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**Control of spending and monitoring of EU Youth Guarantee schemes cost-effectiveness****European Parliament resolution of 24 October 2017 on control of spending and monitoring of EU Youth Guarantee schemes' cost-effectiveness (2016/2242(INI))**

(2018/C 346/15)

*The European Parliament,*

- having regard to Articles 145, 147, 165, 166 and 310(5) of the Treaty on the Functioning of the European Union (TFEU),
  - having regard to Protocol No 1 on the role of national parliaments in the European Union,
  - having regard to Protocol No 2 on the application of the principles of subsidiarity and proportionality,
  - having regard to the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee <sup>(1)</sup>,
  - having regard to Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 <sup>(2)</sup>, and Regulation (EU) 2015/779 of the European Parliament and of the Council of 20 May 2015 amending Regulation (EU) No 1304/2013, as regards an additional initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative <sup>(3)</sup>,
  - having regard to the European Court of Auditors (ECA) Special reports No 3/2015 entitled 'EU Youth Guarantee: first steps taken but implementation risks ahead', No 17/2015 entitled 'Commission's support of youth action teams: redirection of ESF funding achieved, but insufficient focus on results' and No 5/2017 entitled 'Youth unemployment — have EU policies made a difference?',
  - having regard to the Commission communication of 4 October 2016 entitled 'The Youth Guarantee and Youth Employment Initiative three years on' (COM(2016)0646 and SWD(2016)0324),
  - having regard to the Commission's White Paper on the Future of Europe,
  - having regard to Rule 52 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinions of the Committee on Budgets, the Committee on Employment and Social Affairs and the Committee on Culture and Education (A8-0296/2017),
- A. whereas youth unemployment has been and continues to be a serious problem in a number of Member States, with more than 4 million young people aged between 15 and 24 unemployed in the EU in 2016; whereas the situation in the Union is highly varied;
- B. whereas the fight against youth unemployment is a political priority which is shared by Parliament, the Commission and the Member States, and which contributes to achieving the Union's objective of growth and jobs;

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<sup>(1)</sup> OJ C 120, 26.4.2013, p. 1.

<sup>(2)</sup> OJ L 347, 20.12.2013, p. 470.

<sup>(3)</sup> OJ L 126, 21.5.2015, p. 1.

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- C. whereas a high youth unemployment rate — 18,8 % in the EU in 2016 — is detrimental to society and the individuals concerned, with lasting negative effects on employability, income stability and career development; whereas the economic crisis disproportionately affected young people and in some Member States more than one quarter of young people are unemployed;
- D. whereas a large number of active employment policies have been put in place to tackle high youth unemployment, with varying results;
- E. whereas there is another group of young people, whose number and composition vary significantly between Member States, who are neither engaged in any form of education or professional training nor in work (NEETs), and who can be classified in two categories: unemployed NEETs, who are available to start work and are actively seeking a job, and inactive NEETs, young people who are not studying, are not receiving training and are not proactively seeking employment;
- F. whereas, on average across the EU, only 41,9 % of NEETs have access to the Youth Guarantee (YG);
- G. whereas since the introduction of the European employment strategy in 1997, the Commission has supported a number of measures designed to improve young people's employment and education prospects<sup>(1)</sup> and, since the crisis, the EU's efforts have placed particular emphasis on the YG, which was established by the Council in April 2013, and the Youth Employment Initiative (YEI), which was launched in late 2013;
- H. whereas the YG and YEI have already become established as the most effective and visible action at Union level aimed at combating youth unemployment;
- I. whereas the YG and YEI have significantly contributed to reducing the youth unemployment rate in the EU by boosting education and the labour market's demand for young people, and supporting job creation measures; whereas an unacceptably high rate of 17,2 % of young people in the EU-28 are still unemployed<sup>(2)</sup>;
- J. whereas the YG requires the Member States to ensure that all young people under the age of 25 (or aged 30 and under in some Member States) receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months after becoming unemployed or leaving formal education;
- K. whereas external factors, such as the particular economic situation or the production model of each region, influence the achievement of the goals set in the YG;
- L. whereas the YEI is an initiative to support NEETs, long-term unemployed youngsters and those not registered as job-seekers living in regions where youth unemployment was higher than 25 % in 2012;
- M. whereas the overall approved budget for the YEI for the 2014-2020 programme period is EUR 6,4 billion, comprising EUR 3,2 billion from a new specific EU budget line to be matched by at least EUR 3,2 billion from national allocations under the existing European Social Fund (ESF); whereas this will be supplemented by an additional EUR 1 billion for the YEI's specific budget allocation over the 2017-2020 period, which will be matched by EUR 1 billion from the ESF in order to boost youth employment in the most affected regions; whereas EUR 500 million of this additional amount

<sup>(1)</sup> Other measures include the 'Youth on the Move' initiative launched in September 2010, the 'Youth Opportunities Initiative' launched in December 2011 and the 'Youth Action Teams' launched in January 2012.

<sup>(2)</sup> As of March 2017: <http://ec.europa.eu/eurostat/documents/2995521/8002525/3-02052017-AP-EN.pdf/94b69232-83a9-4011-8c85-1d4311215619>

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- is due to be entered in 2017 via Draft Amending Budget 3/2017; whereas the final allocation for the programme will be determined in the course of the upcoming annual budgetary procedures;
- N. whereas the annual investment required for the implementation of the YG in Europe has been estimated at EUR 50,4 billion <sup>(1)</sup>, which is significantly lower than the annual economic losses caused by the disengagement of young people from the labour market in Europe, which could reach at least EUR 153 billion <sup>(2)</sup>;
- O. whereas in 2015, in order to speed up the mobilisation of YEI actions, a decision was taken to increase the resources made available to pre-finance the initiative by EUR 1 billion, which represented a rise from the initial 1-1,5 % to 30 % for eligible Member States;
- P. whereas the entire original allocation of YEI was frontloaded in the years 2014-2015, and no fresh appropriations were included for this purpose in the budget for 2016; whereas the discontinuity in YEI financing has undermined the success of the programme;
- Q. whereas the current level of funding, both from the EU budget and from the Member States, is insufficient to cover the needs involved;
- R. whereas the YG and YEI cover different actions, with the YG intended to encourage structural reform in education and serve as a short-term measure to combat youth unemployment, while the YEI is a funding instrument; whereas the YG is financed through the ESF, national budgets and the YEI, while the YEI can finance the direct provision of jobs, apprenticeships, traineeships or continued education for the YEI target group in the eligible regions; whereas while the YG applies to all 28 Member States, only 20 Member States are eligible for YEI support; whereas, finally, YEI intervention has no predefined duration, while the YG requires an offer to be made within four months;
- S. whereas from a quantitative perspective, the take-up of the YG has been uneven and varies considerably from country to country;
- T. whereas the implementation of the YG has not so far yielded uniform results, and in some circumstances it has been difficult to pinpoint and assess the contribution it has made;
- U. whereas there are substantial differences between the regions of Europe; whereas in some cases territories with high unemployment will not qualify as a region eligible for EU funding at NUTS level;
- V. whereas the implementation of integration services listed under the YG is often only partial, too narrow in the range of eligible participants, and dependent on the existing capacity and efficiency of public employment services (PES) and on the speed of European-level procedures; whereas Member States should continue their efforts to strengthen and reform their PES;
- W. whereas the role that the YEI may have, in particular in the Member States which have been affected to a much higher degree by the economic, financial and social crises since 2007, is worth highlighting; whereas the need to reinforce this programme and to develop further complementary measures, at both EU and national levels, which will be aimed at boosting integration and cohesion, while reinforcing gender parity and ensuring access to training programmes launched to face up to new technological labour challenges, should be underlined;

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<sup>(1)</sup> Social inclusion of young people (Eurofound 2015).

<sup>(2)</sup> NEETs — Young people not in employment, education or training: Characteristics, costs and policy responses in Europe (Eurofound 2012).

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- X. whereas the YG, as an investment in young people, is an example of budgeting driven by results;
- Y. whereas the Commission's White Paper on the Future of Europe recognises that there is indeed 'a mismatch between expectations and the EU's capacity to meet them' <sup>(1)</sup>;
- Z. whereas the EU should improve its marketing and advertising of socio-political measures to the target group in order to ensure that its actions are more visible to the people of the EU;
- AA. whereas the audit carried out by the European Court of Auditors (ECA) has been premature as the period which is the subject of the investigation is too close to the launch of national guarantee schemes and limited only to certain Member States; whereas it would, for this purpose, have been more useful to perform an initial assessment of their implementation before proceeding with the audit;

### **General remarks**

1. Notes that in four years of the YG's implementation, from 2013 to 2017, the youth unemployment rate in the EU has decreased by more than 7 percentage points, from 23,8 % in April 2013 to 16,6 % in April 2017, which means that almost 2 million young people have ceased to be unemployed; notes that, since the YG was implemented, more than 14 million young people have taken part in some kind of scheme; regrets that in many instances too much of this decrease is because so many young people have been forced to seek employment outside the EU, a loss that will be sorely felt in future decades; regrets, furthermore, that in mid-2016, 4,2 million young people in the EU were still unemployed (18,8 % of the demographic concerned); urges the Member States to utilise available EU support in order to tackle this longstanding issue; calls for the EU and the Member States to implement strategies that meet the requirements and needs of the labour market of each single Member State in order to create high-quality training opportunities and lasting employment;
2. Stresses that the YG has an important role in supporting measures to provide unemployed young people with the skills, experience and knowledge needed to engage in employment with a view to the long-term and to become entrepreneurs, and also provides an opportunity to address skills mismatch;
3. Highlights the important role of education and careers guidance in preparing young people with the work ethics and skills needed by the job market; points out, however, that education should not only provide skills and competences relevant to job market needs, but must also contribute to young people's personal development and growth in order to make them proactive and responsible citizens; stresses, therefore, the need for a civic education within the whole educational system, including both formal and non-formal education methods;
4. Notes that the younger people are and the less training they have, the higher the rate of youth unemployment, and this trend has been accentuated with the crisis, which has also affected young adults over 25 without qualifications, who form a group that may be pushed into a situation of serious economic vulnerability unless investment is made in their training;
5. Notes that, despite the progress made, access for the most vulnerable unemployed young people to PES remains inadequate and this group, together with young graduates, are those least likely to register as jobseekers;
6. Is strongly concerned that NEETs are disconnected from the education system and the labour market, in many cases through no fault of their own; understands that this demographic is the hardest to reach through existing operational programmes that implement youth unemployment funding schemes, too many of which do not offer proper sustainable remuneration or proper working conditions; considers that, for the 2017-2020 period, special focus should be on this demographic so as to ensure that the main YG objectives are achieved;

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<sup>(1)</sup> White Paper on the Future of Europe, p. 13.

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7. Points out that measures supported by the YG also need to address the structural challenges faced by NEETs, in order to ensure that they have a long-term impact; expresses concern that YG schemes have not yet reached all young people who have left school or become unemployed; encourages the Member States to provide targeted financial commitments in national budgets to address these structural challenges; encourages the regions which do not qualify for EU co-financing to participate in the YG;
8. Stresses that the integration of NEETs requires both enhancing the effectiveness of the resources available and increasing those resources, as well as greater Member State involvement and mobilisation;
9. Calls for a diversification of funding channels at local, regional and national level, so as to better reach out to all young people; remarks, furthermore, that the local and regional authorities are already very active and should be supported in their youth action by integrating different policy lines;
10. Emphasises that the YG has made a positive contribution to tackling youth unemployment since 2012 but that the youth unemployment rate remains unacceptably high; welcomes, therefore, the agreement reached by the co-legislators for the extension of the YEI until 2020; notes, however, that the issue of youth unemployment might persist and should therefore be taken into account in the next multiannual financial framework (MFF) in order to ensure continuity and cost-effectiveness;
11. Underlines the fact that the YEI is intended not only to boost job creation for young people, but also to assist Member States to establish proper systems for identifying young peoples' needs and corresponding support; stresses, therefore, that the effectiveness of the YG and YEI should, in future, be assessed on the basis of achievements towards creating or improving Member States' systems for supporting young people;
12. Recalls that the YG benefits from EU financial support through the ESF and the YEI, which supplement national contributions; supports programming work undertaken as part of the Union's Common Strategic Framework through peer learning, networking activities and technical assistance;
13. Welcomes the fact that the YEI was frontloaded in the years 2014 and 2015 and the increase of the initial pre-financing designed to ensure a swift mobilisation of resources;
14. Welcomes the fact that YEI measures have provided support to more than 1,4 million young people and led to Member States consolidating operations amounting to over EUR 4 billion;
15. Recalls that the YEI's success is related to good economic governance in the Member States because, without a favourable business environment encouraging small and medium-sized enterprises, and an educational and scientific system adapted to the requirements of the economy, there can be no job creation nor a long-term solution to the problem of high levels of youth unemployment;
16. Acknowledges the ECA Special report on the impact of the YG and YEI on youth employment and notes that, three years on from the adoption of the Council recommendation, the YG has yet to fulfil expectations; notes the ECA's comment that it is impossible to reach all NEETs by using EU budget resources alone; notes that the current situation does not reflect the expectations created by the introduction of the YG, namely to ensure that all NEETs receive, within four months, a good-quality offer of training or employment;
17. Recalls the challenges and opportunities in attracting NEETs to the labour market; recommends that additional efforts by the Commission, the Member States and national PES are dedicated to including more inactive young people in YG schemes and to keeping them in the labour market following the expiration of the relevant support measures;

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18. Notes that the YEI is intended to support young NEETs under the age of 25 who do not normally receive any employment or education support; regrets the fact that YEI adoption affects the allocation of ESF commitments in other programmes, and stresses that the resources from the specific allocation of the YEI should at least be matched by the same amount of ESF funds;

19. Calls on the Member States to ensure that the YEI/ESF funds available do not replace Member States' public expenditure in conformity with Article 95 and recital 87 of the Common Provisions Regulation (Regulation (EU) No 1303/2013) and in line with the additionality principle; stresses that programmes such as the YG must not be a substitute for Member States' own efforts to fight youth unemployment and sustainable integration into the labour market;

20. Highlights the importance of strengthening cooperation between all relevant stakeholders, including at a regional and local level, such as public and, where relevant, private employment services, education and training institutions, employers, youth organisations and NGOs that work with young people in order to reach the entire NEET population; encourages stronger integration of stakeholders through a partnership approach in the design, implementation and evaluation of the YG; calls for enhanced cooperation between education institutions and entrepreneurs to tackle the skills mismatch; reiterates the idea that the partnership approach is aimed at better reaching the target population and ensuring the provision of quality offers;

21. Recalls that, according to the International Labour Organisation (ILO), an efficient YG requires annual funding of approximately EUR 45 billion for the EU-28; considers that this funding should be viewed as an investment, given the significant reduction that it will produce, if effective, in the costs associated with youth employment;

22. Calls on the Commission to provide an itemisation of the national contributions to the YEI that each Member State needs to make in order to implement the YG effectively, taking into consideration the ILO estimate;

23. Notes the delay in the implementation of the YEI, which was caused by the late appointment of the relevant managing authorities, and considers this a shortcoming of the YEI legal basis which has undermined initial endeavours for speedy implementation through frontloaded financing;

24. Believes that it is necessary to facilitate the diversity and accessibility of funding and to focus on effective spending, while implementing further policy and service reforms;

25. Stresses the need to tailor measures to local context needs in order to increase their impact, for example through closer involvement of local employers' representatives, local training providers and local authorities; calls for a diversification of funding channels involving local, regional and national levels, in order to better reach out to all NEETs;

26. Recalls that, in the framework of the current MFF, the YEI should be financed with new appropriations and not through redeployments of the existing budgetary appropriations; expects an ambitious political commitment for the next MFF;

27. Takes the view that, for the YG to function properly, local PES must also function effectively;

28. Urges that specific expertise and capacity be developed in the Member States within PES in order to support people that cannot find a job within four months after becoming unemployed or leaving formal education; encourages greater involvement of businesses and industry associations in the implementation of the programme;

29. Deplores the fact that the majority of NEETs in the EU do not yet have access to any YG scheme, inter alia because they are generally not registered with PES; asks the Council to consider continuing a learning exchange within the existing PES network with a view to developing strategies based on best practices to reach and support NEET youth;

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30. Welcomes the ECA's Special report No 5/2017 and urges the Commission and the Member States to fully implement its recommendations in order to increase the coverage and effectiveness of YG schemes;
31. Stresses that the development of one-stop-shops should be supported in order to boost the positive impact of the YG by ensuring that all services and guidance are available for young people at one location;
32. Notes that a lack of visibility of YG schemes can make it difficult to reach out to all young people; recommends that the possibility of funding local campaigns organised in conjunction with all local partners, including youth organisations, be increased, and that the development of platforms for young people to register on the scheme be supported; recommends that the information related to the YG be accessible and understandable for everyone;
33. Recommends that Member States ensure that what they are offering is of good quality; stresses, for example, that the proposals made should match participants' profiles and meet employment demand so as to enable sustainable and potentially long-term integration into the job market itself;
34. Notes with regret that most Member States have not established a definition of a 'quality offer'; urges the Member States and the Commission, within the framework of the Employment Committee of the European Union (EMCO), to use the existing networks to work on the development of commonly agreed characteristics of this concept, taking into consideration the European Quality Framework for Traineeships, the joint statement of the European social partners entitled 'Towards a Shared Vision of Apprenticeships' and Court of Justice case law on precarious employment; urges the Member States and the Commission, moreover, to ensure that such characteristics are based on an offer that matches participants' qualification level, profile and labour market needs, offering opportunities for work that enable them to earn a living income, to enjoy social protections and to be offered prospects for development, leading to sustainable, well-matched integration in the labour market; welcomes the ECA's recommendation in its Special report No 5/2017 that more attention needs to be paid to improving the quality of offers;
35. Calls on the Commission to propose, in collaboration with EMCO, quality criteria standards for prospective YG offers; highlights the need to define a quality framework with quality standards for such offers;
36. Notes that in order to achieve the goal of securing an offer of quality and continuous employment for all young people aged 24 and under, considerably more resources are required at a human, technical and financial level; welcomes the fact that several Member States have raised the maximum age of young people eligible for YG support to 30;
37. Advocates ensuring that the young people covered by the YG continue to contribute and have access to the social and labour protection systems in force in their Member State, thus reinforcing the shared responsibility of all involved, and young people and employers in particular;
38. Stresses that measures under the YG are likely to be more efficient and cost-effective when young people are assisted in entering the labour market in a way that can provide them with sustainable employment opportunities and salary progression;
39. Stresses that NEETs are a heterogeneous and diverse group and that schemes are more efficient and cost-effective when they are targeted to address identified challenges; highlights, in this respect, the need to set up comprehensive strategies with clear objectives designed to target all categories of NEETs; highlights the need to provide tailored solutions, by taking into account the local and regional context, for example by ensuring closer involvement of local employers' representatives, local training providers and local authorities; calls on the Member States to design the individual pathway for each candidate, while giving national PES the flexibility that they need to adjust profiling models;

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40. Calls on the Member States to establish appropriate outreach strategies and to step up efforts to identify the NEET population, especially inactive NEETs not covered by existing systems, with the aim of registering them and monitoring the situation of young people leaving the YG schemes at specific intervals (after six, 12 and 18 months) in order to promote sustainable integration into the labour market; highlights the need for tailored solutions for a diverse group of young people and to make the non-registered a key target group; calls on the Member States to ensure that available ESF funds do not replace public spending and notes that sufficient economic growth is a pre-requisite for the effective integration of NEETs into the labour market;

41. Calls on the Member States and the Commission to assess any shortcomings and conduct market analyses before rolling out the systems provided for under the YG, thereby avoiding worthless training courses and the exploitation of trainees on traineeships that will lead nowhere;

42. Invites the Commission and the Council to consider proactive transitional initiatives, such as vocational orientation, careers guidance and information about the labour market, as well as support services in schools and careers services at universities, in order to facilitate young people's transition into work by equipping them with transition and career management skills;

43. Notes that the lack of visibility of YG schemes can make it difficult to reach out to all young people; recommends that action be taken to improve the possibility of funding local campaigns organised with all the relevant local partners, including youth organisations, and to support the development of platforms for young people to register for the schemes; recommends that the information related to the YG be accessible and understandable for everyone;

44. Notes the persistent challenge of the mismatch between the skills available and labour-market demands; asks the Commission, within the framework of EMCO, to promote the exchange of best practices between the Member States and the relevant stakeholders therein in order to address this issue;

45. Takes the view that problems related to the skills mismatch could be solved by better identifying individuals' competences and by correcting the flaws in national training systems; emphasises that increased mobility of young people could improve their skill sets, and, together with the recognition of qualifications, could help to tackle the existing geographical skills mismatch; encourages the Member States to make greater use of EURES in this regard;

46. Stresses that ICT skills could offer great potential for the creation of sustainable jobs, and therefore calls on the Member States to include effective measures for enhancing ICT/digital skills in their YG Implementation Plans;

47. Notes that a more diversified and customised approach in the provision of services to different groups among the youth demographic is needed in order to avoid cherry-picking or creaming off and discriminatory selection; calls for a stronger, more barrier-free and dedicated outreach to young people facing multiple barriers and those furthest from the labour market; stresses, in this regard, the importance of coordinating the YG with other policies, such as anti-discrimination policies, effectively, and of broadening the range of interventions proposed within YG offers;

48. Considers that youth unemployment should be dealt with as a priority issue from the outset of future European Structural and Investment Funds (ESIF) operational programmes;

### ***Implementation and Monitoring***

49. Notes that implementation of the YG is being monitored through the European Semester, the EMCO reviews, and a dedicated Indicator Framework developed by EMCO in conjunction with the Commission; calls on the Council to support the Member States in improving the reporting of data;

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50. Notes that a lack of information on the potential cost of implementing a scheme in a Member State can result in inadequate funding for implementing the scheme and achieving its objectives; calls on the Member States to establish an overview of the cost of implementing the YG, as recommended by the ECA's Special report No 5/2017;

51. Underlines the fact that allocating the necessary resources and assessing the overall funding is an important part of implementing the YG schemes successfully, bearing in mind that evaluating the overall funding can be hampered by difficulties in distinguishing between the different kinds of measures targeting young people at national level;

52. Calls on the Commission to provide more precise information about the cost-effectiveness of the YG and how implementation of the programme is monitored in the Member States, and to provide comprehensive annual reporting on this;

53. Stresses that effective mechanisms to discuss and resolve difficulties experienced when implementing YG schemes are needed; underlines the need for strong, yet realistic and achievable, political and financial commitment from the Member States in order to implement the scope of the YG in full, including by ensuring early intervention mechanisms, the quality of job, further education and training offers, clear eligibility criteria and partnership-building with the relevant stakeholders; stresses that this should be done by ensuring effective outreach, strengthening administrative capacity where needed, taking account of local conditions, facilitating skills enhancement and establishing proper monitoring and evaluation structures during and after the implementation of said measures;

54. Calls for effective multilateral surveillance of compliance with the Council's recommendation establishing a YG within the European Semester and for the specific country recommendations to be addressed where needed;

55. Reiterates its commitment to monitor closely all Member State activities in order to make the YG a reality and invites youth organisations to keep Parliament updated on their analysis of Member State action; urges the Member States and the Commission to involve youth stakeholders in policymaking; recalls that the involvement of youth organisations in the communication, implementation and evaluation of the YG is crucial for its success;

56. Notes the existence of some delays to implementation of the YEI in the Member States, chiefly for procedural and structural reasons; expresses concern at the level of take-up by the Member States of the pre-financing allocated for the implementation of the YEI; insists, therefore, that urgent actions are taken by the competent Member State authorities in order to utilise, both fully and in a timely manner, the resources available for combating youth unemployment; is of the opinion that Member States need to make additional financial commitments in their national budgets in order to address these structural challenges;

57. Welcomes the Commission's cooperation with the Member States in identifying and disseminating good monitoring and reporting practices on the basis of the existing systems across the Member States; reminds the Commission that the comparability of data remains fundamental for these purposes;

58. Recommends that the Commission continues to identify and disseminate good monitoring and reporting practices, so that the results from the Member States can be communicated consistently and reliably, and assessed seamlessly, including as regards quality; recommends, in particular, that regular quality statistics should be provided, enabling Member States to frame more realistic and effective youth policies, including through the monitoring of participants leaving the YG system, so as to keep to a minimum the number of participants dropping out of the programme and not gaining from it;

59. Calls on the Commission to strengthen the manner in which Member States implement schemes approved under the YG and to put in place a transparent, comprehensive and open-data monitoring system that covers cost-effectiveness and structural reforms and measures targeting individuals;

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60. Suggests ex-ante analysis in each Member State setting concrete objectives, goals and timelines for the expected outcome of the YG schemes, and suggests that duplicate funding be avoided;

61. Encourages the sharing of best practices through EMCO and the Mutual Learning Programme of the European Employment Strategy; notes in this respect the importance of mutual learning aimed at activating the most vulnerable groups;

62. Is concerned that data on the beneficiaries, outputs and results of the YEI are sparse and often inconsistent; calls on the Commission and the Member States to take the necessary measures to set up less administratively burdensome and more up-to-date monitoring systems for the remaining YEI funding;

63. Calls for a focus on results achieved by the YEI programme, through the definition of concrete indicators in the form of reforms carried out in the Member States, knowledge and skills obtained from the programme, and the number of permanent contracts offered; suggests, moreover, that the experience of the mentors in the profession chosen match the skills needed by the respective applicants;

64. Calls on the Member States to make monitoring and reporting systems more efficient in order to make the aims of the YG more quantifiable and facilitate the development of more evidence-based activating policies aimed at young people, and, in particular, to improve the capacity to follow up on participants that exit the YG in order to reduce the number of unknown exits as far as possible and to have data on all participants' ongoing situations; calls on the Commission to revise its guidance on data collection and on the Member States to revise their baselines and targets in order to minimise the risk of overstating results;

65. Acknowledges that for some Member States the YG has become a driver for policy changes and better coordination in the fields of employment and education; stresses the importance of: setting realistic and measurable targets in promoting policies and frameworks such as the YG, identifying the main challenges and the appropriate action that should be taken to overcome them and assessing those challenges with due regard for improving employability; notes that in some circumstances it has been difficult to pinpoint and assess the contribution the YG has made so far and that quality statistics should help the Member States to frame more realistic and effective youth policies without giving rise to false expectations;

66. Recognises the significant efforts made by many Member States to implement the YG; observes, however, that most reforms have not yet been fully implemented, in particular in the forging of partnerships with social partners and young people in the design, implementation and assessment of the measures within the YG and in supporting those facing multiple barriers; concludes that considerable efforts and financial resources are needed in the long term to achieve the YG objectives;

67. Takes the view that any repeated take-up of the YG must not go against the spirit of labour market activation and the aim of transition into permanent employment; calls on the Council to take advantage of the review of the MFF to allocate appropriate resources to the YG; calls on the Member States to ensure that young people, including those up to the age of 30, receive good-quality offers that match their profiles and qualification level, as well as the labour market demand, in order to create sustainable employment and prevent repeated take-up of the YG;

68. Believes that, in order to assess the schemes' effectiveness, all aspects need to be evaluated, including the value for money of the schemes; takes note of previous estimates provided by the ILO and Eurofound and asks the Commission to confirm or update these projections;

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69. Calls for an assessment of the effectiveness of the YG to be carried out in each participating Member State so as to prevent the exploitation of young people by certain companies which are using bogus training schemes to benefit from state-funded labour; proposes, to that end, that the job prospects of young people who have been beneficiaries of the programme be monitored and mechanisms established requiring participating employers, whether public or private, to convert a minimum percentage of traineeships into employment contracts as a condition for continuing to benefit from the programme;

70. Notes that an evaluation of the YEI is to be concluded by the Commission by the end of 2017, and expects the swift incorporation of the necessary adjustments to ensure successful implementation; stresses the importance of a continued assessment of the performance of the YEI by the relevant stakeholders, including youth organisations;

71. Stresses the need to set up a system of indicators and measures to assess and monitor the effectiveness of both public employment schemes and the YG, since even though provision was made for such a system from the start, there are still many shortcomings;

72. Requests that programme participants be duly informed of the procedures to be followed in case of abuse of the instrument and that measures be taken to ensure that they receive the necessary protection, as planned;

73. Calls for efficient and transparent scrutiny, reporting and monitoring of how funds allocated at European and national levels are spent so as to prevent abuses and the wasting of resources;

#### ***Improvements to be made***

74. Underlines the necessity of guaranteeing a long-term commitment through ambitious programming and stable financing from both the EU budget and the national budgets in order to offer full access to all young people who are NEETs in the EU;

75. Recalls the importance of cooperation between all levels of governance (the EU, the Member States and local entities) and of the Commission's technical assistance in implementing the YG effectively;

76. Stresses the need to create and develop high-quality lifelong careers guidance with the active involvement of families in order to help young people make better choices about their education and professional careers;

77. Notes that in its communication of October 2016, the Commission draws conclusions on the need to improve the effectiveness of the YEI; believes that this should be achieved by ensuring that NEETs are integrated into the labour market in a sustainable fashion and by setting objectives that reflect the diverse composition of NEETs, with specific, logical interventions for each of the sub-target groups; notes that additional use of other ESF programmes to ensure sustainability of the NEETs integration could improve efficiency;

78. Calls on the Commission and the Member States to manage expectations by setting realistic and achievable goals and targets, to assess disparities, to analyse the market before implementing schemes, to improve supervision and notification systems, and to improve the quality of data so that the results can be measured effectively;

79. Calls on the Commission and the Member States to ensure sufficient funding is available in order to ensure the successful integration of all young workers who are unemployed or do not have access to a suitable training or educational offer; stresses that in order to ensure sustainable outcomes, the YG should build on the existing evidence and experiences and be continued in the long term; underlines the fact that this requires an increase in the public funds available for active labour market policies at EU and Member State level;

80. Calls on the Member States to properly assess the costs of their YG schemes, to manage expectations by setting realistic and achievable objectives and targets, to mobilise additional resources from their domestic budgets and to reinforce the financing of their PES in order to enable them to fulfil additional duties linked to YEI implementation;

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81. Calls on the Member States to ensure the provision of follow-up data to assess the long-term sustainability of outcomes from a quality and quantity perspective, and to facilitate the development of more evidence-based youth policies; calls for more transparency and consistency in data collection, including gender-disaggregated data collection, in all the Member States; notes with concern that the sustainability of 'positive exits' in the YG has been deteriorating <sup>(1)</sup>;

82. Calls on the Commission to carry out a detailed analysis of the effects of measures implemented in the Member States, to single out the most efficient solutions and, based on these, to provide recommendations to the Member States as to how to attain better results with a higher degree of efficiency;

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83. Instructs its President to forward this resolution to the Council, the Commission and the Court of Auditors.

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<sup>(1)</sup> Paragraph 164 of ECA Special report No 5/2017.