European Social Fund (ESF) 2014-2020

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This Commission report is the first in a series of annual reports to the EU institutions on the implementation of the European Structural and Investment Funds (ESI Funds). It provides an overview of the 2016 annual implementation reports on the 533 programmes submitted by Member States and regions for the 2014-2015 period and summarises the available evaluations of these programmes.

The late adoption of the multiannual financial framework for the period 2014-2020 has had an impact on the adoption of legislation governing the ESI Funds. By the end of 2014, 220 programmes had been adopted. However, the majority (313) of programmes were finalised in 2015 181 of which were completed only in the second half of the year.

Progress in implementation: on the basis of the 2016 annual implementation reports covering 2014 and 2015, it appears that the total volume of projects selected for support from the Funds amounted to **EUR 58.8 billion**, or 9.2% of the total volume of investment planned for the 2014-2020 period. The EU's contribution to the selected projects is estimated at EUR 41.8 billion. The progress made is as follows :

- according to the most recent financial data submitted up to the autumn of 2016, **implementation has accelerated significantly** in terms of the volume of project selection. The total financial volume of selected projects more than doubled in nine months, **from EUR 58.8 billion at the end of 2015 to EUR 128.8 billion** (20.2% of planned investments);
- by the end of 2015, the Member States and regions had selected **989 000 projects** ranging from investments in heavy infrastructure to individual support to farms. The selected projects will support 89 000 micro-businesses and SMEs under the European Social Fund (ESF);
- the implementation of programme **structures and procedures** to ensure the robustness and quality of investments throughout the programme life cycle has been important for the successful launch of the programmes ;
- lastly, more than two-thirds of the country-specific recommendations adopted in 2014 in the context of the **European Semester** concerned investments under the ESI Funds (in particular the ERDF and the ESF) and were therefore integrated into the priorities of the Member States' programmes.

Implementation by theme: the report provides an overview of the financial volume and the selection rate of projects for the ESI Funds by thematic objective at the end of 2015. The main findings are as follows:

- projects representing more than EUR 11.5 billion (more than 12% of the planned amount) were selected in the field of **employment, social inclusion and education**: ESF and the Youth Employment Initiative (YEI) actions involved 2.7 million participants, including 1.6 million unemployed and 700 000 inactive. 235 000 were in employment following an ESF or YEI operation, 181 000 had gained a qualification. **Social inclusion** is the area where the most noticeable progress is being made in respect of the ESF: out of the 631 000 ESF participants (e.g. jobless households, migrants), 55 000 participants have already found a job ;
- an amount of approximately EUR 6 billion has been programmed to support **institutional capacity building** and efficiency of public administration, mainly under the ESF, with an ERDF contribution also planned. By the end of 2015, more than 11% of the total budget had been allocated to projects.

The Commission now considers it vital that the **implementation of the new programmes is accelerated** throughout the European Union.

Recent data show a more uniform state of advancement in most Member States and themes. The evolution of these trends will be further evaluated in the 2017 reporting cycle, which will provide a more comprehensive picture of implementation and allow for better reporting on a qualitative level.