

Youth Employment Initiative: additional initial prefinancing amount paid to operational programmes

2015/0026(COD) - 04/02/2015 - Legislative proposal

PURPOSE: to increase the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative (YEI).

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: in light of the persistent high levels of youth unemployment in the Union, a **Youth Employment Initiative** (YEI) was established to provide support to 7 million young Europeans not in employment, education or training in the most affected regions. The YEI is integrated in the programming of the **European Social Fund** (ESF).

To ensure a quick response to fighting youth unemployment, Regulation (EU) No 1303/2013 of the European Parliament and the Council laying down general provisions on the five European Structural and Investment Funds (ESI Funds) and Regulation (EU) No 1304/2013 on the European Social Funds lay down provisions to allow for a quicker mobilisation of the resources allocated to the YEI, including, inter alia, the commitment of all the resources in the first two years of the programming period.

Operations under the YEI therefore have to be implemented, in principle, **by the end of 2018** and not 2023 as it is the case for other operations supported by the European Structural and Investment Funds (ESI Funds), including the European Social Fund.

The budgetary constraints faced by Member states and the **lack of available funding at the initial stage of the programming period have caused significant delays** in the implementation of the YEI.

In its Work Programme for 2015, the Commission committed to take initiatives to promote integration and employability in the labour market, including measures to support Member States in getting young people into work.

Taking into account the **urgent need to address youth unemployment**, the Commission states that it is necessary to increase the level of the initial pre-financing paid to operational programmes supported by the YEI in 2015.

CONTENT: it is proposed to introduce an additional provision in Regulation (EU) No 1304/2013 on the **additional initial pre-financing** for operational programmes supported by the YEI.

In concrete terms, the proposal aims to increase the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative (YEI) from 1-1.5% as outlined in Regulation (EU) No 1303/2013 **to a maximum of 30% of the envelope which is allocated to it for 2015**.

To ensure that the additional initial pre-financing amount is used for the immediate implementation of the YEI, the proposal foresees that **this amount is reimbursed to the Commission**, if the Union contribution

from the YEI does not amount to an adequate level in interim payment applications submitted to the Commission 12 months after the entry into force of this Regulation.

BUDGETARY IMPLICATION: the proposed modification **does not imply any changes in the Multiannual Financial Framework annual ceilings for commitments and payments** as per Annex I of [Regulation \(EU\) No 1311/2013](#).

The annual breakdown of commitment appropriations for the YEI remains unchanged.

The increased need for payment appropriations for the YEI additional initial pre-financing in 2015 will be fully covered by appropriations of the 2015 budget for the YEI specific allocation. Consequently, the proposed modification should not trigger a potential backlog of 2014-2020 unpaid claims.