Employment and Social Solidarity: Progress Programme 2007-2013

2009/0091(COD) - 02/07/2009 - Legislative proposal

PURPOSE: to reallocate EUR 100 million from the Progress Programme to the new European microfinance facility for employment and social inclusion – Progress.

PROPOSED ACT: Decision of the Europe Parliament and of the Council.

BACKGROUND: the Commission recently proposed the creation of a new European microfinance facility for employment and social inclusion - Progress, designed to give the unemployed the chance of a new start and to open the way to entrepreneurship for some of Europe's most disadvantaged groups, including the young, in the broader context of the Economic Recovery Plan.

The aim of the present proposal is to provide adequate financial assistance for this new instrument by reallocating financial resources from the 2007-2013 Progress Programme. The proposal to reallocate part of the budget will not compromise the objectives of the Progress programme.

CONTENT: in line with the Inter-institutional Agreement of 17 May 2006 on budgetary discipline and sound financial management, this proposal aims to reallocate EUR 100 million needs to be reallocated from the existing budget of the Progress Programme, set up by Decision No 1672/2006/EC of the European Parliament and of the Council establishing, to the new European microfinance facility for employment and social inclusion – Progress.

Decision No 1672/2006/EC should be amended accordingly and provides for EUR 643 250 000 from 2007-2013.

IMPACT ASSESSMENT: not applicable.

BUDGETARY IMPLICATIONS: an additional amount of EUR 114 million (current prices) was allocated to the Progress programme. The total budget for 2007-2013 was therefore increased from EUR 628 800 000 (current prices) in the Commission's initial proposal to EUR 743 250 000 (current prices). After examining all possible options, the Commission proposes to reallocate EUR 100 million from the Progress Programme to the new European microfinance facility for employment and social inclusion – Progress. This will also require further promoting cross-cutting across policy sections and linkages with other EU instruments, such as transnational cooperation under the European Social Fund or support for social dialogue. Lastly, it will increase the efficiency and consistency of EU action in support of EU objectives and priorities in the areas of employment and social solidarity.