European Social Fund (ESF) 2014-2020

2011/0268(COD) - 17/12/2013 - Final act

PURPOSE: to define the missions of the European Social Fund (ESF) for the period 2014-2020.

LEGISLATIVE ACT: Regulation (EU) No 1304/2013 of the European Parliament and of the Council on the European Social Fund and repealing Council Regulation (EC) No 1081/2006.

CONTENT: the Regulation is part of **a package of measures** relating to the cohesion policy comprising the following Regulations:

- Regulation (EU) No 1303/2013.of the European Parliament and of the Council sets out the provisions common to five European structural funds, the ERDF, the European Social Fund (ESF), the Cohesion Fund (CF), the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF).

- The Regulations specific to the five funds for the ERDF, the **ESF**, the Cohesion Fund, the European Territorial Cooperation and the European grouping of territorial cooperation (EGTC).

This Regulation establishes the **missions of the European Social Fund (ESF)**, including the Youth Employment Initiative (YEI), the scope of its support, specific provisions and the types of expenditure eligible for assistance.

Missions of the ESF: the Funds:

- promote high levels of employment and job quality, improve access to the labour market,

- support the geographical and occupational mobility of workers and facilitate their adaptation to industrial change and to changes in production systems needed for sustainable developments,

- encourage a high level of education and training for all and support the transition between education and employment for young people,

- combat poverty, enhance social inclusion, and promote gender equality, non-discrimination and equal opportunities.

Scope of support: the ESF supports the following **investment priorities**:

- **Promoting sustainable and quality employment and supporting labour mobility**: for example, the access to employment for the long-term unemployed, and for young people, in particular those not in employment, education or training, including those from marginalised communities; self-employment and the creation of micro, small and medium sized enterprises; equality between men and women; active and healthy ageing; modernisation of public and private employment services.

- **Promoting social inclusion, combating poverty and any discrimination**: for example, active inclusion, integration of marginalised communities such as the Roma, combating all forms of discrimination, enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest, promoting social entrepreneurship.

- **Investing in education, training and vocational training for skills and life-long learning**: for example, reducing and preventing early school-leaving, improving the quality and efficiency of, and access to, tertiary education, facilitating the transition from education to work.

- **Enhancing institutional capacity of public authorities**: for example, investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance.

Thematic concentration: in each Member State, **at least 20%** of the total ESF resources shall be allocated to the thematic objective "promoting social inclusion, combating poverty and any discrimination".

In the developed regions, at least **80%** of the ESF allocation to each operational programme should be concentrated on up to five of the investment priorities. In transition regions, it will be **70%**, and, in less developed regions, 60%.

Youth Employment Initiative (YEI): the YEI shall support the fight against youth unemployment in eligible regions of the Union. It targets **all young persons under the age of 25 not in employment, education or training**, residing in eligible regions, who are inactive or unemployed (including the long-term unemployed), and whether or not registered as seeking work.

By "**eligible regions**", it is understood that "eligible regions" are those NUTS level 2 regions that have youth unemployment rates for young persons aged 15 to 24 of more than 25% in 2012 and, for Member States where the youth unemployment rate has increased by more than 30% in 2012, NUTS level 2 regions that have youth unemployment rates of more than 20% in 2012.

The resources for the YEI may be **revised upwards for the years 2016 to 2020** in the framework of the budgetary procedure.

Results-oriented approach: in order to ensure closer monitoring and improved assessment of the results achieved at the Union level by actions supported by the ESF, a common set of output and result indicators is established in this Regulation.

Participation of partners: effective implementation of actions supported by the ESF must take account of the actors at regional and local levels, in particular the umbrella associations representing local and regional authorities, organised civil society, economic and, in particular, social partners and non-governmental organisations.

Social innovation will be encouraged, especially at the local and regional level, to respond to social needs, in partnership with appropriate actors, in particular, with social partners.

Financial support: with a view to simplifying the use of the ESF and with regard to the specificities of the operations supported by the ESF, specific provisions are provided as regards eligibility of expenditure. The use of **standard scales of unit costs**, lump sums and flat-rate financing should lead to simplification for the beneficiary and should lower the administrative burden for all ESF project partners.

ENTRY INTO FORCE: 21.12.2013.

DELEGATED ACTS: the Commission may adopt delegated acts for establishing the definition of standard scales of unit costs and lump sums and their maximum amounts according to different types of operations. The power to adopt delegated acts shall be conferred on the Commission **from 21 December 2013 to 31 December 2020**. The European Parliament or the Council may object to a delegated act within a period of two months from the date of notification (this period can be extended for two months). If the European Parliament or the Council make objections, the delegated act will not enter into force.