COMMON POSITION (EC) No 21/1999
adopted by the Council on 14 April 1999

with a view to adopting Council Regulation (EC) No .../1999 of ... on the European
Social Fund

(1999/C 134/02)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 125 thereof,

Having regard to the proposal from the Commission (1),

Having regard to the opinion of the Economic and Social Committee (2),

Acting in accordance with Article 189c of the Treaty (3),


(2) Whereas Regulation (EC) No .../1999 defines the general arrangements governing the Structural Funds as a whole and it is necessary to define which activities are eligible for financing by the European Social Fund (hereinafter ‘the Fund’) within the framework of Objectives 1, 2 and 3, referred to in Article 1, first subparagraph, points 1, 2 and 3 of the said Regulation (hereinafter referred to as ‘Objectives 1, 2 and 3’), in the framework of the Community initiative for combating all forms of discrimination and inequalities in connection with the labour market, and within the framework of innovative measures and technical assistance;

(3) Whereas it is necessary to define the mission of the Fund in relation to the tasks prescribed in the Treaty and in the context of the priorities agreed by the Community in the fields of human resource development and employment;

(4) Whereas the Conclusions of the Amsterdam European Council in June 1997 and its resolution on growth and employment (8) initiated the implementation of the European employment strategy, the annual guidelines on employment and the process of establishing national action plans for employment;

(5) Whereas it is necessary to redefine the scope of the Fund, in particular following the restructuring and simplification of the Objectives of the Structural Funds, to support the European employment strategy and the national action plans for employment linked to it;

(6) Whereas it is necessary to define a common framework for Fund interventions in all three Structural Fund Objectives in order thereby to ensure consistency and complementarity of actions undertaken pursuant to those Objectives with a view to improving the workings of the labour market and to developing human resources;

(7) Whereas the Member States and the Commission ensure that programming and implementation of the actions financed by the Fund in the context of all the Objectives contribute to the promotion

(4) OJ L ....
(8) OJ C 236, 2.8.1997, p. 3.
of equality of opportunity between men and women and the promotion of the integration and retention of disadvantaged groups and individuals in the labour market;

(8) Whereas the Member States and the Commission also ensure that the social dimension and the employment aspect of the information society are duly taken into account in implementing actions financed by the Fund;

(9) Whereas it is necessary to ensure that operations relating to industrial adaptation take account of the general needs of workers of either sex, resulting from economic change and changes in production systems identified or predicted and are not designed to benefit a single firm or a particular industry; whereas particular attention should be devoted to small and medium-sized enterprises and to enhancing access to training and to improving work organisation;

(10) Whereas it is necessary to ensure that the Fund continues to strengthen employment and job qualifications by supporting anticipatory action, as far as possible, counselling, networking and training operations throughout the Community and that in consequence the eligible activities are therefore horizontal and cover the economy as a whole, without an a priori restriction to specific industries or sectors;

(11) Whereas it is necessary to redefine the eligible actions in order to increase the effectiveness of the implementation of policy aims in the context of all the Objectives under which the Fund takes action; whereas it is necessary to define the expenditure eligible for Fund assistance within the framework of the partnership;

(12) Whereas it is necessary to supplement and specify the content of plans and forms of assistance, especially following the redefinition of Objective 3;

(13) Whereas the provision of assistance from the Fund at all levels should be based on the Community’s social and employment policy priorities and on the priorities laid down in the national action plans;

(14) Whereas arrangements may be introduced whereby local groups, including non-governmental organisations, may gain simple and rapid access to Fund support for operations concerned with combating social exclusion and thereby build up their capacity for action in that field;

(15) Whereas measures of major importance to the Community undertaken at the initiative of the Commission have an important role to play in achieving the general objectives of the Community structural action referred to in Article 1 of Regulation (EC) No …/1999; whereas such initiatives should primarily promote policy innovation and transnational cooperation;

(16) Whereas the Fund also contributes to support for technical assistance and innovative measures, and also for preparatory, monitoring and evaluation measures and control in accordance with Articles 22 and 23 of Regulation (EC) No …/1999;

(17) Whereas it is appropriate to lay down the powers for adoption of the implementing provisions and to set out transitional provisions;

(18) Whereas Regulation (EEC) No 4255/88 should be repealed,

HAS ADOPTED THIS REGULATION:

Article 1

Tasks

Within the framework of the task entrusted to the European Social Fund (the Fund) by Article 123 of the Treaty and of the tasks entrusted to the Structural Funds pursuant to Article 130b of the Treaty and in accordance with the provisions of Regulation (EC) No …/1999, the Fund shall support measures to prevent and combat unemployment and to develop human resources in order to promote a high level of employment, equality between men and women, sustainable development, and economic and social cohesion. In particular, the Fund shall contribute to the actions undertaken in pursuance of the European Employment Strategy and the Annual Guidelines on Employment.
Article 2

Scope

1. The Fund shall support and complement the activities of Member States directed towards developing the labour market and human resources in the following policy fields, in particular in the context of their multiannual national action plans for employment:

(a) developing and promoting active labour-market policies to combat and prevent unemployment, to prevent both women and men moving into long-term unemployment, to facilitate the reintegration of the long-term unemployed into the labour market, and to support the occupational integration of young people and of persons returning to the labour market after a period of absence;

(b) promoting equal opportunities for all in accessing the labour market, with particular emphasis on those exposed to social exclusion;

(c) promoting and improving:
   — training,
   — education,
   — counselling

as part of lifelong learning policy to:
   — facilitate and improve access to, and integration into, the labour market,
   — improve and maintain employability, and
   — promote job mobility;

(d) promoting a skilled, trained and adaptable workforce, innovation and adaptability in work organisation, developing entrepreneurship and conditions facilitating job creation, and enhancing skills and boosting human potential in research, science and technology;

(e) specific measures to improve women’s access to and participation in the labour market, including their career development, their access to new job opportunities and to starting up of businesses, and to reduce vertical and horizontal segregation on the basis of sex in the labour market.

2. Within the policy fields set out in paragraph 1 the Fund shall take account of:

(a) support for local initiatives concerning employment, in particular initiatives to support local employment and territorial employment pacts;

(b) the social and labour-market dimensions of the information society, notably by developing policy and programmes designed to harness the employment potential of the information society and by ensuring equal access to its facilities and benefits;

(c) equal opportunities for women and men as part of the mainstreaming approach.

Article 3

Eligible activities

1. The financial support of the Fund shall mainly take the form of assistance to persons and be devoted to the following activities to develop human resources which may be part of a pathway approach to labour-market integration:

(a) education and vocational training, including vocational training equivalent to compulsory schooling, apprenticeships, pretraining, in particular the provision and upgrading of basic skills, rehabilitation in employment, measures to promote employability on the labour market, guidance, counselling and continuing training;

(b) employment aids and aids for self-employment;

(c) in the fields of research, science and technology development, postgraduate training and the training of managers and technicians at research establishments and in enterprises;

(d) development of new sources of employment, in particular in the social economy.

2. In order to increase the effectiveness of the activities referred to in paragraph 1 assistance may also be given to:

(a) structures and systems:
   (i) development and improvement of training, education and skills acquisition, including the
training of teachers, trainers and staff, and improving the access of workers to training and qualifications;

(ii) modernisation and improved efficiency of employment services;

(iii) development of links between the worlds of work and education, training and research establishments;

(iv) development, as far as possible, of systems for anticipating changes in employment and in qualification needs, particularly in relation to new patterns of work and new forms of work organisation, taking into account the need for reconciliation of family and working life and for enabling older workers to have a fulfilling occupation until retirement. This shall not, however, include the financing of early-retirement schemes;

(b) accompanying measures:

(i) assistance in the provision of services to beneficiaries, including the provision of care services and facilities for dependents;

(ii) promoting socioeducational development to facilitate the pathway approach to labour-market integration;

(iii) awareness-raising, information and publicity.

3. The Fund may finance activities pursuant to the second subparagraph of Article 2(4) of Regulation (EC) No .../1999.

Article 4

Concentration of assistance

1. With due regard to national priorities as laid down in particular in the national action plans of employment as well as to the ex-ante evaluation, a strategy shall be set out taking account of all relevant policy fields. In order to maximise the efficiency of Fund support, its interventions within this strategy and taking into account the priority fields referred to in Article 2(1) shall be concentrated on a limited number of areas or themes and be directed towards the most important needs and the most effective operations.

In allocating appropriations to each intervention by the Fund a joint selection shall be made of the policy fields to be given priority. The measures provided for in Article 2(1) shall, in accordance with national priorities, be taken into account.

2. The programming of Fund interventions shall provide that a reasonable amount of the Fund appropriations made available for the intervention in question may be available, in conformity with Article 27 of Regulation (EC) No .../1999, in the form of small grants, with special arrangements for access by non-governmental organisations and local partnerships.

Article 5

Community initiative

1. Pursuant to Article 20 of Regulation (EC) No .../1999, the Fund shall, in accordance with Article 21(2) of that Regulation, contribute to the implementation of the Community initiative for combating discrimination and inequalities in connection with the labour market (EQUAL).

2. In accordance with Article 21(2) of Regulation (EC) No .../1999, the decisions on the contribution of the Fund to the Community initiative may extend the scope of assistance referred to in Article 3 of this Regulation to cover measures which can be funded by Regulations (EC) No .../1999 (1), (EC) No .../1999 (2) and (EC) No .../1999 (3) so as to permit the implementation of all the measures provided for in the initiative.

Article 6

Innovative measures and technical assistance

1. In accordance with Article 22(2) of Regulation (EC) No .../1999, the Commission may finance preparatory, monitoring and evaluation operations in Member States or at Community level which are necessary for the implementation of the operations referred to in this Regulation. They may include:


(2) Council Regulation (EC) No .../1999 of ... on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) (OJ L ...).

(3) Council Regulation (EC) No .../1999 of ... on structural measures in the fisheries sector (OJ L ...).
(a) operations of an innovatory nature and pilot projects concerning labour markets, employment, and vocational training;

(b) studies, technical assistance and the exchange of experience having a multiplier effect;

(c) technical assistance connected with the preparation, implementation, monitoring, and evaluation, as well as control of operations financed by the Fund;

(d) operations directed, within the framework of social dialogue, at staff from enterprises in two or more Member States and concerning the transfer of special knowledge relating to areas of intervention by the Fund;

(e) informing the various partners involved, the final beneficiaries of assistance from the Fund and the general public.

2. In accordance with Article 22(2) of Regulation (EC) No .../1999, the scope of the operations referred to in paragraph 1(a) of this Article shall be extended, by a decision for Fund participation, to measures that may be financed under Regulations (EC) No .../1999, (EC) No .../1999 and (EC) No .../1999, so as to cover all the measures necessary for the implementation of the innovative actions in question.

**Article 7**

Applications for assistance

Applications for a contribution from the Fund shall be accompanied by a computerised form, drawn up jointly, listing the operations regarding each form of assistance so that it can be followed through from budgetary commitment to final payment.

**Article 8**

Implementing provisions

All detailed implementing rules for this Regulation shall be adopted by the Commission according to the procedure laid down in Article 49 of Regulation (EC) No .../1999.

**Article 9**

Transitional provisions

The transitional provisions set out in Article 52 of Regulation (EC) No .../1999 shall apply mutatis mutandis to this Regulation.

**Article 10**

On a proposal from the Commission, the Council shall review this Regulation by 31 December 2006.

It shall act on this proposal accordance with the procedure laid down in Article 130d of the Treaty.

**Article 11**

Repeal

Regulation (EEC) No 4255/88 shall be repealed as from 1 January 2000.

References to the repealed Regulation shall be construed as references to this Regulation.

**Article 12**

Entry into force

This Regulation shall enter into force on the third day following its publication in the Official Journal of the European Communities.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ... .

For the Council
The President
STATEMENT OF THE COUNCIL’S REASONS

I. INTRODUCTION

1. On 20 March 1998 the Commission submitted to the Council a proposal, based on Article 125 of the EC Treaty, for a Regulation on the European Social Fund.

2. The European Parliament and the Economic and Social Committee, having been consulted in accordance with Article 189c of the Treaty, delivered their Opinions on 19 November 1998 and 10 September 1998 respectively.


4. On 13 April 1999, the Council adopted its Common Position in accordance with Article 189c of the Treaty.

II. OBJECTIVE

This draft Regulation is intended to define the activities eligible for financing by the European Social Fund.

III. ANALYSIS OF THE COMMON POSITION

1. General remarks

Further to the conclusions of the Amsterdam European Council and its resolution on growth and employment, and the extraordinary meeting of the European Council in Luxembourg, an employment strategy was developed at European Community level. It is based on annual guidelines and national action plans.

In its Common Position, the Council redefined the scope of the Social Fund in this context, following the restructuring and simplification of the objectives of the Structural Fund to support the European employment strategy and the national plans related to it.

The activities of the Fund centre on five policy fields:

— developing and promoting active labour-market policies to combat unemployment,

— promoting equal opportunities for all in gaining access to the labour market,

— promoting and improving education and vocational training,

— promoting a skilled, trained and adaptable labour force,

— improving women’s access to and position in the labour market.
2. Amendments by the European Parliament

2.1. Amendments of the European Parliament accepted by the Commission

In its amended proposal, the Commission accepted the following amendments proposed by the European Parliament: 4, 6, 7, 8, 11, 16, 18, 19, 23, 26, 27 and 31. It also accepted parts of amendments 3, 12, 65, 15, 34 and 38.

2.2. Amendments of the European Parliament not accepted by the Commission

The Commission did not, in its amended proposal, accept amendments 5, 9, 10, 13, 16, 20, 22, 25, 26, 28, 29, 30, 32, 33, 35, 36, 37, 39, 40, 41, 42, 43, 44, 46, 47 and 48 and did not accept parts of amendments 3, 12, 65, 15, 34 and 38.

2.3. Amendments of the European Parliament accepted by the Council

The Council accepted amendments 7, 8, 11, 12, 18, 19, 23, 27 and 31 and partially accepted amendments 3, 6, 12, 65, 15, 66, 67 and 68.

2.4. Amendments of the European Parliament not accepted by the Council

The Council did not accept amendments 4, 5, 9, 10, 13, 16, 20, 22, 25, 26, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 39, 40, 41, 42, 43, 44, 46, 47 and 48, but partially accepted amendments 3, 12, 65, 15, 66, 67 and 68.

3. Analysis of the text

3.1. Preamble

The Council followed the Commission’s amended proposal almost entirely.

The Council incorporated amendments 6 (partially) and 7 by combining them in the seventh recital.

The Council incorporated amendment 11, at least in spirit, into the 13th recital of its Common Position. The Council added that the priorities laid down in the national action plans had to be taken into account in the provision of assistance from the Fund.

3.2. Article 1 (Tasks of the Fund)

The Council accepted that part of amendment 65 which stated that the Fund shall support measures to prevent and combat unemployment.

The remainder of amendment 65 was not included by the Commission in its amended proposal.

3.3. Article 2 (Scope)

This Article corresponds to the Commission’s amended proposal, with the exception of a small number of amendments made by the Council to take into account the diversity of the policies, practices and needs of the Member States in the areas of employment and development of human resources.
3.4. Article 3 (Eligible activities)

In general, the Council followed the Commission’s amended proposal apart from a number of clarifications, principally of a drafting nature.

In redrafted form, the Council incorporated amendments 67, 23, 68 (in part), 27 and 31.

The Council did not accept amendment 67, as the concept of ‘employability’ was difficult to define, and preferred the phrase ‘measures to promote employability on the labour market’.

For similar reasons of clarity and precision, the Council preferred the term ‘social economy’ instead of the reference to the third sector in the European Parliament’s amendment 23.

Furthermore, the Council did not accept amendments 22, 68 (in part), 26, 28, 29, 30, 31, 32 and 33.

3.5. Article 4 (Concentration of assistance)

The Council did not follow the Commission’s amended proposal in its entirety. While it felt that assistance from the Fund should take account of the priority areas referred to in Article 2(1), the Council introduced a degree of flexibility, considering that it was too binding that the Member States should be obliged to cover all five policy areas.

With the same concern for flexibility, with regard to the allocation of appropriations, the Council did not deem it desirable to adopt the Commission’s proposal to place particular emphasis on the areas referred to in Article 2(1)(d) and (e). That would restrict the possibility of meeting the requirements identified in the ex ante evaluations and in national employment action plans.

In addition, the Council did not adopt the 1% minimum of the Fund’s appropriations for distribution by intermediary organisations in the form of small grants as proposed by the Commission: this was seen as excessively binding. It was replaced by the words ‘a reasonable amount’.

The Council was thus unable to accept amendments 34, 35, 36, 37 and 38 (in part).

However, the Council accepted that part of the European Parliament’s amendment 38 concerning ‘local partnerships’.

3.6. Article 5 (Community initiative)

The Council followed the Commission’s amended proposal.

Amendments 39 and 40 were not accepted by the Council.
3.7. *Article 6* (Innovative measures and technical assistance)

The Council followed the Commission’s amended proposal.

The Council did not accept amendments 41, 42, 43, 44 and 46.

3.8. *Articles 7, 8, 9, 10, 11 and 12*

The Council followed the Commission’s amended proposal.

Amendments 47 and 48 were not incorporated by the Council in its Common Position.