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from:	General Secretariat
to:	Permanent Representatives Committee/Council
Subject:	Proposal for a decision of the European Parliament and of the Council on enhanced co-operation between Public Employment Services (PES) - Outcome of the European Parliament's first reading (Strasbourg, 14 to 17 April 2014)

I. INTRODUCTION

In accordance with the provisions of Article 294 of the TFEU and the joint declaration on practical arrangements for the codecision procedure ¹, a number of informal contacts have taken place between the Council, the European Parliament and the Commission with a view to reaching an agreement on this dossier at first reading, thereby avoiding the need for second reading and conciliation.

¹ OJ C 145, 30.6.2007, p.5

In this context, the rapporteur, Frédéric DAERDEN (S&D, BE), presented one compromise amendment (amendment 42) to the proposal for a Decision, on behalf of the Committee on Employment and Social Affairs. This amendment had been agreed during the informal contacts referred to above.

II. VOTE

When it voted on 16 April 2014, the plenary adopted the compromise amendment to the proposal for a Decision. The Commission's proposal as thus amended constitutes the Parliament's first-reading position which is contained in its legislative resolution as set out in the Annex hereto¹.

The Parliament's position reflects what had been previously agreed between the institutions. The Council should therefore be in a position to approve the Parliament's position.

The act would then be adopted in the wording which corresponds to the Parliament's position.

¹ The version of the Parliament's position in the legislative resolution has been marked up to indicate the changes made by the amendments to the Commission's proposal. Additions to the Commission's text are highlighted in ***bold and italics***. The symbol "■" indicates deleted text.

Public employment services *I**

European Parliament legislative resolution of 16 April 2014 on the proposal for a decision of the European Parliament and of the Council on enhanced co-operation between Public Employment Services (PES) (COM(2013)0430 – C7-0177/2013 – 2013/0202(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2013)0430),
 - having regard to Article 294(2) and 149 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C7-0177/2013),
 - having regard to the opinion of the Committee on Legal Affairs on the proposed legal basis
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 17 October 2013¹,
 - having regard to the opinion of the Committee of the Regions of 28 November 2013²,
 - having regard to the undertaking given by the Council representative by letter of 7 February 2014 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rules 55 and 37 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs (A7-0072/2014),
1. Adopts its position at first reading hereinafter set out;
 2. Approves its statement annexed to this resolution;
 3. Calls on the Commission to refer the matter to Parliament again if it intends to amend its proposal substantially or replace it with another text;
 4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 67, 6.3.2014 p. 116.

² Not yet published in the Official Journal.

Position of the European Parliament adopted at first reading on 16 April 2014 with a view to the adoption of Decision No .../2014/EU of the European Parliament and of the Council on enhanced co-operation between Public Employment Services (PES)

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 149 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national *parliaments*,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 67, 6.3.2014 p. 116.

² OJ C , , p. .

³ *Position of the European Parliament of 16 April 2014.*

Whereas:

- (1) *In its conclusions of 17 June 2010, the European Council adopted the Europe 2020 Strategy for jobs and smart, sustainable and inclusive growth ('Europe 2020'). The European Council called for the mobilisation of all Union instruments and policies to support the achievement of the common objectives and invited the Member States to take enhanced coordinated action. Public Employment Services (PES) play a central role in contributing to the achievement of the Europe 2020 employment rate headline target of 75 % for women and men aged between 20 and 64 by 2020, in particular by decreasing youth unemployment.*
- (2) Article 45 of the Treaty on the Functioning of the European Union ('Treaty') lays down the freedom of movement for workers within the Union, while Article 46 thereof sets out the measures to bring about this freedom, in particular by ensuring close cooperation between the public employment services. A network of PES established under this Decision ('the Network') should, in addition to the general aspects of geographical mobility, cover a wide range of objectives and initiatives by way of incentive measures designed to improve cooperation between Member States in the field of employment.

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- (3) *This Decision should aim to encourage cooperation between Member States within the areas of PES responsibility. It formalises and strengthens the informal cooperation between the PES via the current European Network of Heads of PES, in which all Member States have agreed to participate. The full potential value of the Network resides in the continued participation of all Member States. That participation should be notified to the Secretariat of the Network.*
- (4) In accordance with Article 148(4) *of the Treaty* , by Decision 2010/707/EU¹ the Council adopted guidelines for *the* employment policies *of the Member States, which have been maintained for the years 2011-2013*. Those integrated guidelines provide guidance to the Member States on defining their national reform programmes and on implementing reforms. The integrated guidelines form the basis for country-specific recommendations that the Council addresses to the Member States under *that* Article . In recent years, *those recommendations* have included specific recommendations on the functioning and capacity of PES and on the effectiveness of active labour market policies in Member States.

¹ *Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States (OJ L 308, 24.11.2010, p. 46).*

- (5) ***The country-specific*** recommendations would benefit from being further supported by an enhanced evidence-based feedback on ***the*** success of policy implementation and co-operation between the PES of Member States. To this end, the █ Network █ should carry out concrete initiatives such as common evidence-based benchmarking systems, corresponding mutual learning activities, mutual assistance between the ***Network*** members and the implementation of strategic actions for the modernisation of PES. The specific knowledge of the ***Network*** and its individual members should also be used to provide, at the request of the ***European Parliament, the Council, the Commission or*** the Employment Committee (EMCO), evidence for the development of employment policies.
- (6) █ Greater and more focused cooperation between the PES should lead to an improved sharing of best practices. ***The Network should link findings based on benchmarking and mutual learning activities in a way that allows the development of a systematic, dynamic and integrated benchlearning process.***

- (7) The █ Network █ should work in close co-operation with EMCO, pursuant to Article 150 *of the Treaty*, and *should* contribute to EMCO's work by providing factual evidence and reports on *policies implemented by the PES*. Contributions from the █ Network *to the European Parliament should be channelled through the Secretariat, and* those to the Council *should* be channelled through EMCO, *without any modification and, where appropriate, together with comments*. In particular, the combined knowledge of the █ Network on the delivery aspects of employment policies and the comparative analyses of PES *could* assist policy decision-makers, at both Union and national level, in assessing and designing employment policies.
- (8) The *Network, within the areas of PES responsibility*, should contribute to the implementation of policy initiatives in the █ field *of employment* such as the Council Recommendation *of 22 April 2013 on establishing* a Youth Guarantee¹. The *Network should* also support initiatives aimed at *better skills matching, decent and sustainable work, enhanced voluntary labour mobility and* facilitating the transition from education and training to work, including through *support for the provision of guidance and the* enhanced transparency of skills and qualifications. *The activities of the Network should address the evaluation and assessment of active labour market policies, including those targeting vulnerable social groups and social exclusion.*

¹ *OJ C 120, 26.4.2013, p.1.*

- (9) The [] Network should reinforce co-operation between its members, develop joint initiatives aimed at exchanges of information and best practices in all areas covered by PES, comparative analyses and advice, as well as the promotion of innovative approaches to the delivery of employment services. By establishing *the Network*, an inclusive, evidence-based and performance-oriented comparison of all PES *will be possible*, leading to the identification of best practices *in the areas of PES services*. *Those* results [] should *contribute* to [] a better design and delivery of employment services within their specific responsibilities. The initiatives of the Network should improve the effectiveness of PES and allow for more efficient public spending. *The Network should also cooperate with other providers of employment services.*
- (10) *In its annual work programme, the Network should define the technical details of the PES benchmarking and the related mutual learning exercise, in particular the benchlearning methodology, on the basis of the benchmarking indicators as set out in the Annex to this Decision to assess the performance of PES, the context variables, the data delivery requirements, and the learning instruments of the integrated mutual learning programme. The benchmarking areas should be defined in this Decision. Member States remain competent to decide whether to engage on a voluntary basis in additional benchlearning exercises in other areas.*

- (11) ***The power to adopt acts in accordance with Article 290 of the Treaty should be delegated to the Commission in respect of amending the Annex on benchmarking indicators.*** It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, in particular with PES experts. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and to the Council.

- (12) Due to the variety of PES models, tasks and forms of service delivery, it is up to Member States to nominate, from the senior management of the **PES, one member and one alternate** member for the Board of the Network ('the Board'). Where applicable, the **member or the alternate** member should represent, on the Board, other **PES from his or her Member State. Where it is not possible, for constitutional reasons, for a Member State to nominate only one PES, the relevant PES should be identified, keeping their number to a minimum and without changing the rule that one Member State equals one vote on the Board.** The members of the Board should **make every effort to ensure that the opinions and experiences of local and regional authorities are incorporated into the Network's activities, and that such authorities are kept informed of those activities. The members of the Board should** have the **authority** to take decisions on behalf of their PES. In order to ensure the involvement of all PES in the ■ Network, activities should be open to the participation of PES from all levels.
- (13) ***In order to ensure that the common tasks of PES are closely matched to the actual situation on the labour market, the Network should have the most up-to-date unemployment figures at NUTS 3 level.***

- (14) The █ Network should build on the experience of and replace *the* existing informal advisory group of the **European Network of Heads of PES** that the Commission has supported since 1997, the views of which have been taken into account in this Decision. The key areas for action identified by that advisory group in its paper entitled "PES Strategy 2020" █ should *contribute to the* modernisation and *the* strengthening of PES.
- (15) The █ Network should provide mutual assistance to the benefit of its members and should help its members to support each other in the modernisation of organisational structures and service delivery by enhancing co-operation, in particular *the* transfer of knowledge, study visits and staff exchanges.
- (16) The █ Network and its initiatives should be funded through the PROGRESS/employment section of the European Union **Programme for Employment and Social █ Innovation¹ ('EaSI')** established by Regulation (EU) No 1296/2013 of the European Parliament and of the Council ¹, within the appropriations set by the European Parliament and the Council.
- (17) For projects developed by the **Network** or identified in the mutual learning activities and then implemented in the individual PES, Member States *should* have access to funding from the European Social Fund (ESF), the Regional Development Fund (ERDF) and 'Horizon 2020', the Union's Framework Programme for Research and Innovation (2014-2020) established by Regulation (EU) No 1291/2013 of the European Parliament and of the Council ².

- █
- (18) *The Network should ensure that it complements and does not replace nor duplicate actions undertaken as part of the European Employment Strategy within the meaning of Title IX of the Treaty, in particular those of EMCO and its tools such as the Joint Assessment Framework (JAF), as well as the Mutual Learning Programme. Furthermore, in order for synergies to be made, the Commission should ensure that the Secretariat of the Network cooperates closely with that of EMCO.*

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¹ Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 347, 20.12.2013, p. 238.)

² Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 - the Framework Programme for Research and Innovation (2014-2020) and repealing Decision No 1982/2006/EC (OJ L 347, 20.12.2013, p. 104.)

- (19) *This Decision respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union ('the Charter'). In particular, this Decision seeks to ensure full respect for the right of access to free placement services and to promote the application of Article 29 of the Charter.*

HAVE ADOPTED THIS DECISION:

Article 1
Establishment *of the Network*

A Union-wide network of Public Employment Services (PES) is hereby established for the period from ... * *to* 31 December 2020 ('the Network'). The Network shall carry out the initiatives laid down in Article 4.

The Network *shall be composed of*:

- (a) the **PES** as nominated by the Member States;
- (b) the Commission.

EMCO shall have an observer status.

Member States with *subnational* autonomous **PES** shall ensure *their* adequate representation in the specific initiatives of the Network.

* OJ: Please insert the date of entry into force of this Decision.

Article 2
Definition of benchlearning

For the purposes of this Decision and the activities of the Network, ‘benchlearning’ means the process of creating a systematic and integrated link between benchmarking and mutual learning activities, that consists of identifying good performances through indicator-based benchmarking systems, including data collection, data validation, data consolidation and assessments, with appropriate methodology, and of using findings for tangible and evidence-informed mutual learning activities, including good or best practice models.

Article 3
Objectives

The aim of this Decision is to encourage cooperation between Member States through the Network in the field of employment, within the areas of PES responsibility, in order to contribute to the 'Europe 2020' and to the implementation of relevant Union policies, thereby supporting:

- (a) the most vulnerable social groups with high unemployment rates, especially older workers and young persons not in employment, education or training ('NEETs');*

- (b) *decent and sustainable work*;
- (c) the better functioning of the labour markets in the EU;
- (d) *the identification of skills shortages and the provision of information on their extent and location, as well as the better matching of the skills of job-seekers with the needs of employers*;
- (e) the better integration of labour markets;
- (f) increased *voluntary* geographical and occupational mobility *on a fair basis to meet specific labour market needs*;
- (g) *the* integration of persons excluded from the labour market *as part of the combat against social exclusion*;
- (h) *the evaluation and assessment of active labour market initiatives and their effective and efficient implementation*.

Article 4
Initiatives of the Network

1. ***Within the areas of PES responsibility, the*** Network shall, in particular, ***carry out the following initiatives:***
 - (a) the ***development*** and implementation of ***Union-wide, evidence-based benchlearning among PES to compare, with appropriate methodology, the performance of their activities in the following areas:***
 - (i) ***contribution to reducing unemployment for all age groups and for vulnerable groups;***
 - (ii) ***contribution to reducing the duration of unemployment and reducing inactivity, so as to address long-term and structural unemployment, as well as social exclusion;***
 - (iii) ***filling of vacancies (including through voluntary labour mobility);***
 - (iv) ***customer satisfaction with PES services.***

- (b) the **provision of** mutual assistance, either in the form of peer-to-peer or group activities, through cooperation, exchanges of information, experiences and staff between **the** members **of the Network**, including support for the implementation of PES-related country-specific recommendations issued by the Council **upon request by the Member State or the PES concerned**;
- (c) **contribute to** modernising and strengthening PES in key areas, **in line with the employment and social objectives of Europe 2020**;
- (d) **prepare** reports ■ at the request of the **European Parliament, the** Council ■ or the Commission, or on its own initiative;
- (e) **contribute** to the implementation of **relevant** policy initiatives;
- (f) ■ adopt and implement **its** annual **work** programme **setting** out its working methods, deliverables and **the** details related to the implementation of **benchlearning**;
- (g) **promote and share best practices on the identification of NEETs and on the development of initiatives to ensure those young people gain the skills necessary to enter and remain in the labour market.**

As regards the initiative laid down in point (a) of the first subparagraph, **the benchmarking shall use the indicators set out in the Annex. The Network** shall also participate actively in the implementation of these activities by sharing data, knowledge and practices. **Member States shall remain competent to decide whether to engage on a voluntary basis in additional benchlearning exercises in areas other than those listed in points (i) to (iv) of point (a);**

2. The Network shall establish a reporting mechanism in relation to the initiatives *listed in paragraph 1*. In application of that mechanism, *the* members *of the Network* shall report annually to the *Board*.

Article 5 Cooperation

The Network shall *initiate cooperation* with *relevant* labour market stakeholders including other providers of employment services, *and, where appropriate, social partners, organisations representing unemployed persons or vulnerable groups, NGOs working in the field of employment, regional and local authorities, the European Lifelong Guidance Policy Network and private employment services*, by involving them in relevant activities and meetings of the Network and by exchanging information and data with them.

Article 6
Functioning of the Network

1. The Network shall be governed by a Board. Member *States* shall nominate ■ onto the Board one member and one alternate member, *from the senior management of their respective PES*. The Commission shall *also* appoint one member and one alternate member *of* the Board. Alternate members *of the Board* shall replace their members whenever necessary.

EMCO shall nominate, from its members and in accordance with its Rules of Procedure, one representative who will have observer status on the Board, with the exception of the restricted sessions of the Board. The Board shall be able to meet in restricted sessions, with the participation of one member per Member State and one member from the Commission, except for agenda points concerning the annual work programme. The Rules of Procedure of the Board shall provide further detailed rules on the holding of restricted sessions.

2. The Board shall appoint a Chair and two Vice-Chairs from among its members nominated by a Member State. *The Chair shall* represent the Network. A Vice-Chair shall replace the *Chair* whenever necessary.

3. The Board shall adopt its Rules of Procedure by unanimous decision. Those Rules of Procedure shall contain, inter alia, the decision-making arrangements of the Board, and the provisions on the appointment and terms of office of the Chair and Vice-Chairs of the **Board**.
4. The Board shall adopt by majority decision :
 - (a) the annual work programme *of the Network*, including the setting up of working groups and the language arrangements of the meetings of the Network;
 - (b) *the technical framework for the delivery of the benchmarking and mutual learning activities, as part of the annual work programme of the Network, including the benchlearning methodology on the basis of the benchmarking indicators as set out in the Annex to this Decision to compare PES performance, the context variables, the data delivery requirements, and the learning instruments of the integrated mutual learning programme;*
 - (c) *the annual report of the Network. That report shall be sent to the European Parliament and to the Council, and shall be published.*

4. The Board ***shall*** be assisted by a Secretariat provided by and based within the Commission. The Secretariat **■**, in cooperation with the Chair and Vice-***Chairs***, ***shall prepare*** the Board meetings, the annual work programme and ***the*** annual report ***of the Network***. ***The Secretariat shall closely cooperate with the EMCO Secretariat.***

Article 7

Financial support for this incentive measure

The global resources for the implementation of this Decision shall be established within the PROGRESS/employment section of ***EaSI***, the annual appropriations of which shall be authorised by the European Parliament and by the Council within the limits of the financial framework.

Article 8

Amendment of the Annex on benchmarking indicators

The Commission shall be empowered to adopt delegated acts in accordance with Article 9 ***to amend the Annex laying down the benchmarking indicators.***

Article 9
Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The delegation of power referred to in Article 8 shall be conferred on the Commission from ...⁺ ***until 31 December 2020.***
3. The delegation of power referred to in Article 8 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

⁺ OJ: Please insert date : the date ***of entry into force of this*** Decision.

5. A delegated act adopted pursuant to Article 8 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

Article 10 Review

By ... *, the Commission shall submit a report on the application of this Decision to the European Parliament, the Council, the European Economic and Social Committee and the Committee of ***the*** Regions. The report shall, in particular, assess to what extent the ***Network*** has contributed to the achievement of the objectives set out in ***Article*** 3 and whether it has fulfilled its tasks. ***It shall also assess how benchmarking in the areas referred to in points (a)(i) to (iv) of Article 4(1) has been developed and implemented by the Network.***

* ***OJ: please insert the date - three years after entry into force of this Decision.***

Article 11
Entry into force

This Decision shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

Article 12
Addressees

This Decision is addressed to the Member States.

Done at..., ...

For the European Parliament
The President

For the Council
The President

ANNEX

Benchmarking indicators

A. The quantitative indicators for the areas listed in points (a)(i) to (iv) of Article 4(1):

- 1) Contribution to reducing unemployment for all age groups and for vulnerable groups:***
 - a) Transition from unemployment into employment per age group, gender and qualification level, as a share of the stock of registered unemployed persons;***
 - b) Number of people leaving the PES unemployment records, as a share of registered unemployed persons.***

- 2) *Contribution to reducing the duration of unemployment and reducing inactivity, so as to address long-term and structural unemployment, as well as social exclusion:*
 - a) *Transition into employment within, for example, 6 and 12 months of unemployment per age group, gender and qualification level, as a share of all PES register transitions into employment ;*
 - b) *Entries into a PES register of previously inactive persons, as a share of all entries into that PES register per age group and gender.*
- 3) *Filling of vacancies (including through voluntary labour mobility):*
 - a) *Job vacancies filled;*
 - b) *Answers to Eurostat's Labour Force Survey on the contribution of PES to the finding of the respondent's current job.*

4) *Customer satisfaction with PES services:*

a) *Overall satisfaction of jobseekers;*

b) *Overall satisfaction of employers.*

B. Areas of benchmarking through qualitative internal and external assessment of performance enablers for the areas listed in points (a)(i) to (iv) of Article 4(1):

1) *Strategic performance management;*

2) *Design of operational processes such as effective channelling and profiling of jobseekers and tailored use of active labour market instruments;*

3) *Sustainable activation and management of transitions;*

4) *Relations to employers;*

5) *Evidence-based design and implementation of PES services;*

6) *Effective management of partnerships with stakeholders;*

7) *Allocation of PES resources.*

STATEMENT BY THE EUROPEAN PARLIAMENT

ON

THE ESTABLISHMENT OF A NETWORK FOR PUBLIC EMPLOYMENT SERVICES

The European Parliament:

1. WELCOMES the agreement reached by the co-legislators on the Commission's proposal for a Decision on enhanced co-operation between Public Employment Services (PES), which is formalising and strengthening the existing informal network of cooperation between PES;
2. RECALLS that Article 149 TFEU provides that the European Parliament and the Council may adopt incentive measures designed to encourage cooperation between Member States in the field of employment. Such acts are legislative acts and may provide for legally binding obligations, however, without harmonising laws and regulations of Member States;
3. CONSIDERS that setting up the network of cooperation between PES is an incentive measure falling within the scope of Article 149 TFEU. Therefore, once the Decision is adopted, all Member States shall participate in the said network, as the non-participation of a Member State in a Union policy cannot be justified by the mere wish of Member States;
4. UNDERLINES that, according to the recitals and the enacting articles, the primary objective of this Decision is to strengthen and enhance the effectiveness of the previously existing informal PES network, by formalising it through a legislative act. Such an objective can only be achieved if all Member States are participating in the network and engaging in the activities laid down in Article 3 of the Decision.