

II

(Preparatory Acts)

COMMISSION

Amended proposal for a Council Regulation (EC) on the European Social Fund ⁽¹⁾

(1999/C 74/07)

*COM(1999) 44 final — 98/0115(SYN)**(Submitted by the Commission pursuant to Article 189a(2) of the EC Treaty on 1 February 1999)*

⁽¹⁾ OJ C 176, 9.6.1998.

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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,

Having regard to the opinion of the Economic and Social Committee,

Acting in accordance with Article 189c of the Treaty in cooperation with the European Parliament,

- (1) Whereas Council Regulation (EC) No ... (general Regulation) replaced Regulation (EEC) No 2052/88 ⁽¹⁾, as last amended by Regulation (EC) No 3193/94 ⁽²⁾ and Council Regulation (EEC) No 4253/88 ⁽³⁾, as last amended by Regulation (EC) No 3193/94; whereas it is necessary also to replace Council Regulation (EEC) No 4255/88 of 19 December 1988 laying down provisions for implementing the European Social Fund ⁽⁴⁾ (hereinafter referred to as 'the Fund'), as last amended by Regulation (EC) No 2084/93 ⁽⁵⁾;

⁽¹⁾ OJ L 185, 15.7.1988, p. 9.

⁽²⁾ OJ L 337, 24.12.1994, p. 11.

⁽³⁾ OJ L 374, 31.12.1988, p. 1.

⁽⁴⁾ OJ L 374, 31.12.1988, p. 21.

⁽⁵⁾ OJ L 193, 31.7.1993, p. 39.

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- (2) Whereas Regulation (EC) No ... (general Regulation) defines the general arrangements governing the Structural Funds as a whole and that it is necessary to define the nature of the activities which the European Social Fund (hereinafter 'the Fund') may finance within Objectives 1, 2 and 3, in the Community initiative combating discrimination and inequalities in access to the labour market, and under 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 European Council in Amsterdam in June 1997 and its resolution on growth and employment ⁽¹⁾ 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 and following the implementation of the European employment strategy and the national action plans for employment related to it;
- (6) Whereas it is necessary to define a common framework for Fund interventions in all three Structural Fund objectives so as to ensure consistency and complementarity of actions across those objectives to improve the workings of the labour market and to develop human resources;
- (7) Whereas the Member States and the Commission should ensure that programming and implementation of the actions financed by the Fund in the context of all the objectives contribute to the promotion of equality between women and men;

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- (2) Whereas Regulation (EC) No ... defines the general arrangements governing the Structural Funds as a whole and that it is necessary to define the nature of the activities which the European Social Fund (hereinafter 'the Fund') may finance within Objectives 1, 2 and 3, in the Community initiative combating discrimination and inequalities of any kind in access to the labour market, and under innovative measures and technical assistance;
- (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 taking account of the European employment strategy and the national action plans for employment related to it;
- (7) Whereas the Member States and the Commission should ensure that programming and implementation of the actions financed by the Fund in the context of all the objectives contribute to the promotion of equality of opportunity between women and men, including the removal of unequal treatment;

⁽¹⁾ OJ C 236, 2.8.1997, p. 3.

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- (8) Whereas the Member States and the Commission should ensure that the social and labour market dimension of the information society is duly taken into account in implementing actions financed by the Fund;
- (9) Whereas it is necessary to ensure that operations relating to industrial adaptation should meet the general needs of workers of either sex resulting from industrial 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 anticipation, counselling, networking and training operations throughout the Community and that the activities funded must therefore be horizontal, covering the economy as a whole, without *a priori* reference to specific industries or sectors;
- (11) Whereas it is necessary to redefine eligible actions in order to increase the effectiveness of the implementation of policy aims in the context of all objectives under which the Fund takes action; whereas it is necessary to define 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 it is necessary to ensure that the support of the Fund is concentrated under each objective on the most important needs and the most effective operations;
- (7a) Whereas the Member States and the Commission should further ensure that the planning and implementation of measures financed by the Fund under all objectives help to promote the integration of disadvantaged groups and individuals into the labour market;
- (8) Whereas the Member States and the Commission should ensure that the social dimension of the information society and the employment aspect are duly taken into account in implementing actions financed by the Fund;

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- (14) Whereas it is necessary to introduce arrangements whereby local groups 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 Community structural action referred to in Article 1 of Regulation (EC) No ...; whereas such initiatives should primarily promote policy innovation and transnational cooperation;
- (16) Whereas the Fund also contributes to support for technical assistance, innovative measures, and preparatory, monitoring, evaluation measures and control in accordance with Articles 21 and 22 of Regulation (EC) No ... (general Regulation);
- (17) Whereas it is appropriate to lay down the powers for the adoption of the implementing provisions and to set out transitional provisions;
- (18) Whereas it is necessary to repeal Regulation (EEC) 4255/88,
- (13a) Whereas it is necessary to include provisions that ensure that in the decentralised implementation of aid from the Fund sufficient account is taken of the Community's social and employment policy priorities; this applies in particular to preventive labour market policy and equal treatment of men and women at work;
- (14) Whereas it is necessary to introduce arrangements 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;

HAS ADOPTED THIS REGULATION:

Article 1

Mission

Within the framework of the task entrusted to the European Social Fund (hereinafter referred to as '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 laid down in Regulation (EC)

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No ... (general Regulation), the Fund shall support human resource development measures to promote a high level of employment and social protection, 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 of intervention**

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

- (a) developing active labour policies to combat unemployment, to prevent both women and men from 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 returners to the labour market;
- (b) promoting social inclusion and equal opportunities for all in accessing the labour market;
- (c) developing education and training systems as part of lifelong learning policy to enhance and sustain employability, mobility, and integration into the labour market;
- (d) improving systems to promote a skilled, trained and adaptable workforce, foster innovation and adaptability in work organisation, support entrepreneurship and employment creation, and boost human potential in research, science and technology;
- (e) improving the participation of women in the labour market including their career development, their access to new job opportunities and to entrepreneurship, and reducing vertical and horizontal segregation in the labour market.

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No ... (general Regulation), the Fund shall support measures to prevent and combat unemployment and human resource development measures to promote a high level of social protection, 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.

- (a) developing and supporting active labour market policies to combat and prevent unemployment, to prevent 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 returners to the labour market;
- (c) expanding and improving training and education systems to facilitate access to and integration into the labour market as part of lifelong learning policy, enhancing and sustaining employability, encouraging occupational mobility, and improving integration into the labour market;
- (d) improving systems and implementing measures to promote a skilled, trained and adaptable workforce, fostering innovation and adaptability in work organisation, supporting entrepreneurship and employment creation, enhancing skills and boosting human potential in research, science and technology;
- (e) specific measures to improve the participation of women in the labour market including their career development, their access to new job opportunities and to entrepreneurship, and reducing gender-specific vertical and horizontal segregation in the labour market.

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2. The Fund shall contribute to promoting local development, including local employment initiatives and territorial employment pacts.

3. The social and labour market dimensions of the Information Society shall be taken into account, notably by developing policy and programmes designed to harness the employment potential of the information society and to ensure equal access to its facilities and benefits.

*Article 3***Eligible activities**

1. The financial support of the Fund shall in particular be devoted to the following activities:

(a) assistance to persons:

(i) education and vocational training (including vocational training equivalent to compulsory schooling), pre-training, including provision and upgrading of basic skills (including literacy), guidance and counselling;

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

(iii) in the field of research, science and technology development, post-graduate training and the training of managers and technicians at research establishments and in enterprises;

(iv) development of new sources of employment;

(b) assistance to structures and systems:

(i) development and improvement of the quality and content of training, education and qualification systems, including the training of teachers, trainers and staff, and improving the access of workers to training and qualifications;

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(i) education, apprenticeships and vocational training (including vocational training equivalent to compulsory schooling), pre-training, including provision and upgrading of basic skills (including literacy), measures to promote employability on the labour market, guidance, counselling and continuing training;

(iv) development of new sources of employment, in particular in the sector of social entrepreneurship;

(i) development and improvement of training and education systems and of the quality and content of skills provision in relation to the labour market, including the training of teachers, trainers and staff, and improving the access of workers to training and qualifications;

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- (ii) modernisation and improved efficiency of employment services;
- (iii) development of links between the world of work and education, training, and research establishments;
- (iv) development of systems for forward planning and anticipation of changes in employment and skills development, particularly in relation to patterns of work and new forms of work organisation;

- (iv) development of systems for forward planning and anticipation of changes in employment and skills development, particularly in relation to patterns of work and new forms of work organisation, taking into account the need for the reconciliation of family and working life and the flexible transition from working life to retirement;

(c) accompanying measures:

- (i) assistance in the provision of services to beneficiaries, including the provision of care services and facilities for dependants, healthcare and legal assistance;
- (ii) capacity-building, in particular to facilitate the pathway approach to labour market integration;
- (iii) awareness-raising, information and publicity.

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

2. The activities under paragraph 1 above may be combined or complemented as part of a pathway approach to labour market integration.

3. The Fund may finance activities in pursuit of Articles 21 and 22 of Regulation (EC) No ... (general Regulation).

3. The Fund may finance activities in pursuit of the second subparagraph of Article 2(4) of Regulation (EC) No ... (general Regulation).

*Article 4***Concentration of assistance**

1. In order to maximise the efficiency of Fund support, its interventions within each of the priority fields referred to in paragraph 1 of Article 2 will be concentrated to cover a limited number of areas or themes and be directed towards the most important needs and the most effective operations, having due regard to the relevant *ex ante* evaluations. To support these needs and operations, variable co-financing rates should be used within the limits defined in Article 28 of Regulation (EC) No ... (general Regulation).

1. In order to maximise the efficiency of Fund support, its interventions within each of the priority fields referred to in paragraph 1 of Article 2 will be concentrated on the most important themes and needs and the most effective operations, having due regard to the relevant *ex ante* evaluations. To support these needs and operations, variable co-financing rates should be used within the limits defined in Article 28 of Regulation (EC) No ... (general Regulation).

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2. The programming of Fund interventions shall, subject to the results of the *ex ante* evaluations, ensure that measures relating to each of the five policy fields referred to in paragraph 1(a) to (e) of Article 2 above will be undertaken. Fund appropriations available for the intervention in question shall give a particular emphasis to the policy fields set out in paragraph 1(d) and (e) of Article 2.

Where the financial scale of the programme is insufficient to support effective policy intervention within each of the five policy fields set out in paragraph 1 of Article 2, the strategy set out in the programming of the activities financed by the Fund must nevertheless take explicit account of all of those policy fields.

3. The programming of Fund interventions shall provide that at least 1% of the Fund appropriations available for the intervention in question shall be available, in conformity with Article 26 of Regulation (EC) No ... (general Regulation), for the distribution by intermediary organisations of small grants with special access arrangements for non-governmental organisations.

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3. The programming of Fund interventions shall provide that at least 1% of the Fund appropriations available for the intervention in question shall be available, in conformity with Article 26 of Regulation (EC) No ... (general Regulation), for the distribution by intermediary organisations of small grants in particular for local projects, with preference going to non-governmental organisations or local partnerships involving non-governmental organisations. Special access arrangements shall be made for non-governmental organisations.

*Article 5***Community initiative**

1. Pursuant to Article 19 of Regulation (EC) No ... (general Regulation), the Fund shall, in accordance with Article 20(1) of that Regulation, contribute to the implementation of the Community initiative for combating discrimination and inequalities in access to the labour market.

2. In conformity with Article 20(2) of Regulation (EC) No ... (general Regulation), 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 the Regulations so as to permit the implementation of all the measures foreseen in the initiative.

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*Article 6***Innovative measures and technical assistance**

1. In conformity with Article 21(2) of Regulation (EC) No ... (general Regulation), 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 the present Regulation. They may include:

- (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 which has a multiplier effect;
- (c) technical assistance for the preparation, 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 21(2) of Regulation (EC) No ... (general Regulation), the field for projects covered by point (a) of paragraph 1 of this Article is extended by the decision for the participation of the Funds to measures that can be financed under Regulations (EC) No ... in order to implement all the measures envisaged by the innovative actions concerned.

*Article 7***Applications for assistance**

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

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*Article 8***Implementing provisions**

The detailed implementing rules for this Regulation shall be adopted by the Commission according to the procedure laid down in Article 53 of Regulation (EC) No ... (general Regulation).

*Article 9***Transitional provisions**

The transitional provisions set out in Article 52 of Regulation (EC) No ... (general Regulation) shall apply *mutatis mutandis* to the present Regulation.

*Article 10***Review clause**

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

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

*Article 11***Repeal**

Regulation (EEC) 4255/88 as amended by Regulation (EEC) 2084/93 is hereby 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 that of 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.
