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

Subject: Investing in Youth Employment: Implementation of the Youth Guarantee
- Endorsement of the EMCO key messages on the way forward

Delegations will find attached the key messages from the **Employment Committee** on the way forward for the Youth Guarantee post-2016, to be endorsed by the Council (EPSCO) at its session on 7 March 2016.

The annexes to these key messages can be found in documents **6194/16** ADD1, ADD2 and ADD 3.

Key messages on the way forward for the YG post-2016, incorporating EMCO's report on the state of play of the implementation of the Youth Guarantee

As early as 2005, when it adopted guidelines for the employment policies of the Member States, the Council agreed on offering young unemployed people a new start within six months. This was reduced to four months for young school-leavers in 2008. In September 2010 the European Commission encouraged Member States to introduce Youth Guarantees in its Communication 'Youth on the Move'.

The years 2011 and 2012 saw repeated calls for providing young people with 'Youth Guarantee' offers, in particular from the **European Council**, the European Parliament and the European Youth Forum. Therefore, the Commission tabled a proposal for a Council Recommendation on Establishing a Youth Guarantee in its December 2012 Youth Employment Package, accompanied by initiatives on the Quality Framework for Traineeships, the European Alliance for Apprenticeships and youth labour mobility.

The Council adopted the Recommendation on establishing a Youth Guarantee in April 2013 . It calls on Member States to ensure that all young people under 25 receive a good quality offer of employment, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed.

All Member States submitted Youth Guarantee Implementation Plans (YGIPs) in late 2013/early 2014. A network of national Youth Guarantee coordinators was established, and MS started concrete implementation in 2014 at the latest.

EMCO has been tasked with monitoring the implementation of the Youth Guarantee Recommendation through multi-lateral surveillance. It has carried out three annual reviews since 2013. Two of these three reviews looked at all Member States, whilst the third looked mainly at those Member States with Country-Specific Recommendations related to the Youth Guarantee.

Moreover, the EMCO Indicators Group developed, with support from the Commission, an Indicator Framework for Monitoring the Youth Guarantee¹. The framework was tested through a pilot data collection undertaken in October-November 2014. Following some revisions made on the basis of this experience, a final version of the Indicator Framework for Monitoring the Youth Guarantee and an accompanying methodological manual were endorsed by EMCO in May 2015. Both documents will be subject to further improvement if required. The Framework comprises indicators related to three levels: aggregate, direct and follow-up monitoring. The first regular data collection was launched by the Commission at the end of June 2015 and covered the reference year 2014. The first results of this data collection became available in late 2015. The indicators to monitor the Youth Guarantee included in the Indicator Framework have also been integrated in the Joint Assessment Framework (JAF) through the creation of a new module.

On the basis of the work which EMCO has carried out thus far, the following key messages on the way forward for the Youth Guarantee are proposed for endorsement by the EPSCO Council:

- The EMCO reviews show a strong commitment to implementing the Guarantee on behalf of Member States, and positive results from those measures which have been implemented. Nevertheless, the Youth Guarantee is no substitute for the use of macroeconomic instruments and other policies to encourage youth employment.
- In assessing both the implementation and the impact of the Guarantee, it is always important to bear in mind the different budgetary and macro-economic conditions across Member States,.
- In order to reap the benefit of the work carried out so far, continued political commitment to the Youth Guarantee as a long-term, structural reform is essential. Moreover, in a number of Member States there is a clear need for stronger internal coordination and for internal mutual learning, to ensure that best practices are spread throughout the country.

¹ <http://ec.europa.eu/social/BlobServlet?docId=14725&langId=en>

- The Guarantee has also acted as a powerful policy driver in a number of cases. Nevertheless, a number of challenges remain to be addressed, and therefore the need for continuous improvement should be stressed. Moreover, the full potential of exchange of best practices among the EU Member States, and beyond the Union, has not yet been realised.
- As many of them required substantial reforms and a broad partnership approach, it has taken time for Youth Guarantee measures to be put in place thus far, therefore a complete evaluation is not yet possible. Moreover, in some cases the gradual introduction of the Guarantee means that a full scale implementation is still recent or even pending. Three years after the adoption of the Council recommendation, the upscaling of initiatives to ensure full coverage in Member States should be sped up.
- Our reviews have shown that the quality and sustainability of offers made under the Youth Guarantee schemes differ. More efforts should be made to ensure that the Guarantee leads to structurally improved labour market integration.
- The Guarantee has led to strong partnerships which can be built upon. This can be done through the links to the education system being reinforced, and employers being more strongly engaged in the delivery of the Guarantee.
- There is a clear need for a more diversified approach towards different groups within the youth population, including the provision of tailor-made services. While reconfirming the relevance of the Guarantee, a more focused approach to some groups could be warranted. EMCO would particularly highlight the need to strengthen outreach to those NEETs not registered with Public Employment Services, and to young people facing multiple barriers.
- The monitoring of the Youth Guarantee needs to be underpinned by credible data. Overall, the first formal data collection for monitoring of the YG has been successful in that all countries delivered data and the data collected facilitate the calculation of key indicators for most countries and represent a good starting point for monitoring progress on an ongoing basis. However, additional efforts are needed to make the necessary improvements in order to achieve better alignment with the Indicator Framework.

- The results provide a useful basis for monitoring the implementation of the Youth Guarantee in individual Member States with the aim of enabling the continuous improvement of the Youth Guarantee Schemes. However, the results should not be used for making comparisons between Member States, given that for the time being data comparability across countries is limited. Moreover, in a number of cases, there is a need for stronger efforts to overcome the existing technical, legal or other obstacles with the aim of introducing the necessary adjustments in their monitoring systems. Ensuring a complete set of follow-up data would be an important improvement, giving a clearer indication on the delivery of sustainable outcomes for young people.
- The support given to the implementation of the Youth Guarantee needs to be both ensured and further developed. The EMCO review process has proved very worthwhile, but could be further refined to ensure that a comprehensive overview of Youth Guarantee implementation continues to be achieved without overly burdening Member States. Youth Guarantee monitoring should certainly dovetail with the work on the European Semester wherever this is possible, although it must not be limited only to those aspects of relevance to the Semester. Detailed consideration should also be given to a longer-term evaluation of the Guarantee to supplement the annual review exercise.
- The experience with the Guarantee so far has shown that its success is crucially dependent on the existing institutions in the Member States, and most importantly on the capacity and/or efficiency of Public Employment Services. While many Member States have invested in capacity building, capacity remains insufficient in some. Tackling this challenge is a clear prerequisite for a further strengthening of the Guarantee.
- In the light of this, continued investment in the Guarantee through both national and EU resources is a necessity. In this context, EMCO calls for a debate on the future of the Youth Employment Initiative.