European Social Fund (ESF): financial allocation for certain Member States in 2013

2013/0271(COD) - 25/07/2013 - Legislative proposal

PURPOSE: to amend Council Regulation (EC) No 1083/2006 as regards the financial allocation for certain Member States from the European Social Fund, in the context of the negotiation of the multiannual financial framework for the 2°14-2020 period.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: at the European Council of 27 and 28 June 2013, it was considered that a budgetary solution should be found **to address certain issues stemming from the final outcome of the negotiations of the Multiannual Financial Framework for the period 2014-**2020 for those Member States most affected, namely France, Italy and Spain.

In view of the current economic crisis, as a contribution to the special effort needed **to address the specific situations of unemployment**, in particular youth unemployment, and of poverty and social exclusion in these Member States, the European Social Fund allocations to those three Member States for the year 2013 should be increased.

IMPACT ASSESSMENT: the Commission did not undertake an impact assessment.

LEGAL BASIS: Article 177 of the Treaty on the Functioning of the European Union (TFEU).

CONTENT:

The Commission is proposing to amend Council Regulation (EC) 1083/2006 with a view to providing France, Italy and Spain with EUR 100 million, EUR 30 million and EUR 20 million respectively as additional commitments to their 2013 ESF allocations.

Nonetheless, since the amounts in the regulation are expressed in 2004 prices, the corresponding amounts quoted in the regulation total **EUR 126 million** broken down as follows:

- EUR 84 million for France,
- EUR 17 million for Spain, and
- EUR 25 million for Italy.

The compensation will be provided from the 2007-2013 period with the amounts been made available through the flexibility instrument.

From a legal perspective, it is proposed to:

- modify the Regulation’s articles dealing with: (i) global resources; (ii) on the resources available for the Convergence objective; (iii) the resources available for the Regional competitiveness and employment objective and (iv) budget commitments;

- modify Annex I on the annual breakdown of commitment appropriations and Annex II on the criteria and methodology for the allocation of the resources.

BUDGETARY IMPLICATION: in total, **EUR 150 million** will be added to the 2013 commitments for France, Italy and Spain to be allocated to the ESF.