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THE EUROPEAN UNION**

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COVER NOTE

from : General Secretariat of the Council

to : Delegations

No. Cion prop. : 11474/13 SOC 534 MI 579 CODEC 1581 - COM(2013) 430 final

Subject : Proposal for a Decision of the European Parliament and of the Council on
enhanced co-operation between **Public Employment Services (PES)**
- *General Approach*

Delegations will find attached the text of the above mentioned draft Decision on which the Council (EPSCO) reached a general approach at its session on 9 December 2013.

Where it is marked "[...]", the corresponding article / recital / footnote has been deleted in the general approach as compared to the initial Commission proposal.

DECISION No. .../2013/EU
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of...

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,

Whereas:

¹ OJ C , , p. .

² OJ C , , p. .

³ Position of the European Parliament of... [(OJ...)] [(not yet published in the Official Journal)] and decision of the Council of...

- (1) In its conclusions of 17 June 2010 the European Council⁴ adopted the Europe 2020 Strategy for jobs and smart, sustainable and inclusive growth⁵. The European Council advocated mobilisation of all Union instruments and policies to support achievement of the common objectives and invited the Member States to take enhanced coordinated action. The Public Employment Services (PES) have a central role in contributing to raise the Europe 2020 Strategy employment rate headline target to a rate of 75 % employment for women and men aged 20 to 64 by 2020.
- (2) Article 45 of the Treaty secures 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 national employment services. A network of PES established under this Decision ('the Network'), should, however, in addition to 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.
- (2a) This Decision should aim to encourage cooperation between Member States within the areas of PES responsibility. Member States are competent to decide whether to participate in the Network. Each participating Member State should comply with this Decision.
- (3) In accordance with Article 148(4) of the Treaty, the Council by Decision 2010/707/EU⁶ adopted guidelines⁷ for the employment policies of the Member States. These integrated guidelines give orientations to the Member States on defining their national reform programmes and on implementing reforms. The employment 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 the effectiveness of active labour market policies in Member States.

⁴ [...]

⁵ [...]

⁶ 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)

⁷ The guidelines have been maintained for 2011, 2012 and 2013.

- (4) The country-specific recommendations would benefit from being further supported by an enhanced evidence-base, 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, on request of the Council and the Employment Committee (EMCO), evidence for the development of employment policies.
- (5) The Network should link findings based on benchmarking and mutual learning activities in such a way that a systematic, dynamic and integrated benchlearning process develops, correlating PES outcomes with PES drivers and performance enablers. The benchlearning process should consist in identifying good performances in the areas of PES identified in this Decision through indicator-based benchmarking systems, including data collection, data validation, data consolidation and assessments, with appropriate methodology, and using findings for tangible and evidence-informed mutual learning activities.
- (6) The Network should work in close co-operation with EMCO based on Article 150 of the Treaty and should contribute to its work as a provider for factual evidence and reports on policies implemented by the PES. Contributions from the Network to the Council should be channelled through EMCO. In particular, the combined knowledge of the Network on delivery aspects of employment policies and the comparative analysis of PES could serve policy decision makers at both national and Union level in the assessment and design of employment policies.
- (7) 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 Guarantee⁸. The Network may also support initiatives aimed at facilitating the transition from education and training to work, including through enhanced transparency of skills and qualifications.

⁸ OJ C 120, 26.4.2013, p.1.

- (8) 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 analysis and advice as well as promotion of innovative approaches in 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 main areas of PES services. These results should contribute to the design and delivery of employment services within their specific responsibilities. The initiatives carried out by the Network should improve PES effectiveness and allow for more efficient public spending.
- (8a) The technical details of the PES benchmarking and related mutual learning exercise, in particular the benchmarking methodology, the basic quantitative and qualitative indicators to assess PES performance, the context variables, the data delivery requirements, and the learning instruments of the integrated mutual learning programme, should be defined by the Network in its annual work 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 benchmarking exercises in other areas.
- (9) [...]
- (10) Due to the variety of PES models, tasks and forms of service delivery, it is up to each Member State to nominate, from the senior management of its PES, one member for the Board of the PES Network. Where applicable, the member should represent, in the Board, the other PES from that 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 of one Member State equal to one vote in the Board of the Network. The appointed members should have the capacity to take decisions on behalf of their sending organisations. In order to ensure an involvement of all PES in the Network, activities should be open to all levels of participation.

- (11) The Network should build on the experience of and replace the existing informal advisory group of EU/EEA PES that the Commission has supported since 1997. The views of this group have been taken into account in the drafting of this Decision.
- (12) The key areas for action identified by this informal expert group in its paper “PES Strategy 2020”⁹ should serve as an orientation for the development of concepts for the modernisation and the strengthening of PES.
- (13) The Network should provide mutual assistance to the benefit of its members and help 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.
- (14) The Network and its initiatives should be funded through the PROGRESS/employment section of the programme for Employment and Social Innovation (EaSI) within the appropriations set by the budgetary authority.
- (15) 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.
- (15a) The Network shall ensure that it complements and does not replace nor duplicate actions undertaken within 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 PES Network cooperates closely with that of EMCO.

⁹ [...]

(16) [...]

HAVE ADOPTED THIS DECISION:

Article 1
Establishment of the Network

A Union-wide network of Public Employment Services (PES) ('the Network') is hereby established for the period from 1 January 2014 to 31 December 2020. The Network will carry out initiatives as defined in Article 3.

The Network shall be composed of:

- a) the PES as nominated by the Member States;
- b) the Commission; and
- c) the European Employment Committee (EMCO), which shall have an observer status.

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

Article 2
Objectives

The aim of this Decision is to encourage cooperation between Member States in the field of employment through the Network, within the areas of PES responsibility, in order to contribute to the Europe 2020 Strategy for jobs and smart, sustainable and inclusive growth, and thus to give support to:

- a) [...]

- b) the better functioning of the labour markets;
- c) the better integration of labour markets;
- d) increased geographical and occupational mobility to meet the specific labour market needs of Member States;
- e) combatting of social exclusion through labour market integration;
- f) the effective and efficient implementation of active labour market policies.

Article 3

Initiatives of the Network

1. Within the areas of PES responsibility, the Network shall, in particular, carry out the following initiatives:
 - a) develop and implement Union-wide evidence-based benchmarking systems among PES to compare performance with appropriate methodology of their activities in the following areas: reduction of unemployment, including youth unemployment; the duration of unemployment; the filling of vacancies; and the satisfaction of PES customers. The benchmarking shall use quantitative and qualitative indicators and assessments, and gather evidence for mutual learning activities with a view to developing an appropriate benchlearning process. It shall also participate actively in the implementation of these activities by sharing data, knowledge and practices. Member States remain competent to decide whether to engage on a voluntary basis in additional benchmarking exercises in other areas.

- b) provide mutual assistance, either in the form of peer-to-peer or group activities, through cooperation, exchanges of information, experience 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.
 - d) prepare reports at the request of either the Council, or the Commission, or on its own initiative, and duly inform EMCO prior to their submission. The Network shall channel its contributions to the Council through EMCO.
 - e) contribute to the Member States' implementation of policy initiatives.
 - f) adopt and implement its annual work programme setting out its working methods, deliverables and the details related to the implementation of the benchmarking systems. EMCO shall be informed on the annual work programme of the Network prior to its adoption.
2. The Network shall establish a reporting mechanism in relation to the initiatives referred to in points (a) and (b) of paragraph 1. In accordance with this provision the members of the Network shall report annually to the Board.

Article 4
Cooperation

The Network shall cooperate with relevant labour market stakeholders including other providers of employment services by involving them in relevant activities and meetings of the Network and by exchanging information and data.

Article 5
Functioning of the Network

0. Member States shall notify the Secretariat regarding their participation in the Network.
 1. The Network shall be governed by a Board for which each Member State shall nominate one member and one alternate member from the senior management of its PES. The Commission shall also appoint one member and one alternate member of the Board. Alternate members of the Board shall replace its members whenever necessary. EMCO shall nominate, from its members and according to its rules of procedure, one representative with observer status to the Board.
 2. A Chair and two Vice-Chairs of the Board shall be appointed from among the PES members of the Board. The Chair shall represent the Network. The Vice-Chairs shall replace the Chair whenever necessary.
 3. The Board shall adopt its Rules of Procedure by unanimous decision containing, inter alia, the decision-making arrangements of the Board, the provisions on the appointment and term of office of the Chair and Vice-Chairs of the Board.
- (3A) The Board shall adopt by majority decision:
- (i) the annual work programme of the Network, including the setting up of working groups and the language arrangements of the Network meetings;
 - (ii) 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 benchmarking methodology, the basic quantitative and qualitative indicators to compare PES performance, the context variables, the data delivery requirements, and the learning instruments of the integrated mutual learning programme;
 - (iii) the annual report of the Network. That report 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 of the Network and its annual report. The Secretariat should closely cooperate with the EMCO Secretariat.

Article 6

Financial Support for this incentive measure

The global resources for the implementation of this Decision shall be established within the framework of the programme for Employment and Social Innovation (EaSI), the annual appropriations of which shall be authorised by the budgetary authority within the limits of the Financial Framework.

Article 7

Adoption of a general framework

[...]

Article 8

Exercise of the delegation

[...]

Article 9

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 2 and whether it fulfilled its tasks. It shall also assess how the benchmarking systems in the areas referred to in point (a) of article 3(1) were developed and implemented by the Network, and whether it is appropriate to extend those areas.

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

Article 10
Addressees

This Decision is addressed to the Member States.

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*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
