



Council of the
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SOC 106
JEUN 15
REGIO 12

NOTE

From: General Secretariat of the Council
To: Delegations

Subject: Commission proposal to increase the pre-financing rate for the Youth
Employment Initiative in 2015 – Amendment of Regulation (EU) No.
1304/2013

Delegations will find attached the note from the Commission on the above subject, with a view to the meeting of the EPSCO Council on 9 March 2015 (Any Other Business item).

With this note the Commission aims at drawing the attention of the EPSCO Council to the recent proposal¹ to amend the European Social Fund (ESF) Regulation with a view to significantly increasing pre-financing payments in 2015 from the specific budget line for the Youth Employment Initiative (YEI).

From February 2013 onwards, numerous European Council conclusions have confirmed that the fight against youth unemployment is a key EU priority and stressed the urgent need to make the YEI operational as soon as possible.

In his Political Guidelines for the next European Commission President Juncker said:

'... The crisis has taken its toll. More than 6 million people lost their job during the crisis. Youth unemployment has reached record heights. Several of our Member States are still far away from sustainable growth and adequate levels of investment... Further complementing the efforts already started with the Youth Guarantee Scheme, the implementation of which must be accelerated and progressively broadened.'

This is further reflected in the Commission's Work Programme for 2015, in which the Commission commits to take initiatives to promote integration and employability in the labour market, including measures to support Member States in getting young people into work.

The shorter implementation period of the YEI compared to other EU Structural and Investment Funds implies that progress on the ground in the first years will be crucial for the overall success of the Initiative to tackle the problem faced by millions of young Europeans who are without a job and are not in education or training. Any further delays in the implementation of the YEI are likely to compromise the process and actions undertaken by Member States to combat youth unemployment.

¹ COM(2015) 46 final

One of the main obstacles in the implementation of the YEI is the lack of available funding to provide advance payments to beneficiaries to deliver the YEI 'on the ground'. This has been pointed out in 2014 by a number of Member States at high political level, including in the context of EPSCO meetings. As the fight against youth unemployment is also one of the top priorities of the Juncker Commission, the Commission has proposed to increase the initial pre-financing of the specific allocation for the YEI to tackle a major obstacle in the delivery of the YEI.

The current levels of the initial pre-financing established in the Common Provisions Regulation (Regulation (EU) No. 1303/2013) have proved to be insufficient to close the existing funding gap and to support the effort of providing an immediate and quick response to the unacceptably high level of youth unemployment in the EU.

With the present proposal, the initial pre-financing made available from the specific allocation for the YEI in 2015 will be increased to about EUR 1 billion. The increase in 2015 pre-financing could directly help up to 650,000 young people who urgently need it.

Moreover, this pre-financing should be used by the Member States for payments to beneficiaries in the implementation of the programme supported by the YEI and has to be made available to the responsible body without delay.

Last but not least, this proposal of increasing pre-financing payments to the Member States does not alter the already agreed overall financial profile of national allocations: it merely proposes to advance in time the allocations that already have been secured in the EU budget for the YEI. The present proposal therefore increases the flexibility for the Member States to access this funding and mobilise it more thoroughly.

Increasing the funding available in order to launch measures on the ground is a key condition for the YEI to start performing and generating results for the young people and thus contribute to the Council Recommendation on Establishing a Youth Guarantee and the implementation of the relevant policy actions set out in the national Youth Guarantee Implementation Plans.

The Commission hopes that the Council will demonstrate its active and solid support for the present proposal, and, together with the European Parliament, will proactively pursue its swift adoption before this summer, so as to enable it to achieve its purpose fully and timely.

The Commission also expects that the Member States will use the time until adoption by the co-legislators to already put the necessary measures and procedures in place to ensure swift processing following the formal adoption of the amended Regulation.
