation, should be upscaled and implemented throughout Europe to **foster digital skills, digital inclusion**, and access to other essential services and the labour market. To ensure that the needs, challenges, and preferences of the target group are met, user research, usability testing, and gathering feedback from target users should be included.

FINANCIAL SERVICES



Access to financial services is crucial for entering the labour market and fully participating in society. However, there is no disaggregated data on access to financial services in the EU. The only data available, provided by the World Bank, shows that most people in the EU have access to a bank account; Romania, Bulgaria, and Hungary are the only EU countries with less than 90% of the population having access to one²⁹.

²⁸ Wifi4EU Portal :<https://wifi4eu.ec.europa.eu/#/home>

²⁹ European Commission 2023. Report on access to essential services in the EU, Commission staff working document, p.49

Despite having a bank account, many people in rural areas and people with limited digital skills face challenges in accessing financial services due to the limited availability and reduced number of bank branches and ATMs in many, often sparsely populated, areas. Additionally, many people might have access to financial services but struggle with a lack of financial skills or over-indebtedness: 8.8% of European households are affected by over-indebtedness, with low-income groups and unemployed households showing the highest rates of over-indebtedness.³⁰

The EU has made efforts to avoid the exclusion of people living in destitution from financial services through the Payments Account Directive (PAD), which should ensure the right to open a bank account to everyone legally residing in the European Union, including those without a fixed address. Nevertheless, some vulnerable groups, such as the homeless, still face barriers in exercising this right: besides high fees, the lack of a permanent address or ID document remain obstacles. The transposition into national legislation and practical implementation of the PAD in coordination with the Anti-Money-Laundering Directive (AMLD) have been inconsistent across Member States, with many financial institutions in practice still requiring proof of a fixed address to open a bank account.³¹

Diakonie Herzogsägmühle

Germany

Our member Diakonie Herzogsägmühle supports people in rural areas in Southern Germany, close to Munich. According to their experience from their debt counselling services, which also include support for people facing a personal insolvency, many financial concerns and worries of beneficiaries are closely linked to housing costs and homelessness.

Their homelessness prevention team is faced with several challenges: In Germany, rent for unemployed and minimum-income individuals is typically covered by the welfare state, but the contributions are often too low, especially in high-demand areas. This can result in homelessness, even for those needing long-term care, as they struggle to find affordable housing. Another challenge is the bureaucratic process of reapplying for financial support when moving between areas of responsibility, causing delays in receiving benefits and leading to financial hardship. Additionally, applicants must submit various documents, including banking statements, which is difficult for elderly people or those without digital access, since many banks have closed their branches, especially in rural areas.

³⁰ European Commission. 2023. Study on European consumers' over-indebtedness and its implications, p. 7-9. https://commission.europa.eu/system/files/2023-09/Study%20of%20consumer%20over-indebtedness_Main%20report_9.18.pdf, accessed 16.09.2024

³¹ FEANTSA. (2024). *Financial inclusion in Europe for people experiencing homelessness: Basic bank account access*. https://www.feantsa.org/public/user/Resources/reports/2024/financial_inclusion/financial_inclusion.pdf

Our member Diakonie Herzogsägmühle offers the only day shelter in this rural area as well as counselling centres, food aid, and shelters. With their comprehensive approach, they try to prevent homelessness in the first place, support those in need, and draw attention to the difficult situation for people in rural areas.

Diakonie Düsseldorf

Germany

Diakonie Düsseldorf has implemented the project “My money compass”. It is a prevention program that aims to teach financial literacy and to avoid possible debts. The program is open to everyone and can be individually adjustable to really meet the needs of people. They offer both individual counselling and group information sessions to comfort everyone’s need. Participants and beneficiaries can choose from different modules: Money cycle (income and expenditure), opportunities and wishes for the future, payment transactions, payments linked to housing, debt and contracts, preparation for retirement, as well as debt counselling. The contents and subjects will then be adjusted according to the persons, their age, and their life situation. Furthermore, institutions such as schools, day care centres, or those working with job seekers approach Diakonie Düsseldorf and ask to implement a group session adjusted to their needs. Thus, the audience is very diverse and can differ a lot.

Diakonie Austria

Austria

Back in 2006, Diakonie Austria co-founded the “Zweite Sparkasse”³² (Second Bank). The bank solely offers services to people in need who have been referred to them by partner organisations, mostly NGOs and debt counselling centres. It is not profit oriented and completely run by volunteers working for banks. The overall aim is to enable people to return to a long-term stable financial situation, implemented through individual financial counselling. People can open a regular bank account or, if they feel like they don’t have the financial literacy yet, a bank account that is closely linked to the debt counselling centre. In this case, the rent and monthly fixed costs, such as energy, are linked to a specific bank account which is managed by the counselling centre, while the rest of the monthly disposable income can be managed by the person itself. That way, homelessness and energy poverty is prevented. Furthermore, people can access insurances to an affordable price.

Diaconia of the Evangelical Church of Czech Brethren Zápád (Diaconia ECCB Zápád)

Czech Republic

Diakonie Zápád, a member of Diaconia ECCB, provides a professional social counselling service for citizens facing financial difficulties, operating in multiple locations across the Czech Republic. Diakonie Zápád offers debt counselling for everyone, including both debtors and creditors, covering the full spectrum of debt-related issues, and holds accreditation for insolvency

³²Please find more <https://www.sparkasse.at/diezweitesparkasse/bank-der-zweiten-chance> information here.

proceedings. Clients can use digital platforms when they are unable to come to the meeting in person, as Diakonia Zápád offers consultations through WhatsApp, Teams, Google Meet.

In addition to this, the Outreach Service for People at Risk focuses on supporting foreign nationals, particularly those at risk of exploitation or trafficking, providing assistance in financial matters. Though without insolvency accreditation, the Outreach Service collaborates closely with the main counselling service to ensure comprehensive support. Helping their clients to access the labour market and residence-related services, Diakonia Zápád ensures foreign clients receive the necessary information and support to become independent and reintegrate into normal life. Clients can use digital platforms when they are unable to attend in person, offering consultations through WhatsApp, Teams, Google Meet.

12. Recommendation: Ensure access to financial services and enhance financial literacy skills.

Access to financial services is crucial for active participation in the labour market and for social inclusion. Although most people in the EU have access to a bank account, some still face barriers to opening such accounts due to the lack of ID documents, missing proof of address, or high fees. Therefore, the **Payment Accounts Directive (PAD)**, particularly Article 16(2) guaranteeing consumers with no fixed address access to opening a bank account, **must be implemented consistently** across Member States. Currently, the Anti-Money Laundering Directive's (AMLD) focus on anti-money laundering criteria sometimes leads to neglect of the PAD's provisions for vulnerable groups. Member States must ensure that the national transposition of the PAD includes provisions allowing individuals without a fixed address to open a basic bank account. Enhanced coordination between the PAD and the AMLD is needed to prevent barriers created by anti-money laundering criteria from excluding vulnerable groups. To achieve this, comprehensive training for financial institution staff, robust European-level support³³, and financial consequences for non-compliance should be introduced.

Additionally, to **foster financial literacy, prevent over-indebtedness, and improve financial skills**, everyone, but especially people in vulnerable situations, should have free access to similar support structures such as "My Money Compass" from our member Diakonie Dusseldorf.

TRANSPORT



In 2014, 2.4% of the EU population and 5.8% of those AROPE could not afford to regularly use public transport regularly.³⁴ Given the current inflation rates, this figure might be even higher today. This is particularly alarming as public transport is used more frequently by low-income groups and those that cannot rely on private cars, including the elderly, young people and children, or people with disabilities. These groups often encounter accessibility barriers in entering and using public transport, since many vehicles are still not easily accessible

³³ FEANTSA. (2024). Financial inclusion in Europe for people experiencing homelessness: Basic bank account access. Nija Daniels. https://www.feantsa.org/public/user/Resources/reports/2024/financial_inclusion/financial_inclusion.pdf

³⁴ European Commission 2023. Report on access to essential services in the EU, Commission staff working document, p.32

with a wheelchair or a pram. Lack of well-developed public transport networks, particularly in rural areas, also presents a significant barrier. Unfortunately, there is limited to no recent data on the extent of these accessibility and availability issues of public transport.³⁵

To raise awareness of the topic, scholars and social policy actors have introduced the concept of *transport poverty*. Although relatively new, the term is used to broadly describe “situations when people do not have access to essential services or work because of a lack of affordable or available transport options.”³⁶ Transport poverty is shaped by the lack of availability, accessibility obstacles, affordability challenges, long commuting times, and inadequate transport conditions. It also affects those who, despite using public transport, spend a large portion of their disposable income on it and are thus highly sensitive to fare increases.³⁷ Often linked to social vulnerabilities, the concept aims to highlight the diverse range of challenges that people face when using public transport.

Kirkens Bymisjon (Church City Mission)

Norway

In terms of transportation, our Norwegian member has addressed the problem of ticket purchases for those without bank accounts or credit cards. Many of their clients only carry cash, which made buying tickets without incurring hefty commissions challenging. To resolve this, CCM acquired specific business credit cards that allow them to purchase tickets on behalf of their clients. At the moment, they remain the only NGO in Oslo offering this vital service.

Diakonie Herzogsägmühle

Germany

Public transport is very poorly developed in many rural areas in Germany. This lack leads to challenges in accessing healthcare facilities, counselling centres, or authorities for people without a car. To oppose this problem, Diakonie Herzogsägmühle implemented more outreach activities in rural areas, in particular targeting people experiencing homelessness. The responsible staff member is present in different locations throughout the week, such as shelters or food banks, to meet the people in need. The support approach then fully depends on the needs of the respective person: the social worker can accompany the person to bank appointments, interact with local authorities, or support the access to health care facilities in the next town. The outreach activities follow a low-threshold approach, aiming to provide practical help in rural areas. Despite a high need of outreach activities in rural areas to support people in need and vulnerable situations, there is no long-term funding available at the moment.

³⁵ Eurofound 2022. Access to essential services for people on low incomes: Energy, public transport and digital communications. Publications Office of the European Union, Luxembourg. p. 33

³⁶ European Parliament (2022). Understanding transport poverty. [https://www.europarl.europa.eu/RegData/etudes/ATAG/2022/738181/EPRS_ATA\(2022\)738181_EN.pdf](https://www.europarl.europa.eu/RegData/etudes/ATAG/2022/738181/EPRS_ATA(2022)738181_EN.pdf)

³⁷ *ibid*

Diakonie Austria

Austria

Diakonie Austria is part of the project “Mehr Zeller Nachbarschaft” (more neighbourhood in the town Zell). The demographic composition of the town, home to many elderly people, urged the municipality, citizens, and civil society organisations to rethink various aspects of neighbourhood and social inclusion. One part was to consider new and more accessible ways of mobility and transportation to foster participation and simplify challenges of people’s everyday life, such as grocery shopping. To do so, the Diakonie and the municipality have set up different types of transport services, such as carpooling, driving services to the supermarket or community events, and visitor services.

13. Recommendation: Address transport poverty in the context of the green and just transition.

The green transition holds the potential to enhance access to essential services, but if not managed inclusively, it risks exacerbating social and economic inequalities. To ensure the green transition effectively reduces transport poverty and contributes to social cohesion, it is crucial to make **public transport both affordable and accessible for low-income households and vulnerable groups**, who use it more frequently, by implementing measures such as reduced tariffs or lowering the costs for these groups. The Social Climate Fund should therefore be strengthened and expanded to help combat transport poverty and ensure that access to transport remains possible for the lowest income groups. It should also be used to invest in **public transport infrastructure**, especially in rural areas. Expanding, developing, and upscaling the availability and accessibility of the transport infrastructure can make a real difference for people living in rural areas and is crucial to reducing the rural-urban divide and fostering cohesion.

4. POLICY RECOMMENDATIONS

GENERAL RECOMMENDATIONS CONCERNING THE ACCESS TO ESSENTIAL SERVICES

1. Recommendation: Establish a standardised definition of essential services across the EU and develop a framework to measure barriers to access them.

The European Pillar of Social Rights provides an adequate framework of essential services. However, the term 'essential services' remains vague and is widely used for a diverse range of social and public services. Even in the EPSR Action Plan, essential services are already extended and do not fully match those in the EPSR. A common understanding of essential services across the EU is crucial for shaping an effective and adequate policy response on European, national, and regional level. Furthermore, measurable indicators are needed to accurately measure, evaluate and monitor the accessibility, affordability, and availability of essential services.

2. Recommendation: Strengthen and adequately Fund Services of General Interest

Essential services are closely linked to Services of General Economic Interest, which have been underfunded and investments for which have been scarce, particularly in rural areas. However, SGIs are essential for upholding the rights enshrined in the EPSR and ensuring a life of dignity. To ensure access to affordable, high-quality SGIs for all Europeans, targeted investments are needed. Following the principle of subsidiarity, the EU, alongside national and local governments, must direct investments towards SGIs, especially in rural and underserved areas, and enforce compliance with quality standards to guarantee access for all; this has recently also been underlined by the Letta report.³⁸ A coordinated strategy to enhance public and private investments is also necessary to modernize and expand these services.

3. Recommendation: Adequately fund social services and revise the SGEI de minimis ceiling

Our members are providing innovative and indispensable services to support those without access to essential services. Nevertheless, they often face funding gaps or difficulties in accessing long-term, sustainable funding, relying solely on project funding. To ensure everyone's right to essential services and support people in need, adequate funding of social services is needed, as underlined in the EPSR Action Plan. To promote high quality social services, state aid rules need to be revised and simplified and the SGEI de minimis ceiling must be increased substantially, taking into consideration the inflation and rising cost of living.³⁹

³⁸ Enrico Letta. 2024. "Much more than a market – Speed, Security, Solidarity. Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens". P. 99.

³⁹ Please find more information regarding the SGEI de minimis ceiling here: <https://www.socialserviceeurope.eu/consultation-on-revision-of-sgei>

4. Recommendation: Address the data and knowledge gaps by ensuring EU-wide, comparable, and disaggregated data collection on all essential services.

While good quality disaggregated data at EU level is available for some essential services, such as energy (particularly energy poverty) and access to sanitation, significant gaps exist in other areas, such as transport and financial services. Even though some EU member states already collect data on specific services, methods are not always standardised among member states which leads to non-comparable data. Since policy development is driven by data, the lack thereof can have severe consequences. EU-wide, comparable, and disaggregated data on all essential services is thus needed to develop targeted policy interventions. Holistic indicators that track accessibility, availability and affordability of essential services need to be developed, ensuring that progress is measured consistently, and gaps are identified.

5. Recommendation: Ensure that access to essential services is prioritized in the allocation of ESF+ funds.

The European Social Fund+ (ESF+) is the main financial tool supporting the implementation of the EPSR. According to the Action Plan, Member States are required to allocate at least 25% of the disposable funds to combat poverty and social exclusion. Since essential services play a crucial role as enablers of social inclusion, their importance should be reflected in the calls for proposals. The call for proposals should provide more adaptability, include calls that are accessible for smaller organisations and reduce the administrative burden of ESF+ projects through simplifications and more flexible frameworks.⁴⁰

6. Recommendation: Include a focus on the availability of essential services and invest in rural areas.

The Commission's "Report on access to essential services" mainly focused on the affordability of these services. However, access to essential services must be analysed from different angles: Next to the affordability, accessibility and availability are necessary perspectives must be considered. In light of the rural-urban divide, a focus on availability is needed since many people living in rural areas face the unavailability of essential services such as transport or digital communication every day. As elaborated in the Draghi report, targeted investments in the development of rural areas are therefore essential to foster cohesion between regions and tackle the urban-rural divide.

⁴⁰ Please find our extensive recommendations concerning the ESF+ fund here: https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/13746-European-Social-Fund-Plus-ESF+-mid-term-evaluation/F3454502_en

7. Recommendation: Foster a Holistic Approach to Essential Services in the EU's Anti-Poverty Strategy.

While most Europeans have access to essential services, those living in extreme destitution continue to face significant barriers accessing these services. To ensure that everyone, regardless of their location or social status, can access affordable and available essential services, investment in social infrastructure must be coordinated across sectors. The announced Anti-Poverty Strategy provides an excellent opportunity to enforce this comprehensive approach to ensure access, affordability, and availability of essential services across sectors.

8. Recommendation: Emphasise essential services in the mid-term review of the EPSR Action Plan.

The current EPSR Action Plan only contains a short elaboration on essential services. While the Commission has delivered its "Report on access to essential services in the EU", no further action regarding Principle 20 has been envisioned by the Action Plan. However, as argued by the report, essential services play a crucial role in enabling social inclusion and access to rights envisioned by the other Principles of the EPSR. With the upcoming review of the EPSR Action Plan in 2025, the European Commission should take stock of the report's findings as well as of the work done by the civil society and propose further actions and measures to promote the availability, accessibility, and affordability of essential services.

RECOMMENDATIONS FOR THE SPECIFIC SERVICES

9. Recommendation: Enforce the access to water and sanitation for everyone.

We welcome the proposal for the Revision of the Urban Wastewater Treatment Directive and the aim to ensure access to sanitation for all. The directive, expected to be adopted by the end of 2024, calls for free or affordable public toilets and sanitation facilities in public spaces with a particular consideration of vulnerable groups. We urge national, regional, and local authorities to ensure that these public facilities are made available, affordable, and accessible for all, in line with Art. 25 and 26 and as quickly as possible.

Furthermore, installing drinking water and sanitation in Roma settlements must be a priority and should follow a participatory approach, as provided by our member EHO, to ensure the perspective of Roma is upheld. Efforts must also focus on increasing the agency of Roma communities, empowering them to collaborate with local governments and municipalities. It needs to be ensured that access to water, which is a human right, is enforced and a reality for everyone in Europe.

10. Recommendation: Mitigate the regressive impacts of ETS2 on low-income households

The extension of the EU Emissions Trading System (ETS2) to buildings and road transport is an important step toward reducing carbon emissions. However, there is a risk that this policy could disproportionately affect low-income households and in doing so worsen low-income groups' access to essential services, such as energy. Studies show that carbon pricing often has regressive effects, as low-income individuals spend a higher proportion of their income on carbon-intensive goods, such as heating and transportation and have less financial capacity to invest in carbon free alternatives. This can exacerbate existing income inequality and increase the financial burden on vulnerable populations.

While the European Commission has proposed a Social Climate Fund (SCF) to address these impacts, there are concerns that this will be insufficient to fully mitigate the negative effects. Therefore, the Social Climate Fund should be expanded and strengthened to ensure adequate resources are available to protect low-income households from rising energy costs. A larger fund could finance targeted subsidies, energy efficiency improvements, and support for sustainable transport options for those most affected. In addition, a significant portion of ETS2 revenues should be reinvested in low-income communities to fund energy efficiency projects, such as home insulation and the installation of renewable energy technologies.

11. Recommendation: Ensure digital access for everyone and foster digital inclusion.

In today's societies, digital communication and services are not "nice to have" anymore, they are a necessity for active participation and a precondition for accessing other services, such as financial services and transport. Therefore, access to digital communication should not be dependent on a household's income and the area of living. Initiatives like Wifi4EU⁴¹ are a first step towards providing access to the internet for all. Such programs, providing free access to the internet, should be scaled up and implemented everywhere in the EU, but especially in rural areas.

While it is important to have access to the internet, many people still lack the skills to use digital devices to their fullest. Only 54% of Europeans have basic digital skills and certain groups have difficulties using digital devices despite their importance in today's societies. Therefore, well-targeted programs such as the DIRA program, developed by our member Deaconess Foundation, should be upscaled and implemented throughout Europe to foster digital skills, digital inclusion, and access to other essential services and the labour market. To ensure that the needs, challenges, and preferences of the target group are met, user research, usability testing, and gathering feedback from target users should be included.

⁴¹ Wifi4EU Portal : <https://wifi4eu.ec.europa.eu/#/home>

12. Recommendation: Ensure access to financial services and enhance financial literacy skills.

Access to financial services is crucial for active participation in the labour market and for social inclusion. Although most people in the EU have access to a bank account, some still face barriers to opening such account due to the lack of ID documents, missing proof of address, or high fees. Therefore, the Payment Accounts Directive (PAD), particularly Article 16(2) guaranteeing consumers with no fixed address access to opening a bank account, must be implemented consistently across Member States. Currently, the Anti-Money Laundering Directive's (AMLD) focus on anti-money laundering criteria sometimes leads to neglect of the PAD's provisions for vulnerable groups. Member States must ensure that the national transposition of the PAD includes provisions allowing individuals without a fixed address to open a basic bank account. Enhanced coordination between the PAD and the AMLD is needed to prevent barriers created by anti-money laundering criteria from excluding vulnerable groups. To achieve this, comprehensive training for financial institution staff, robust European-level support⁴², and financial consequences for non-compliance should be introduced.

Additionally, to foster financial literacy, prevent over-indebtedness, and improve financial skills, everyone, but especially people in vulnerable situations, should have free access to similar support structures such as "My Money Compass" from our member Diakonie Dusseldorf.

13. Recommendation: Address transport poverty in the context of the green and just transition.

The green transition holds the potential to enhance access to essential services, but if not managed inclusively, it risks exacerbating social and economic inequalities. To ensure the green transition effectively reduces transport poverty and contributes to social cohesion, it is crucial to make public transport both affordable and accessible for low-income households and vulnerable groups, who use it more frequently, by implementing measures such as reduced tariffs or lowering the costs for these groups. The Social Climate Fund should therefore be strengthened and expanded to help combat transport poverty and ensure that access to transport remains possible for the lowest income groups. It should also be used to invest in public transport infrastructure, especially in rural areas. Expanding, developing, and upscaling the availability and accessibility of the transport infrastructure can make a real difference for people living in rural areas and is crucial to reducing the rural-urban divide and fostering cohesion.

⁴² FEANTSA. (2024). Financial inclusion in Europe for people experiencing homelessness: Basic bank account access. Nija Daniels. https://www.feantsa.org/public/user/Resources/reports/2024/financial_inclusion/financial_inclusion.pdf

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