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REPORT

from: The Presidency
to: Permanent Representatives Committee (Part I)/Council (EPSCO)

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Subject: Proposal for a Regulation of the European Parliament and of the Council on a European Network of Employment Services, workers' access to mobility services and the further integration of labour markets (EURES)
- Progress Report

I. INTRODUCTION

On 17 January 2014, the Commission adopted the proposal for a Regulation of the European Parliament and of the Council on a European Network of Employment Services, workers' access to mobility services and the further integration of labour markets (the so called "EURES Regulation"). The European Council called for developing the EURES portal into a true European placement and recruitment tool.

Following the Commission information (30 January) on the state of play of the EURES network in general, the Social Questions Working Party started the examination of the proposal on 13 February.

At this stage, all delegations have maintained a general scrutiny reservation. PL, MT, EE and UK maintain parliamentary scrutiny reservations. PL, HU and EE maintain linguistic scrutiny reservations.

The proposed legal basis of Article 46 TFEU requires the Council to act by qualified majority, in accordance with the ordinary legislative procedure with the European Parliament and after consulting the European Economic and Social Committee.

The European Parliament has not yet delivered its position in first reading. Neither the European Economic and Social Committee nor the Committee of the Regions have not yet delivered their opinions on this proposal. The Council exercised its option of consulting the latter.

II. THE COMMISSION'S PROPOSAL

The above proposal aims to enhance access of workers to intra-EU labour mobility support services. This would support fair mobility, reduce barriers and increase access to employment opportunities throughout the Union. This proposal is placed within a wider reform launched by the Commission in its Employment Package (April 2012) on removing the obstacles to free movement of workers, enhancing the matching of job seekers with jobs across borders and considering the impacts of mobility and migration.

An important element of the proposal is the re-establishment of the EURES Network, addressing the shortcomings identified to date in the current framework for cooperation based on Regulation 492/2011. Furthermore, the proposal aims at adapting the EURES network to the current market needs by giving it as well a solid and adequate legal basis.

As part of this wider agenda, the operational reform of EURES aims to transform the EURES network into a more effective and efficient employment instrument, given the high unemployment rates in Europe and the poor matching between the labour market needs and demand.

In line with the Employment Package, the Commission adopted (in November 2012) an implementing Decision¹, which entered into force on 1 January 2014. This decision aimed at modernising and reinforcing the EURES network, without modifying the legal basis, Regulation 492/2011².

The current proposal for a Regulation should establish a new legal basis for EURES and replaces the provisions on the exchange of information on job vacancies, job applications and CV's across Member States (set out in Chapter II and Article 38 of Regulation 492/2011).³

The proposal builds on the current operational reform of EURES which aims to focus more on matching, placement and recruitment activities, creating added value for jobseekers, job changers and employers to the benefit from a better functioning of the European labour market, thus contributing to meeting the targets of the EU 2020 Strategy. It will be supported by the new interoperability platform which will create a central index gathering identification and matching data from CV's and vacancies in a standardised format, allowing for an optimised search and matching service.

¹ Commission Implementing Decision 2012/733/EU of 26 November 2012 implementing Regulation (EU) No 492/2011 (OJEU L328, 28.11.2012, p.21) repealed Commission Decision 2003/8/EC of 23 December implementing Council Regulation (EEC) No 1612/68 as regards the clearance of job vacancies and application for employment (OJ L5, 10.1.2003, p.16).

² Regulation (EU) No 492/2011 of The European Parliament and of The Council of 5 April 2011 on freedom of movement for workers within the Union (OJ, L141, 7.5.2011, p.1)

³ Upon adoption of this Regulation, the Commission should repeal the implementing Decision 2012/733/EU.

The new EURES should also set up a programming, monitoring and reporting cycle between the Member States, gather and analyse more systematically pertinent labour market information as well as open up the network for other employment services than public employment services. The Commission also proposed to expand EURES to paid traineeships and apprenticeships in order to tackle youth unemployment.

In the Commission proposal, the (re)established EURES network contains five structural improvements compared to the current one:

- increasing transparency of labour markets via more data input;
- using more common tools via automated matching;
- improving the access to EURES via mainstreaming;
- better managing expectations from workers and employers through mobility support services;
- sharing more information to reinforce the practical cooperation across Member States within the network through mobility information exchange systems.

As for the financing aspect, from 2014, the national activities should be financed under the ESF, while the horizontal activities such as targeted mobility schemes, cross-border partnerships, the maintenance and development of the EURES Portal, and the common training programme for EURES Advisers and their line managers will be financed under the European Employment and Social Innovation Programme (EaSI).

III. THE COUNCIL'S WORK UNDER THE HELLENIC PRESIDENCY

The Working Party discussed the EURES network on eight occasions, examining in detail all provisions of the proposals (Articles 1 to 37 plus Annex).

In general, the delegations considered this proposal useful in its aim to facilitate mobility, thus contributing to tackling the issue of unemployment in Europe by better matching between labour market needs on one hand and supply on the other. Most delegations are still analysing the text, and a number of them already made some text proposals following the Presidency's call for contributions.

Based on the delegations' oral and written comments, the Presidency presented on 23 April its first compromise proposal on Chapters I and II (Articles 1 to 13, including the Annex), as set out in doc. 8903/14. Following these discussions, the Presidency issued a slightly amended compromise proposal on the same chapters (set out in doc. 9901/14), together with a new compromise proposal on Chapter III (Articles 14 to 17, set out in doc. 9902/14). The Hellenic Presidency's input on Articles 1 to 17, including the Annex, will feed into the further work on the EURES proposal under the incoming Italian Presidency.

The Presidency's work on Chapters I-III can be summarised as follows:

Chapter I (doc. 9901/14)

- Article 1: introducing clarifications on the definitions, whilst leaving for now aside the formulation on the subject matter, to be revisited once the entire text is reviewed;
- Article 2: clarifying further the definitions, by limiting the employment services to legal persons and by suggesting a recital clarifying the notion of worker in relation to (possible) inclusion of apprenticeships and traineeships in the scope of the Regulation;

Chapter II (doc. 9901/14)

Establishing a number of improvements and clarifications in the text:

- Article 3: putting the emphasis rather on the re-establishment of EURES and suggesting the addition of a recital explaining the role of EURES to date;
- Article 4: streamlining the definitions of different actors of the EURES network and making their respective roles clearer;
- Article 5: better clarifying the objectives of the proposal;

- Articles 5 and 6: improving the text on the respective roles of the European Coordination Office and National Cooperation Offices and on the mutual interaction of these offices as well as with other actors;
- Article 6, paragraph 6: moving the text, as amended, on sufficient staff and resources to a recital, taking into account Member States' national prerogatives in this area;
- Article 8: better clarifying the mechanism of authorisation of EURES Partners and the possibility of a revocation of such an authorisation, by *inter alia* moving Article 9(1) concerning options by applicant organisations to Article 8 and an improved articulation of the consecutive steps of the authorisation process; adding a recital explaining the role of organisations other than employment services applying for membership in the EURES network;
- Article 9: better defining the responsibilities of EURES Partners;
- Article 12: redrafting the Article so as to make reference to the Community Trade Mark regulation (EC) No 207/2009 with regard to the regulation of the EURES service mark.

Chapter III (doc. 9902/14)

After a first exchange of views on possible amendments to be made to the text:

- Article 14: based on the request by a large number of delegations, making the retrieval and sharing at European level of any job vacancy, made available by the employer at national level, subject to his/her explicit consent; this modification raised concerns with the Commission services, in particular about compatibility with the fundamental principle of free movement of workers;
- Article 15: opening a debate on the role of PES compared to other actors in order to clarify the interrelationship between different actors inside and (possibly) outside the EURES network (see point (iii) below); adding a recital explaining the notion of national hub as an interface for the transfer of job vacancies, job applications and CV's to EURES portal;

- Article 16: moving paragraph 1 concerning the development by the Commission of a European classification of skills, competences, qualifications and occupations into a recital and making co-operation on the development of such a system for Member States optional; suggesting that the Commission would provide support to Member States replacing national classification by ESCO and also to Member States making the necessary mapping.

These modifications raised concerns with the Commission services about whether the Council would acknowledge ownership for the system as an EU project and whether they provide the appropriate approach for cooperation between Member States and the Commission throughout the development phase of the project;

- streamlining the wording of Article 17.

The Presidency has identified several critical and/or horizontal issues in Chapters I, II and III which require a more political discussion; it suggested to put them in brackets, pending a more in-depth discussion under the incoming Italian Presidency:

- (i) the **overall subject matter** of the Regulation (Article 1): several delegations have expressed concerns about enlarging the scope of EURES as it stands today, stating that it seemed to go beyond the principle of the freedom of movement of workers within the EU labour market;
- (ii) the inclusion or not of **apprenticeships and traineeships** (Article 2(c), article 6(1)(c), Article 7(3)(d)): a number of delegations oppose including apprenticeships and traineeships in the scope of the Regulation;
- (iii) the **role of the PES**: a great number of delegations are of the view that PES should not be on the same footing as other actors in the network, but rather have a privileged role/membership in the network, subject to compliance with the conditions of the Annex, and taking into account their special role in the Member State and the additional obligations set on them by this draft Regulation (Article 15).

- (iv) the **opening up of the network or not** to private partners (Article 8): some delegations were not inclined to do so, expressing concerns particularly as regards ensuring the quality of inputs they would provide;
- (v) should the network be opened up, the **system by which partners would participate/be included in the network** - authorisation, designation or any other system (Article 8 and the Annex): some delegations would have preferred designation to authorisation as a less heavy mechanism of accepting an organisation to be a EURES Partner, subject the fulfilment of the set conditions;
- (vi) the **modalities for participation of partners** i.e. choice of options or not (Article 8(1b)): a number of delegations opposed the possibility for the applicant organisations to choose which services they would provide from the three options under Article 8(1b);

Moreover, delegations have also highlighted as horizontal issues for the entire text:

- (vii) the use of **delegated acts** (Article 8(7), as well as Articles 29(3) and 33), and possible alternatives: a number of delegations have entered reservations on the use of delegated acts regarding specific provisions;
- (viii) the use of **implementing acts** (Article 8(8), as well as Articles 14(8), 16(5), 27(3), 28(5) and 34), and possible alternatives: a number of delegations have entered reservations on the use of implementing acts at specific provisions.

Additionally, references that can be found in Chapters I to III to other sections of the text which will require a further discussion in the light of the discussion on those other sections of the text have also been bracketed:

- (ix) **programming, data collection and indicators** (Articles 28 and 29, and consequently 6(1)(d), 7(2)(c), 9(4)(c) and 9(4)(d): a few delegations expressed concerns regarding the possible burden on national administrations in what concerns programming; a number of delegations consider that putting into practice the categories of indicators proposed will be difficult, given data collection difficulties.

Further details of delegations' positions can be found in docs 6577/14, 6733/14, 8139/14 + COR 1, 8430/14 + COR 1, 8873/14 + COR1 and 9901/14.

IV. CONCLUSION

The Committee is invited to take note of this progress report and to forward it to the Council (EPSCO) on 19 June 2014.
