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COMMISSION STAFF WORKING DOCUMENT

Social investment through the European Social Fund

Accompanying the document

**COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL
COMMITTEE AND THE COMMITTEE OF THE REGIONS**

**Towards Social Investment for Growth and Cohesion – including implementing the
European Social Fund 2014-2020**

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1. INTRODUCTION

In the 2014-2020 financial framework, the European Social Fund (ESF) will be the European Union's main financial instrument for supporting the implementation of employment and social policy reforms by Member States in line with the Europe 2020 strategy. The Member States' implementation of the strategy set out in the Social Investment Package will therefore be supported by the EU principally through the ESF, with significant support also available from other European Structural and Investment (ESI) Funds, in particular the European Regional Development Fund (ERDF), as well as PROGRESS 2007-2013, the Programme for Social Change and Innovation (PSCI) 2014-2020 and the Fund for European Aid to the Most Deprived (FEAD).

This Staff Working Document (SWD) analyses the role of the ESF in supporting the implementation of the Social Investment Package (SIP). The SIP will feed into the European Semester and the development of the appropriate Country-Specific Recommendations (CSRs). This will affect the direction of ESF programmes, as Member States are expected to use the ESF to implement the relevant CSRs.

The ESF has promoted employment and social inclusion throughout the period 2007-2013 by providing financial support in a wide range of areas¹. Building on a stocktaking of examples of current ESF programmes in areas relevant to the SIP, this SWD further describes how, in cooperation with other EU funds including PROGRESS and the ERDF, the Commission proposal for the ESF from 2014 to 2020 will strengthen support for the implementation of the SIP, increasing the efficiency and impact of funding through changes to the ESF funding framework (such as greater results orientation, simplification of administrative processes, ex-ante conditionality, etc.). The SWD also examines the potential of social innovation and the social economy as two effective means of delivering on the SIP agenda across its full range of policy areas with the support of the ESF.

The Commission will develop by mid-2013 operational guidance on how Member States can best use the EU structural and investment funds to achieve the agreed thematic objectives. This will include clear orientations on how the funds can best support the implementation of the policy orientations set out in the SIP.

2. IMPLEMENTATION OF THE SOCIAL INVESTMENT PACKAGE TO DELIVER ON THE EUROPE 2020 STRATEGY

The role of the European Union's budget in implementing the SIP must also be considered. The budget should be 'a catalyst for growth and jobs across Europe, in particular by leveraging productive and human capital investments'². This section therefore outlines the supportive framework of the ESF and other EU funds for the implementation of the Social

¹ Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006, 'by providing financial support aimed at increasing the adaptability of workers and enterprises; enhancing access to employment and sustainable inclusion in the labour market of jobseekers and inactive people; reinforcing social inclusion of disadvantaged people by combating discrimination and facilitating access to the labour market; and enhancing human capital'.

² Draft Conclusions of the European Council (22-23 November 2012).

Investment Package. **Social innovation and the social economy** will both play an important role in helping to achieve the policy objectives of the SIP. The document therefore goes on to outline the importance of these two approaches to Social Investment and the ESF provisions to support them.

European Social Fund 2014-2020

The ESF supports the policies pursued by the Member States under the Integrated Guidelines adopted in accordance with Articles 121 and 148(4) of the Treaty and the Country-Specific Recommendations³, with a view to achieving the Europe 2020 strategy objectives, in particular for employment, educational attainments and poverty reduction. Annex 1 maps the 2012 CSRs with respect to the Thematic Objectives and Investment Priorities of the draft ESF Regulation 2014-2020. These Objectives and Priorities define the areas where the ESF will be able to fund measures. The annex shows that Member States can use several of the priorities set out in the Regulation to help implement the social policy reforms defined in the CSRs. All four Thematic Objectives are relevant for implementing, via the ESF, the CSRs which relate to social policy. Complementary funding from the ERDF can provide integrated support, especially infrastructure, e.g. for the provision of social services.

The SIP framework will help guide the Member States regarding the priorities of the ESF's co-funded programmes. This framework is based on three pillars: increase the sustainability and adequacy of budgets through simplified and better targeted social policies; pursue activating and enabling policies through targeted, conditional, simplified and more effective support.

The ESF is the EU's main budgetary instrument for supporting vitally needed structural reforms and investments across the Member States in the area of employment and social policy. For instance, the ESF supports the introduction of early-childhood education and care services in Hungary or the transition to community-based care of children living in large institutions in Bulgaria. A significant part of the ESF envelope available for the period 2007-2013 has been allocated to measures supporting social inclusion. This represents €12 billion, or 16% of the European Social Fund, of which at least 7.5 billion had already been used by 2011.

In the future, programming of the European Structural and Investment (ESI) Funds, including the ESF, will be more strategic and geared towards results.

In terms of strategic orientation, Country-Specific Recommendations will be the key elements to be taken into account when identifying the main development needs, the choice of thematic objectives, corresponding investment priorities and financial allocations from the ESI Funds in each Member State. In 2012 the Council addressed recommendations to several Member States in the field of social inclusion.

Ex-ante conditionalities will ensure that the right conditions for effective support are in place (e.g. in the field of active inclusion or the integration of marginalised communities, such as Roma) and will also ensure that potential bottlenecks in policy, regulatory and institutional frameworks are addressed.

³ Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006

³ COM(2011) 607 final /2, 'Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund and repealing Council Regulation (EC) No 1081/2006, Explanatory Memorandum.

The needs of people facing multiple disadvantages may require running different types of interventions simultaneously. For example, the start-up and running of viable social enterprises may involve the training and mentoring of social entrepreneurs, setting up a support network, information for financial service providers, the provision of micro-credit and the acquisition of equipment and facilities. The new provisions will make it easier to provide combined support from several funds (Cohesion Fund ERDF, ESF) to meet complex social investment needs. For instance, it will be easier for Member States to target the specific needs of the poorest in particular geographical areas through integrated programmes.

It is crucial to mobilise all potential resources and fully involve all concerned stakeholders at each level. The involvement of all partners is especially important for effective social inclusion measures focusing on people facing specific challenges. It will lead to better outreach and targeting of the programmes. The Partnership Principle will be strengthened, bringing together all parties interested in the success of social investments in the preparation, design, implementation and monitoring of the programmes. A Code of Conduct, covering principles and best practices, will set out the framework within which the Member States will pursue the implementation of the partnership principle. Better monitoring of agreed targets will also help to increase the focus on what the measures being financed are intended to achieve.

The ESF can also be used to support the capacity building of NGOs and social partners, helping them mobilise their resources and know-how in favour of social investments.

Simplifications will ease the administrative burden on the beneficiaries of the funds. This will facilitate the involvement of all stakeholders, and especially of small entities. For instance, small grants under the EUR 50.000 threshold will have to be paid on the basis of simplified cost options⁴. In some cases, Joint Action Plans will mean that payments can be linked to the achievement of pre-agreed targets. This will be a major simplification, making it possible to shift the focus of programme implementation from eligible costs to the achievement of concrete results.

Social innovation and social policy experimentation

Social innovation has been defined as ‘innovations that are social in both their ends and their means. Specifically, [...] new ideas (products, services and models) that simultaneously meet social needs (more effectively than alternatives) and create new social relationships or collaborations. They are innovations that are not only good for society but also boost society’s capacity to act.’⁵

Innovation has been a key concept of the European Social Fund since the launch of the EQUAL Community Initiative Programme in 2000, an initiative that supported social innovation in the fields of social inclusion and employment. Consequently, innovation and partnership have become the watchwords of the ESF, and innovative programmes have helped to increase the effectiveness of a number of social policies. The series of calls for proposals under PROGRESS also address social innovation and social policy experimentation directly.

⁴ Lump sums or standard scales of unit costs.

⁵ BEPA, ‘Empowering People, Driving Change: Social Innovation in the European Union, May 2010, p. 9.

The draft ESF Regulation for the period 2014-2020 contains new provisions to strengthen support for social innovation (Article 9). Social innovation will be part of ESF programmes in all Member States in areas that correspond to their specific needs. This means that social innovation will be organised in such a way as to increase the efficiency of specific social policy fields, defined by the relevant authorities. The objective of the programmes will be to test and scale up successful innovation. Moreover, in order to introduce a strategic approach and closer monitoring, social innovation can be programmed in dedicated priority axes, in which case the maximum co-financing rate will be topped up by 10 percentage points. Furthermore, the Commission is going to facilitate capacity building for social innovation, through mutual learning for example.

Innovation, entrepreneurship and the knowledge-based society are at the core of the Europe 2020 Strategy and its targets and guidelines. Thus, two flagship initiatives within the Europe 2020 Strategy (the European Platform against Poverty and Social Exclusion and Innovation Union⁶), as well as the forthcoming Research and Innovation Programme Horizon 2020, mean that social innovation takes centre stage. As Europe's citizens lead increasingly diverse lives⁷, the range of challenges that social policy is called upon to address is increasing. A wider range of forms of provision is needed. This in turn increases the need for the rapid identification, trial and upscaling of many innovative solutions to new challenges.

The potential of social innovation is further increased by the growing range of innovative ICT-based solutions that are available in terms of technology, although they only materialise rapidly on the ground where social innovation is encouraged to take full advantage of them.

In this context, the social innovation and social policy experimentation (SISPE) approach is a vital tool for supporting reforms, as it allows a systematic approach to identifying the required social innovations in a way that makes it possible to upscale the effective ones. It is not enough to try out effective and evidence-based solutions, technologies and services that are better at meeting social needs. Upscaling of such successful trials is greatly facilitated by SISPE since it makes it possible to demonstrate their strengths objectively and convincingly, thus making it much more likely for them to reach the market and satisfy a demand. In this way they can expand and in turn create job opportunities themselves. Social innovation is thus an essential element of social investment policy, supporting the adaptation of social policies to reforms.

However, it benefits considerably from formalisation, in terms of professionalisation, transparency, rigour, and the possibility to move beyond ad-hoc and unsystematic learning through chance encounters. Instead, it becomes possible to examine and learn from the wide range of approaches and experiments across the whole EU and across sectors and sub-sectors.

In addition to financing projects that harness the social economy and social innovation in line with the Social Investment Package's objectives, the ESF will support these approaches in

⁶ The pilot European Innovation Partnership on Active and Healthy Ageing is part of the Innovation Union Flagship initiative. It aims to identify and remove persisting barriers to innovation for active and healthy ageing, through interdisciplinary and cross-sectorial approaches, see: http://ec.europa.eu/research/innovation-union/index_en.cfm?section=active-healthy-ageing

⁷ See European Commission Staff Working Document - *Evidence on Demographic and Social Trends*, SWD(2013) 38, section 2.

synergy with the new integrated Programme for Social Change and Innovation as part of the comprehensive European Employment and Social Inclusion Initiative⁸.

The social economy and social enterprises

The 'social economy' designates a sector which is different both from the traditional public 'general interest serving' sector and from the private profit-driven market. It covers bodies with a specific legal status (cooperatives, foundations, associations, mutual societies), many of which are also social enterprises. 'Social enterprise' denotes businesses:

- for which the social or societal objective of the common good is the reason for the commercial activity, often in the form of a high level of social innovation,
- where profits are mainly reinvested with a view to achieving this social objective,
- and where the method of organisation or ownership system reflects their mission.

The social economy and social enterprises form a strong European sector that today represents at least two million enterprises and employs over 11 million employees, or 6% of the workforce⁹. The Commission has made proposals to support the sector's development through the 2011 'Social Business Initiative' Communication¹⁰.

The draft ESF Regulation¹¹ contains a new investment priority specifically dedicated to 'Promoting the social economy and social enterprises'. It creates the ground for Member States to include targeted activities in this area in their operational programmes for 2014-2020. These are expected to consist mostly of support for business development or business transformation of social enterprises; support for social enterprises' access to finance, including through financial instruments providing support through repayable investments; and raising awareness of the sector. At the same time, social enterprises will take part in ESF co-funded interventions in various policy areas. In this way, they can add to the implementation capacity of the public sector. For example, third-sector undertakings are well placed to provide tailor-made labour market reintegration or rehabilitation services, as part of active labour market policies; or early childhood education and care services for children with a minority or migrant background.

The two specific strengths of the social economy and social enterprises outlined below show why they are well placed to play a key supportive role in the promotion and piloting of social investment:

- They are a tool for **social inclusion**. Social enterprises often employ people with a disability and/or subject to discrimination, or provide social services and/or goods and services to them. They complement and provide leverage to public sector efforts to implement social policies, improve labour market integration and social inclusion, and enhance skills.

⁸ The Explanatory Memorandum to the [ESF regulation](#).

⁹ EP report on the Social Business Initiative — 'Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation', Committee on Employment and Social Affairs, Rapporteur Heinz K. Becker, 4 October 2012.

¹⁰ COM(2011) 682, 'Social Business Initiative: Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation', 25.10.2011.

¹¹ Proposal for a regulation of the European Parliament and of the Council on the European Social Fund and repealing Council Regulation (EC) No 1081/2006, COM(2011) 607 final.

- The social economy and social enterprises are sources of **social innovation**¹². Social enterprises are often involved in civil society initiatives aimed at social change and innovation. Since by their very nature social enterprises bring together innovative individuals and organisations keen to improve social issues, they are well placed to generate social impact and foster social innovations that deliver better social or societal outcomes. For instance, they often introduce into their activity ways of reducing emissions and waste or of using energy more efficiently (therefore contributing to sustainable growth), or they focus on innovation, including social innovation, addressing societal challenges such as ageing or new care needs, and the participatory use of the Internet (therefore contributing to smart growth).

3. EXAMPLES AND EXPERIENCES OF SOCIAL INVESTMENT SUPPORTED BY EU FUNDS

EU funds, and the ESF in particular, support and will continue to support measures in a wide range of areas of employment and social policy. The thematic objectives of the ESF are in line with the priorities set in the SIP, and Article 3 of the draft ESF Regulation on the scope of the ESF confirms its role in supporting employment, skill development, social inclusion, combating poverty, and ensuring efficient public administration in Europe.

This section looks at how EU Funds can support programmes in thematic areas relevant to the SIP. In addition to these issue areas, this section singles out how EU Funds relate to two very useful ways of improving social policy design and delivery, as discussed in Section 2: 1) social innovation and 2) social economy and entrepreneurship.

3.1 Examples and experiences of the EU Funds supporting thematic areas relevant to the Social Investment Package

In the 2007-2013 programming period, the European Social Fund has so far reached over 50 million people, and in 2011 alone it directly impacted the lives of 4.5 million unemployed and 5 million inactive people. It did so by providing €75 billion to help people fulfil their potential by giving them better skills and better job prospects. Addressing the CSRs, certain Member States have already used the ESF to invest in operations in line with the priorities outlined in the SIP.

In 2012 the Council provided CSRs to Member States such as: strengthening of activation tools for disadvantaged people, better enabling of transitions from benefits to paid work, improved targeting of social security systems, and greater accessibility to social services, in particular child care and health care. Accordingly, many of these countries have used the ESF and other EU funds to address these recommendations. In some of the examples (Box 2), Member States were already using the funds to support policies along the same lines as those recommended in the CSRs.

The SIP's influence on future CSRs and the forthcoming publication of an integrated operational guide for the ESF will help ensure that in the future more ESF investments will reflect the social investment approach of the examples given below.

¹² See 'Empowering people, driving change: Social innovation in the European Union', BEPA, May 2010, available at: http://ec.europa.eu/bepa/publications/special-issues/index_fr.htm.

In the 2007-2013 programming period all 27 Member States are using ESF assistance to facilitate social inclusion. Approximately €12 billion is allocated to social inclusion priority axes and the total budget devoted to priority axes with a social inclusion component in ESF Operational Programmes is around €32.5 billion¹³.

17 Member States¹⁴ follow a specific active inclusion approach in the policies supported by ESF programmes. This has represented the bulk of EU funding in the social domain. The range of co-financed activities has covered the whole spectrum of active inclusion except income support which is not eligible for the ESF. Supportive activation services to those further away from the labour market (e.g. young people, single parents, people of foreign origin, older people) have been the main focus of the programmes. The development of social services ensuring better quality and accessibility for people with disadvantages has also been funded, for example in Latvia, Romania and Spain. National schemes could be used to add the necessary income support.

In 2012 the Council recommended putting active inclusion policies in place to 17 Member States: Belgium, Bulgaria, Cyprus, the Czech Republic, Germany, Denmark, Estonia, Spain, Hungary, Italy, Lithuania, Latvia, the Netherlands, Poland, Sweden, Romania and the United Kingdom. Recommended policies encompass: the strengthening of activation tools for people with disadvantages, better enabling of transitions from benefits to paid work, improved targeting of social security systems, improved accessibility of social services, in particular child care and health care. The ESF is used in many of these countries to address these recommendations¹⁵.

Box 1: ESF addressing the CSR for Belgium on active inclusion¹⁶

CSR 2011 for Belgium: ‘Improve the effectiveness of active labour policies by targeting measures at older workers and people facing particular challenges.’

CSR 2012 for Belgium: ‘Strengthen the focus of employment support and activation policies on older workers and people facing particular challenges, in particular people with a migrant background. ... Extend existing activation efforts to all age groups.’

Both in its National Reform Programme and the National Social Report, the Belgian Government pays special attention to the social and occupational activation of those who are furthest away from the labour market, in line with the EU strategy 2020. In order to reach this goal, the ESF has been used to complement mainstream active labour market policies with a focus on people facing the most severe challenges (such as young people, single parents and immigrants). With the use of the ESF, people who are furthest from the labour market receive more intensive guidance and mentoring, for example.

The 2007-2013 ESF programme for Belgium focuses on three axes, two of which are of specific interest in the light of the active inclusion approach:

- 1: the promotion of social and occupational activation paths

¹³ The European Social Fund and Social Inclusion — ec.europa.eu/esf/BlobServlet?docId=166&langId=en.

¹⁴ Assessment of the implementation of the European Commission recommendation on active inclusion — Synthesis Report. Overview based on the national reports prepared by the EU Network of Independent Experts on Social Inclusion.

¹⁵ Assessment of the Implementation of the EC’s Recommendation on Active Inclusion in Belgium; .

¹⁶ Assessment of the Implementation of the EC’s Recommendation on Active Inclusion in Belgium; .

- 2: career planning and encouragement of diversity at work

The emphasis of the first is on specific interventions tailored to the needs of vulnerable people within the Public Centres for Social Welfare for whom mainstream activation measures appear to be less effective, such as young people between 18 and 25, single parents, people of foreign origin and people over 45. The second group of interventions mainly focuses on structural actions addressing diversity at work and tackling discriminatory practices. This includes projects such as awareness campaigns on keeping the elderly employed and the ‘experts by experience’ project.

In addition to activation, ESF has also been used to support access to services, in the area of child care for instance.

Box 2: ESF addressing the CSR for Bulgaria for improving access and effectiveness of benefits and social services for children

CSR 2012 for Bulgaria: ‘To alleviate poverty, improve the effectiveness of social transfers and the access to quality social services for children ...’

In Bulgaria, ESF has been funding a comprehensive project ‘Childhood for all’ under the OP ‘Human Resources Development’. The total duration of the project is 54 months (June 2010 to December 2014). This project represents the main pillar of Bulgaria’s ongoing de-institutionalisation reform as it strives to create a sustainable model of transition from residential to community-based services for children with disabilities.

The project consists of two components: ‘Planning of measures for de-institutionalisation’ (2.5 MEUR) and ‘Provision of community-based social services’ (16.5 MEUR). In addition to ESF support for this project, the ERDF and the EAFRD have allocated 54.6 MEUR and 8.5 MEUR respectively to support municipalities in urban and rural areas in the building of new social infrastructure to replace the traditional residential institutions.

The project aims to change the philosophy of care for children with disabilities and children in institutions, focusing on preventing the risk of institutionalisation, supporting families and providing a family or close-to-family environment for each child placed in a specialised institution for children with disabilities. The project has provided the children with a package of services according to their individual needs. So far, not enough services have been developed to support children with disabilities in the community. Furthermore, the existing services are not evenly distributed in accordance with the needs of those targeted. This makes it difficult to prevent children from being abandoned and to provide quality support for children with disabilities and their families. The project addresses this problem by planning a package of services in the community, which will provide a long-term alternative for children and families.

The main activities of the ESF programme include a review of the assessment of each child's abilities, drawing up of individual action plans, reintegration activities including preparation for children’s removal from institutions, selection and training of foster parents and training of social workers. To date, the abilities of 1797 children in institutions have been reviewed. In all, 59 diagnoses have been changed, 76 children adopted, 26 placed in foster families, 28 re-integrated into their biological families, 14 placed in protected homes, 6 placed in transitional housing, and 25 placed in centres with family-type accommodation.

Box 3: ESF addressing the CSR for Italy on childcare

CSR 2011 for Italy: ‘... take steps to promote greater participation of women in the labour market, by increasing the availability of care facilities ...’

CSR 2012 for Italy: ‘Take further action to incentivise labour market participation of women, in particular through the provision of childcare ...’

In Italy, in 2004 the major consortia of social cooperatives along with one of the main national banks created the PAN consortium, which is part-financed by ESF. PAN develops services for children through the social enterprise formula, an entrepreneurial form which is consistent with the ‘public’ purpose of these services. Local governments responsible for the administration of childcare services and families or private/public companies interested in creating ‘company nurseries’ are also playing an important role as partners.

PAN offers planning, start-up assistance and loans to organisations and people interested in establishing new types of services for children in the form of social enterprises. On the basis of quality-check tools, all social enterprises members of PAN receive a guaranteed quality trademark. PAN also helps families with personal loans to reduce the cost of early childhood services.

In just four years, PAN has successfully built 150 new infant schools with 4 500 available places and more than 1 000 new jobs. Nowadays in Italy there are more than 400 day nursery centres which take care of about 12 000 children and employ more than 3 000 people.

Box 4: PROGRESS addressing the CSR for Belgium on pension sustainability

CSR 2012 for Belgium: ‘Continue to improve the long-term sustainability of public finances by curbing age-related expenditure ... implement the reform of ... pension schemes ...’

The project ‘Simulating the adequacy of pensions in Belgium using administrative data (SIPEBE)’ was financed by the PROGRESS programme. It analysed the extent to which the Belgian pension system provides adequate pension benefits to today’s and tomorrow’s retirees. This was done using a micro-simulation model. In order to provide adequacy measures that corresponded to a level of sustainability of the system, the assessment model was aligned to the demographic and macroeconomic projections of the macro-budgetary MALTESE model created by the Federal Planning Bureau.

The main outcome of the SIPEBE project was to provide policy makers with an assessment tool for measuring the adequacy of the Belgian pension system for wage earners and civil servants. The adequacy measurements of this project were therefore in accordance with the sustainability assessment of the system.

Box 5: PROGRESS addressing the CSR for Netherlands on long-term care

CSR 2012 for the Netherlands: ‘Prepare a blueprint for reforming long-term care in view of an ageing population.’

The project ‘Quality Management by result-oriented indicators towards benchmarking in residential care for older people’ was financed by the PROGRESS programme.

Care homes for older people are confronted with challenges relating to changing expectations from residents and their families for better quality of care and adequate staffing. In the past, quality standards in residential care have been set by professionals and have largely focused on non-quality of life/care issues such as the qualifications of staff and the structural standards of premises. In several EU Member States, both regulators and providers have recently put in place better quality management systems and methods to advance the assessment, measurement and continuous improvement of long-term care services, to some extent following similar approaches.

The project designed results-oriented indicators with a view to benchmarking in residential care for older people. It collected and validated results-oriented quality indicators for care homes, based on an exchange of experiences in selected Member States. Apart from the quality of care, special focus was given to the 'quality of life' domain. Economic performance, leadership issues and the social context complemented the domains used to define, measure and assess the quality of results in care homes. Furthermore, one of the objectives was to investigate and gain experience in methods, how to work with results-oriented indicators and how to train care home managers in dealing with the respective challenges. This study produced a handbook on 'Measuring Progress: Indicators for Care Homes', which was disseminated in 5 languages and also helped to inform the Voluntary European Quality Framework for Social Services produced by the Social Protection Committee.

3.2 Experiences of social innovation supported by the ESF

Over the previous decade, the European Social Fund has made significant investments in social innovation. In the period 2000-2006, the ESF EQUAL programme invested €3.2 billion in innovative projects across the Union, bringing together 20000 partners from all over Europe to design, test and validate innovative solutions to integrating people with disadvantages into the labour market. EQUAL succeeded in demonstrating the added value that innovation brings to the design and delivery of inclusive labour markets, and improved the conditions for generating a significant number of innovations. The EQUAL experience built the initial case to show that innovative approaches are a cost effective and sustainable way of introducing change. As a result, a consensus emerged that promoting innovation should be an integral part of all Operational Programmes. EQUAL continued into the first three years of the current programming period (2007-2013) with the objective of mainstreaming its innovation and transnational aspects. Calls for proposals under PROGRESS continue to focus on social innovation and social policy experimentation directly.

ESF funding allocated to social innovation in different Member States generally varies between 1 % and 5 % of the ESF total. The main thematic areas involving socially innovative approaches have been inclusive employment, education/training policies and social inclusion.

2007-2013 funding for social innovation is estimated as follows in a 2010 report¹⁷:

¹⁷ BEPA, op. cit.

- more than €2 billion in institutional capacity building, most of which contributes to developing and strengthening the innovative capabilities of the public sector;
- more than €1 billion for innovative activities (mainly on new forms of work organisation and better use of employees' skills, including in an ageing workforce, new skills for climate change and sustainable growth, and new ways of combating unemployment).

Already in the current programming period, social innovation in the ESF has contributed to reforming social policies, improving their targeting and efficiency.

Box: Social innovation in migration policy — Portugal

At the end of the 1990s, when the immigrant population doubled within a few years, when most of the new waves were not Portuguese speakers and had no historical ties with Portugal, the public administration experienced great difficulties in communicating with the immigrant population and understanding their needs. At the same time, large populations of immigrants had to cope with the challenge of social integration in an unfamiliar linguistic, cultural and administrative setting.

As a response, one-stop-shops, the National Immigrant Support Centres, were set up with the support of the ESF, changing the public administration of immigration policies. The centres have helped immigrants to find their way through complex procedures and bureaucracy. Moreover, with a view to ensuring that administrative procedures of immigration and social inclusion go hand in hand, the centres provide a number of government and support services under one roof, involving various governmental and non-governmental organisations. Intercultural mediators with immigrant backgrounds were also recruited and trained, playing a fundamental role in this service provision, complementing the service provided by the public servants. This integrated service provision has been made possible by partnership with other providers, including NGOs.

In the new programming period, Member States will identify the themes where social policy innovations will be implemented through the ESF, including the social challenges identified by the country-specific recommendations. The objective will be to test new innovative policy approaches and scale up the most efficient ones.

As well as the ESF, a social innovation element can be seen in a range of programmes, policies and initiatives of the European Commission: the European Regional Development Fund (ERDF), the Framework Programmes for Research and Development European (FP RTD), Investment Bank Group (EIB) through joint EIB and European Commission Initiatives (ERDF) such as the four 'J's (JASPERS, JEREMIE, JESSICA, JASMINE), business support through the ERDF, the European Investment Fund (EIF) to promote social enterprise, the Competitiveness and Innovation Programme (CIP) as well as the PROGRESS programme.

The PROGRESS Programme in particular complements the ESF contributions. It helps improve the quality of the Commission's policy initiatives by ensuring that they are built on strong evidence and by making its decision-making processes more accessible and involving a broad range of stakeholders in policy developments. Under PROGRESS, a first annual call

for proposals on social policy experimentation was launched in 2009. Since 2011, to encourage scaling up into public policies, the calls have been restricted to public authorities.

3.3 Experiences of the social economy and social entrepreneurship supported by the ESF

There is great potential for the ESF to step up support for the development of social entrepreneurship as called for in the Commission's 2011 'Social Business Initiative' Communication. The Commission has therefore provided for technical assistance to make ESF Managing Authorities more aware and better equipped to provide support to the social economy.

Although the promotion of the social economy and social entrepreneurship have not been specific priorities of the Structural Funds in the current round of programmes, social enterprises and social entrepreneurship have been supported by the funds. On the one hand, support has been provided with a view to the development of the social economy.

Box: Specific support for the social economy by the Structural Funds in the Czech Republic

In the Czech Republic, the 'Investment support for the social economy' global grant, part of the ERDF integrated operational programme, provides start-up capital for social service providers, employers and other social economy organisations. Grants range from €12000 to €200000. In parallel, the 'Social economy' global grant, part of the ESF Human Resources and Employment Operational Programme, supports the creation and development of new social businesses.

Grants range from €4000 to €200000.

Box: Specific support for Microfinance by the Structural Funds in Germany

In Germany the federal guarantee fund 'Mikrokreditfonds Deutschland' was set up in January 2010 with the sum of €100m (€60m from the European Social Fund and €40m from the Federal Ministry of Employment and Social Affairs), with the aim of improving access to loans up to €20000 for start-ups and microbusinesses. The goal of the fund is to disburse 15000 loans by 31 December 2015. Priority is given to serving clients with a migrant background, women entrepreneurs and companies offering apprenticeships. Since the fund started in 2010, the number of disbursed loans is more than 250% above what was initially planned. By December 2011 6600 microloans totalling €39m had been given out, with a default rate of only 3%. In all, 41% of the clients have migrant backgrounds and 33% are women. The main business areas are services, retail, catering and handicrafts.

Also in Germany, through the ESF-funded business support programme Gründercoaching, starters and entrepreneurs who have already set up their business, but less than five years ago, can receive coaching for 12 months. The coaching can concern financial advice, the development of a marketing strategy or conducting a market study. The programme is managed by the German federal bank KfW. The entrepreneur receives a grant as a contribution towards coaching fees. The amount covered is 75% in Eastern Germany and 50% in Western Germany, with a maximum fee of €6000. For starters who are unemployed,

90% of a maximum of €4 000 of coaching fees is covered. Applications for the grant must be handed in at one of the regional partners of KfW such as Chambers of Commerce or start-up and business support organisations. For microcredit institutions, combining a microloan with Gründercoaching is difficult. Microcredit organisations that operate under Mikrokreditfonds Deutschland must not make participation in Gründercoaching that they themselves provide a prerequisite for receiving a loan. This is prohibited under German consumer protection legislation. In principle, however, a combination is possible. Moreover, the Gründercoaching cannot be used for the development of the business plan. This means that the entrepreneur has to go to another organisation that either offers paid advice in this regard or has a subsidised (e.g. ESF-funded) counselling project. One problem is that the maximum duration of the coaching is 12 months and once started no interruption is allowed. This means the borrower cannot receive any more coaching if he/she has a problem with the business after 12 months have elapsed.

On the other hand, social enterprises have been supported as they contribute to the delivery of employment, social inclusion, education and institutional capacity-building priorities. As service providers, these undertakings have offered an efficient way of delivering policy and created sustainable jobs at the same time. For example, in the employment field, the social economy has provided labour market reintegration and rehabilitation services for long-term unemployed people, referred to them by public employment services, as part of active labour market policies. They have also provided early childhood education and care for families with a disadvantaged socio-economic background (e.g. migrants, Roma, low-skilled parents) thereby improving access to education and the reduction of early school leaving. Equally, social enterprises have been active in the provision of community care to disabled people, thereby supporting the transition from institutional to community-based care.

In many Member States, the ESF interventions in this field too have played their part in the implementation of country-specific recommendations.

Box: ESF response CSR for Hungary on active labour market services

CSR for Hungary: ‘Strengthen the capacity of the Public Employment Service to increase the quality and effectiveness of training, job search assistance and individualised services, with particular regard for people facing disadvantages. ...’

A significant part of labour market integration services for long-term unemployed people are provided in Hungary by small social enterprises with close local contacts and better outreach to people facing disadvantages (disabled people, Roma, single parents, addicts, etc.). They have also contributed to the delivery of ESF co-financed national active labour market programmes, e.g. the rehabilitation and reintegration of people with altered working capacities involving 14.8 thousand people in the programme by 2011 and placing 1.5 thousand in sustained employment.

With a view to integrating the labour market service delivery capacity into the provision of active labour market services, the ESF has also co-financed the standardisation of services and the development of an accreditation system for social enterprises.

ANNEX 1: IMPLEMENTING 2012 COUNTRY-SPECIFIC RECOMMENDATIONS THROUGH THE ESF

The table below shows how Member States can use the ESF to implement the 2012 CSRs by mapping each of the CSRs addressing social investment issues onto the relevant Thematic Objectives and Investment Priorities from the draft ESF Regulation. It details which specific Thematic Objectives and Investment Priorities have been recommended by the Commission for using the ESF to support implementation of each of these CSRs in the Commission Position Papers sent to Member States in November 2012.

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
AT2	2. Take further steps to strengthen the national budgetary framework by aligning responsibilities across the federal, regional and local levels of government, in particular by implementing concrete reforms aimed at improving the organisation, financing and efficiency of healthcare and education.	(d) Enhancing institutional capacity and efficient public administration	<ul style="list-style-type: none"> Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance
AT3	3. Bring forward the harmonisation of the statutory retirement age between men and women; enhance older workers' employability and monitor closely the implementation of the recent reforms restricting access to early exit channels in order to ensure that the effective retirement age is rising including through linking the statutory retirement age to life expectancy.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> Active and healthy ageing Equality between men and women and reconciliation between work and private life

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
AT4	4. Take steps to reduce the effective tax and social security burden on labour especially for low income earners with a view to increasing employment rates for older persons and women given the need to counteract the impact of demographic change on the working population. Shift the tax burden in a budgetary neutral way, towards real estate taxes, and environmental taxes. Reduce the high gender pay gap and enhance full-time employment opportunities for women, in particular through the provision of additional care services for dependants.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Equality between men and women and reconciliation between work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
AT5	5. Continue to implement measures to improve educational outcomes, especially of disadvantaged young people. Take measures to reduce drop-outs from higher education.	(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school leaving and promoting equal access to good quality early childhood, primary and secondary education • Improving the quality, efficiency and capacity of tertiary and equivalent education with a view to increasing participation and attainment levels. • Investing in education, relevant skills and lifelong learning by developing education and training infrastructures.
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
BE2	2. Continue to improve the long-term sustainability of public finances by curbing age-related expenditure, including health expenditure. In particular, implement the reform of pre-retirement and pension schemes and take further steps to ensure an increase in the effective retirement age, including through linking the statutory retirement age to life expectancy.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Active and healthy ageing;
BE5	5. Significantly shift taxes from labour to less growth-distortive taxes including for example environmental taxes. Pursue the initiated reform of the unemployment benefit system to reduce disincentives to work and strengthen the focus of employment support and activation policies on older workers and vulnerable groups, in particular people with a migrant background. Take advantage of the planned further regionalisation of labour market competencies to boost interregional labour mobility and to strengthen the coherence between education, lifelong learning, vocational training and	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Active and healthy ageing;

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	employment policies. Extend existing activation efforts to all age groups.	(b) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation
		(c) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems <ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
BG1	1. [S]trengthen efforts to enhance the quality of public spending, particularly in the education and health sectors.’	(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school leaving (ESL) and promoting equal access to good-quality early childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Investing in education, skills and lifelong learning by developing education and training Infrastructure • Enhancing access to affordable, sustainable and high-quality services, including healthcare services
BG2	2. Take further steps to reduce risks to the sustainability and to improve adequacy of the pension system by making the statutory retirement age the same for men and women with full career contributions. Introduce stricter criteria and controls for the allocation of invalidity pensions.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for jobseekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training (NEET) into

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
			the labour market
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active Inclusion
BG3	3. Accelerate the implementation of the national Youth Employment Initiative. Ensure that the minimum thresholds for social security contributions do not discourage declared work. Step up efforts to improve the Public Employment Service's performance. To alleviate poverty, improve the effectiveness of social transfers and the access to quality social services for children and the elderly	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for jobseekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training (NEET) into the labour market

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	and implement the National Roma Integration Strategy.	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active Inclusion • Integration of marginalised communities, such as the Roma
BG4	4. Speed up the reform of relevant legal acts on schools and higher education and of accompanying measures by focusing on modernising curricula, improving teacher training, and ensuring effective access to education for disadvantaged groups. Improve the access to finance for start-ups and SMEs, in particular those involved in innovative activities.	(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school leaving (ESL) and promoting equal access to good-quality early childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Investing in education, skills and lifelong learning by developing education and training Infrastructure
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Integration of marginalised communities, such as the Roma
CY3	3. Further improve the long-term sustainability and adequacy of the pensions system and address the high at-	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	risk-of-poverty rate for the elderly. Ensure an increase in the effective retirement age, including through aligning the statutory retirement age with the increase in life expectancy.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing
CY4	4. Complete and implement the national healthcare system without delay, on the basis of a roadmap, which should ensure its financial sustainability while providing universal coverage.	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
CY5	5. Improve the skills of the workforce to reinforce their occupational mobility towards activities of high growth and high value added. Take further measures to address youth unemployment, with emphasis on work placements in companies and promotion of self-employment. Take appropriate policy measures on the demand side to stimulate business innovation.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Self-employment, entrepreneurship and business creation
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
			relevance of education and training systems
CZ2	2. Introduce further changes to the public pension scheme to ensure its long-term sustainability. Reconsider plans to allow an earlier exit from the labour market. Promote effective participation of younger workers in the envisaged funded scheme to improve adequacy of pensions.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people including local employment initiatives and support for labour mobility • Modernisation and strengthening of labour market institutions • Active and healthy ageing
CZ3	3. Take additional measures to significantly increase the availability of affordable and quality pre-school childcare.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Equality between men and women and reconciliation between work and private life;
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Integration of marginalised communities such as the Roma • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
CZ4	4. Strengthen PES by increasing the quality and effectiveness of training, job search assistance and individualised	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people including local employment initiatives and support for labour

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	services, including of outsourced services.		mobility <ul style="list-style-type: none"> • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility
CZ6	6. Adopt the necessary legislation to establish a transparent and clearly defined system for quality evaluation of higher education and research institutions. Ensure that the funding is sustainable and linked to the outcome of the quality assessment. Establish an improvement-oriented evaluation framework in compulsory education.	(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education
DE3	3. Reduce the high tax wedge in a budgetary neutral way, in particular for low-wage earners, and maintain appropriate activation and integration measures, in particular for the long-term unemployed. Create the conditions for wages to grow in line with productivity. Take measures to raise the educational achievement of disadvantaged groups, in particular through ensuring equal opportunities in the education and training system. Phase out the fiscal disincentives for second earners, and increase the	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Equality between men and women and reconciliation between work and private life • Sustainable integration of young people not in employment, education or training (NEET) into the labour market

- Adaptation of workers, enterprises and entrepreneurs to change
- Active and healthy ageing

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	availability of fulltime childcare facilities and all-day schools.		
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion
DK2	2. Take further steps to enhance long-term labour supply by reforming the disability pension, better targeting subsidised employment schemes (the ‘flex-job’ system) towards people with reduced work capacity, and improving the employability of people with a migrant background.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Support and promote self-employment, entrepreneurship and business creation

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion
DK3	3. Implement announced measures, without delay, to improve the cost-effectiveness of the education system, reduce drop-out rates, in particular within vocational education, and increase the number of apprenticeships.	(c) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education
EE2	2. Improve incentives to work by streamlining the social benefits system and increasing flexibility in the allocation of disability, unemployment and parental benefits, while ensuring adequate social protection. Improve delivery of social services, while better targeting family and parental benefits and removing distortionary income tax exemptions related to children. Increase the participation of the young and the long-term unemployed in the labour market.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market; • Self-employment, entrepreneurship and business creation • Active and healthy ageing

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(b) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
EE3	3. Link training and education more effectively to the needs of the labour market, and enhance cooperation between businesses and academia. Increase opportunities for low-skilled workers to improve their access to lifelong learning. Foster prioritisation and internationalisation of the research and innovation systems.	(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels
EL	Implement the measures laid down in Decision 2011/734/EU, as amended on 8 November 2011 and 13 March 2012, and the Memorandum of Understanding on Specific Economic Policy	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young unemployed and young people not in employment, education or training (NEET) into the labour

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	Conditionality, which was signed on 14 March 2012		market <ul style="list-style-type: none"> • Self-employment, entrepreneurship and business creation. • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility
		(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school leaving and promoting equal access to good quality early childhood, primary and secondary education. • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems.
		(c) Active inclusion and combating poverty	<ul style="list-style-type: none"> • Promoting the social economy and social enterprises • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including healthcare services

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
ES2	2. Ensure that the retirement age is rising in line with life expectancy when regulating the sustainability factor foreseen in the recent pension reform and underpin the Global Employment Strategy for Older Workers with concrete measures to develop lifelong learning further, improve working conditions and foster the reincorporation of this group in the job market.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Promoting an active and healthy ageing
ES5	5. Implement the labour market reforms and take additional measures to increase the effectiveness of active labour market policies by improving their targeting, by increasing the use of training, advisory and job matching services, by strengthening their links with passive policies, and by strengthening coordination between the national and regional public employment services, including sharing information about job vacancies.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Facilitating access to employment for job-seekers and inactive people, paying attention to the gender dimension, including local employment initiatives and support for labour mobility

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
ES6	6. Review spending priorities and reallocate funds to support access to finance for small and medium-sized enterprises (SMEs), research, innovation and young people. Implement the Youth Action Plan, in particular as regards the quality and labour market relevance of vocational training and education, and reinforce efforts to reduce early school-leaving and increase participation in vocational education and training through prevention, intervention and compensation measures.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Ensuring a sustainable integration of young people not in employment, education or training into the labour market • Promoting self-employment, entrepreneurship and business creation • Fostering adaptation of workers, enterprises and entrepreneurs to change
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems;

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
ES7	7. Improve the employability of vulnerable groups, combined with effective child and family support services in order to improve the situation of people at risk of poverty and/or social exclusion, and consequently to achieve the well-being of children.	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Integration of marginalised communities such as the Roma • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
FI3	3. Implement the ongoing measures to improve the labour market position of young people and the long-term unemployed, with a particular focus on skills development. Take further steps to improve the employment rate of older workers, including by reducing early exit pathways. Take measures to increase the effective retirement age taking into account the improved life expectancy.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and inactive people • Self-employment, entrepreneurship and business creation; • Active and healthy ageing
FR2	2. Introduce further reforms to combat labour market segmentation by reviewing selected aspects of employment protection legislation, in consultation with the social partners in accordance with national practices, in particular related to dismissals; continue to ensure that any development in the minimum wage is supportive of job creation and competitiveness; take actions to increase	(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	adult participation in lifelong learning.		
FR3	3. Adopt labour market measures to ensure that older workers stay in employment longer; improve youth employability especially for those most at risk of unemployment, by providing for example more and better apprenticeship schemes which effectively address their needs; step up active labour market policies and ensure that public employment services are more effective in delivering individualised support.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility
HU3	3. Make the taxation of labour more employment-friendly by alleviating the impact of the 2011 and 2012 tax changes on low earners in a sustainable, budget-neutral manner, for example by shifting part of the tax burden to energy taxes and recurrent taxes on property. Strengthen measures to encourage women's participation in the labour market, particularly by expanding childcare and pre-school facilities.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Equality between men and women and reconciliation between work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
HU4	4. Strengthen the capacity of the Public Employment Service to increase the quality and effectiveness of training, job search assistance and individualised services, with particular regard for disadvantaged groups. Strengthen the activation element in the public work scheme through effective training and job search assistance. Implement the National Social (Roma) Inclusion Strategy, and mainstream it with other policies.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Equality between men and women and reconciliation between work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest • Promoting the social economy and social enterprises

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
HU6	6. Prepare and implement a national strategy on early school-leaving by ensuring adequate financing. Ensure that the implementation of the higher education reform improves access to education for disadvantaged groups.	(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest • Promoting the social economy and social enterprises

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
IE	Implement the measures laid down in Implementing Decision 2011/77/EU and further specified in the Memorandum of Understanding of 16 December 2010 and its subsequent supplements.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training (NEET) into the labour market • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility.
		(b) investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
IT3	<p>3. Take further action to address youth unemployment, including by improving the labour market relevance of education and facilitating transition to work, also through incentives for business start-ups and for hiring employees. Enforce nationwide recognition of skills and qualifications to promote labour mobility. Take measures to reduce tertiary education dropout rates and fight early school leaving.</p>	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Equality between men and women and reconciliation between work and private life • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
LT2	2. Adopt legislation on a comprehensive pension system reform. Align the statutory retirement age with life expectancy, establish clear rules for the indexation of pensions, and improve complementary savings schemes. Underpin pension reform with active ageing measures.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
LT3	3. Tackle high unemployment, in particular among youth, low-skilled and long-term unemployed, by focusing resources on active labour market policies while improving their efficiency. Enhance the effectiveness of apprenticeship schemes. Amend the labour legislation with regard to flexible contract agreements, dismissal provisions and flexible working time arrangements.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for jobseekers and inactive people, in particular the young, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality earlychildhood, primary and secondary education: • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Community-led Local Development (CLLD)
LT4	4. Increase work incentives and strengthen the links between the social assistance	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Community-led Local

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	reform and activation measures, in particular for the most vulnerable, to reduce poverty and social exclusion.		Development (CLLD)
LU2	2. Strengthen the proposed pension reform by taking additional measures to increase the participation rate of older workers, in particular by preventing early retirement, and by taking further steps to increase the effective retirement age, including through linking the statutory retirement age to life expectancy, in order to ensure the long-term sustainability of the pension system.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility • Active and healthy ageing
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
LU4	4. Continue efforts to reduce youth unemployment by reinforcing stakeholders' involvement, and by strengthening training and education measures, in particular for those with low education levels, with the aim of better matching young people's skills and qualifications to labour demand.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Reducing early school leaving and promoting equal access to good quality early childhood, primary and secondary education

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
LV3	3. Take measures to reduce long-term and youth unemployment by fighting early school leaving, promoting more efficient vocational education and training and its apprenticeship component, enhancing the quality, coverage and effectiveness of active labour market policy and its training component and through an effective wage subsidy scheme.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
LV4	4. Tackle high rates of poverty and social exclusion by reforming the social assistance system to make it more efficient, while better protecting the poor. Ensure better targeting and increase incentives to work.	(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(d) Enhancing institutional capacity and efficient public administration	<p>interest</p> <ul style="list-style-type: none"> • Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance
LV7	7. Continue reforms in higher education, inter alia, by implementing a new financing model that rewards quality, strengthens links with market needs and research institutions, and avoids fragmentation of budget resources. Design and implement an effective research and innovation policy encouraging companies to innovate, including via tax incentives, upgrading infrastructure and rationalising research institutions.	(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
MT2	2. Take action, without further delay, to ensure the long-term sustainability of the pension system, comprising an increase in the effective retirement age, including through a significant acceleration of the progressive increase in the statutory retirement age compared to current legislation and through a clear link between the statutory retirement age and life expectancy, and measures to encourage private pension savings. Take measures to increase the participation of older workers in the labour force and discourage the use of early retirement schemes.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Equality between men and women and reconciliation between work and private life, including stimulation of female employment in rural areas • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Self-employment, entrepreneurship and business creation
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion <ul style="list-style-type: none"> • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest:
MT3	3. Take steps to reduce the high rate of early school leaving. Pursue policy efforts in the education system to match the skills required by the labour market. Enhance the provision and affordability of more	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Equality between men and women and reconciliation between work and private life, including

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	childcare and out-of-school centres, with the aim of reducing the gender employment gap.		<p>stimulation of female employment in rural areas</p> <ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Self-employment, entrepreneurship and business creation
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education • Improving the quality, efficiency and openness of tertiary and equivalent education with view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems and training systems

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active Inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest
NL2	2. Take measures to increase the statutory retirement age, including linking it to life expectancy, and underpin these with labour market measures to support raising the effective retirement age, whilst improving the long-term sustainability of public finances. Adjust the second pension pillar to mirror the increase in the statutory retirement age, while ensuring an appropriate intra- and inter-generational division of costs and risks. Implement the planned reform in long-term care and complement it with further measures to contain the increase in costs, in view of an ageing population.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion
NL3	3. Enhance participation in the labour market, particularly of older people, women, and people with disabilities and migrants, including by further reducing tax disincentives for second-income earners, fostering labour market transitions, and addressing rigidities.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
			<ul style="list-style-type: none"> • Equality between men and women and reconciliation between work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion
PL3	<p>3. To reduce youth unemployment, increase the availability of apprenticeships and work- based learning, improve the quality of vocational training and adopt the proposed lifelong learning strategy. Better match education outcomes with the needs of the labour market and improve the quality of teaching. To combat labour market segmentation and in-work poverty, limit excessive use of civil law contracts and extend the probationary period to permanent contracts.</p>	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Equality between men and women and reconciliation between work and private life • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility;

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Improving the quality, efficiency and openness of tertiary and equivalent education with view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Promoting equal access to good-quality early-childhood, primary and secondary education
PL4	4. Reinforce efforts to increase the labour market participation of women and raise enrolment rates of children in both early childcare and pre-school education, by ensuring stable funding and investment in public infrastructure, the provision of qualified staff, and affordable access. Tackle entrenched practices of early retirement to increase exit ages from the labour market. Phase out the special	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Active and healthy ageing • Sustainable integration of young people not in employment, education or training into the labour market • Equality between men and women and reconciliation between work and private life

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
	<p>pension scheme for miners with a view to integrating them into the general scheme. Take more ambitious, permanent steps to reform the KRUS to better reflect individual incomes.</p>	<p>(b) Investing in education, skills and lifelong learning</p>	<ul style="list-style-type: none"> • Improving the quality, efficiency and openness of tertiary and equivalent education with view to increasing participation and attainment levels • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Promoting equal access to good-quality early-childhood, primary and secondary education
<p>(c) Promoting social inclusion and combating poverty</p>		<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest 	

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
PT	Implement the measures as laid down in Implementing Decision 2011/344/EU and further specified in the Memorandum of Understanding of 17 May 2011 and its subsequent supplements.	(a) Promoting Employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, in particular of young people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training (NEET) into the labour market
		(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education: • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment level • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest:
RO	Implement the measures laid down in Decision 2009/459/EC, as amended by Decision 2010/183/EU, together with the measures laid down in Decision 2011/288/EU and further specified in the Memorandum of Understanding of 23 June 2009 and its subsequent supplements, and in the Memorandum of Understanding of 29 June 2011 and its subsequent supplements.	(a) Promoting Employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility
		(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Reducing early school-leaving and promoting equal access to good quality early childhood, primary and secondary education • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
			<ul style="list-style-type: none"> • Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest • Active inclusion • Integration of marginalised communities such as the Roma
SE3	3. Take further measures to improve the labour market participation of youth and vulnerable groups, e.g. by improving the effectiveness of active labour market measures, facilitating the transition from school to work, promoting policies to increase demand for vulnerable groups and improving the functioning of the labour market. Review the effectiveness of the current reduced VAT rate for restaurants and catering services in support of job creation.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Adaptation of workers, enterprises and entrepreneurs to change • Active and healthy ageing

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Community-led local development
SI2	2. Take urgent steps to ensure the long-term sustainability of the pension system, while preserving the adequacy of pensions, by: (i) equalising the statutory retirement age for men and women; (ii) ensuring an increase in the effective retirement age, including through linking the statutory retirement age to life expectancy; (iii) reducing early retirement possibilities; and (iv) reviewing the indexation system for pensions. Increase the employment rate of older workers also by further developing active labour market policies and lifelong learning measures.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility <ul style="list-style-type: none"> • Active and healthy ageing
		(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Combating discrimination based on sex, racial or ethnic origin, • religion or belief, disability, age or sexual orientation; • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
SI4	4. Adjust employment protection legislation as regards permanent contracts in order to reduce labour market segmentation, in consultation with social partners and in accordance with national practices. Further tackle the parallel labour market caused by student work.	N/A	N/A <i>[This CSR requires legislative changes which are not the subject of ESF support. It has not been addressed in the Commission Position Paper for Slovenia.]</i>
SI5	5. Improve the matching of skills with labour market demand, particularly of low-skilled workers and tertiary graduates, and continue reforms of vocational education and training.	(a) Promoting Employment and supporting labour mobility	<ul style="list-style-type: none"> • Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems
SI7	7. Following consultation with social partners and in accordance with national practice, ensure that wage growth, including minimum wage adaptation, supports competitiveness and job creation.	N/A	N/A <i>[This CSR refers to social dialogue deliberations which are not subject of ESF support other than through capacity-building for stakeholders. It has not been addressed in the Commission Position Paper for Slovenia.]</i>

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
SK3	3. Further adjust the pay-as-you-go pension pillar, mainly by changing the indexation mechanism, introducing a direct link between the statutory retirement age and life expectancy and introducing a sustainability factor in the pension calculation formula reflecting demographic change. Ensure the stability and viability also of the fully funded pillar.	<ul style="list-style-type: none"> • (a) Promoting Employment and supporting labour mobility 	<ul style="list-style-type: none"> • Active and healthy ageing
SK4	4. Enhance the administrative capacity of public employment services with a view to improving the targeting, design and evaluation of active labour market policies to ensure more individualised employment services for the young, the long-term unemployed, older workers and women. Ensure the provision of childcare facilities. Reduce the tax wedge for low-paid workers and adapt the benefit system.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Equality between men and women and reconciliation between work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
SK5	5. Adopt and implement the youth action plan, in particular as regards the quality and labour market relevance of education and vocational training, including through the introduction of an apprenticeship scheme. Improve the quality of higher education by strengthening quality assurance and result orientation.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility • Sustainable integration of young people not in employment, education or training into the labour market • Equality between men and women and reconciliation between work and private life
		(b) Investing in education, skills and life-long learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Improving the quality, efficiency and openness of tertiary and equivalent education with view to increasing participation and attainment level

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
UK3	3. Continue to improve the employability of young people, in particular those not in education, employment or training, including by using the Youth Contract. Ensure that apprenticeship schemes are taken up by more young people, have a sufficient focus on advanced and higher-level skills, and involve more small and medium-sized businesses. Take measures to reduce the high proportion of young people aged 18-24 with very poor basic skills.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and economically inactive people, including local employment initiatives and support for labour mobility • Equality between men and women and better balance of work and private life
		(b) Investing in education, skills and lifelong learning	<ul style="list-style-type: none"> • Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems • Reducing early school-leaving and promoting equal access to good-quality early childhood, primary and secondary education
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion

MS	2012 CSRs	Thematic Objective in draft ESF Regulation Article 3	Investment Priorities under Thematic Objective in draft ESF Regulation Article 3
UK4	4. Step up measures to facilitate the labour market integration of people from jobless households. Ensure that planned welfare reforms do not translate into increased child poverty. Fully implement measures aiming to facilitate access to childcare services.	(a) Promoting employment and supporting labour mobility	<ul style="list-style-type: none"> • Sustainable integration of young people not in employment, education or training into the labour market • Access to employment for job-seekers and economically inactive people, including local employment initiatives and support for labour mobility • Equality between men and women and better balance of work and private life
		(c) Promoting social inclusion and combating poverty	<ul style="list-style-type: none"> • Active inclusion • Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest