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From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

Subject: Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative
- Outcome of the European Parliament's first reading
(Strasbourg, 27 April to 30 April 2015)

I. INTRODUCTION

The rapporteur, Elisabeth MORIN-CHARTIER (EPP, FR) presented a report on behalf of the Committee on Employment and Social Affairs, aiming at taking over the Commission proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative.

II. VOTE

The Parliament adopted its first-reading position on 29 April 2015 by taking over the Commission proposal. This position is contained in its legislative resolution as set out in the Annex hereto.

On 21 April 2015, the Council had adopted a General Approach aiming at approving the Commission's proposal without amendments. The Council should therefore be in a position to approve the European Parliament's position. The legislative act would then be adopted in the wording which corresponds to the European Parliament's position.

Pre-financing of operational programmes supported by the Youth Employment Initiative *I**

European Parliament legislative resolution of 29 April 2015 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1304/2013 of the European Parliament and the Council on the European Social Fund, as regards an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative (COM(2015)0046 – C8-0036/2015 – 2015/0026(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2015)0046),
 - having regard to Article 294(2) and Article 164 of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0036/2015),
 - 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 18 March 2015¹,
 - having regard to the opinion of the Committee on Budgets on the proposal's financial compatibility,
 - having regard to the undertaking given by the Council representative by letter of 21 April 2015 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 59 and 41 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinion of the Committee on Culture and Education (A8-0134/2015),
1. Adopts its position at first reading hereinafter set out;
 2. 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;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal.

Position of the European Parliament adopted at first reading on 29 April 2015 with a view to the adoption of Regulation (EU) 2015/... of the European Parliament and of the Council amending Regulation (EU) No 1304/2013, as regards an additional initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative

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 164 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 Committee²,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure³,

² Opinion of 18 March 2015 (not yet published in the Official Journal).

³ Position of the European Parliament of 29 April 2015.

Whereas:

- (1) In light of the persistently high levels of youth unemployment in the Union, the Youth Employment Initiative (YEI) was established to provide support to young persons not in employment, education or training in the most affected regions. In order to ensure a quick response in the fight against youth unemployment, Regulation (EU) No 1303/2013 of the European Parliament and of the Council⁴ and Regulation (EU) No 1304/2013 of the European Parliament and of the Council⁵ laid down provisions allowing a quicker mobilisation of the resources allocated to the YEI, including, inter alia, the commitment of all the resources in the first two years of the programming period, the possibility to adopt operational programmes dedicated to the YEI before the Partnership Agreement, as referred to in Regulation (EU) No 1303/2013, is submitted to the Commission, and the eligibility of expenditure incurred in respect of operations under the YEI as from 1 September 2013.
- (2) The budgetary constraints faced by Member States and the lack of available funding at the initial stage of the programming period have caused significant delays in the implementation of the YEI. Regulation (EU) No 1303/2013 established the levels of the initial pre-financing amount to be paid to ensure that Member States have the means to provide support to beneficiaries from the start of the implementation of operational programmes. However, in the context of the YEI, those amounts are considered to be insufficient to provide the necessary payments to beneficiaries for the implementation of operations.

⁴ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006 (OJ L 347, 20.12.2013, p. 320).

⁵ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 (OJ L 347, 20.12.2013, p. 470).

- (3) In order to address the budgetary constraints faced by Member States at the initial stage of the programming period and taking into account the urgent need to address youth unemployment and the specific features of the YEI, provisions should be laid down that complement Regulation (EU) No 1303/2013, to increase the level of the initial pre-financing paid to operational programmes supported by the YEI in 2015. To ensure that Member States have sufficient means to provide payments to beneficiaries responsible for the implementation of operations that target youth unemployment, an additional initial pre-financing amount from the specific allocation for the YEI should be paid in 2015 for operational programmes supported by the YEI, in order to complement the pre-financing amounts paid in accordance with Regulation (EU) No 1303/2013.
- (4) To ensure that the additional initial pre-financing amount is used for the immediate implementation of the YEI, that amount should be reimbursed to the Commission should the Union contribution from the YEI not amount to an adequate level in interim payment applications submitted to the Commission within 12 months after the entry into force of this Regulation.

- (5) In order to allow for the prompt application of the measures laid down in this Regulation, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.
- (6) Regulation (EU) No 1304/2013 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

In Regulation (EU) No 1304/2013, the following Article is inserted:

“Article 22a

Payment of additional initial pre-financing amount to operational programmes supported by the YEI

1. In addition to the initial pre-financing amount paid in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013, an additional initial pre-financing amount from the specific allocation for the YEI shall be paid in 2015 for all operational programmes supported by the YEI, irrespective of the form of the programming arrangement in accordance with Article 18 of this Regulation, in order to increase the initial pre-financing from the specific allocation for the YEI to 30 % (the ‘additional initial pre-financing amount’).
2. For the purposes of the calculation of the additional initial pre-financing amount, the amounts paid from the specific allocation for the YEI to the operational programme in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013 shall be deducted.

3. If, by ...^{*}, a Member State does not submit interim payment applications in which the Union contribution from the YEI is equal to at least 50 % of the additional initial pre-financing amount, that Member State shall reimburse to the Commission the total amount of the additional initial pre-financing paid in accordance with paragraph 1. The contribution from the specific allocation for the YEI to the operational programme concerned shall not be affected by any such reimbursement.”.

Article 2

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament
The President

For the Council
The President

^{*} OJ: Please insert the date: 12 months following the entry into force of this Regulation.