

May 2015

Youth Employment Initiative

[Regulation \(EU\) 1304/2013](#) on the European Social Fund and Youth Employment Initiative

This is one of a new series of 'Implementation Appraisals', produced by the European Parliamentary Research Service (EPRS), on the operation of existing EU legislation in practice. Each such briefing focuses on a specific EU law which is, or will shortly be, subject to an amending proposal from the European Commission, intended to update the current text. The series is based on the Commission's intentions, as announced in its annual Work Programme (CWP). 'Implementation Appraisals' aim to provide a succinct overview of material publicly available on the implementation, application and effectiveness of an EU law to date - drawing on available in-puts from, inter alia, the EU institutions and advisory committees, national parliaments, and relevant external consultation and outreach exercises. They are provided to assist parliamentary committees in their consideration of the new Commission proposal, once tabled.

EP committee responsible at time of adoption of the EU legislation: Employment and Social Affairs (EMPL).
Date of adoption of original legislation in plenary: 20 November 2013.
Date of entry into force of legislation: 21 December 2013.
Date foreseen for review of legislation: 31 December 2020 (Article 28).
Timeline for new amending legislation: Legislative proposal, amending the existing Regulation, adopted by the European Commission on 4 February 2015 (COM (2015) 46). Text adopted by the European Parliament , 1st reading/single reading on 29 April 2015. Current status: Awaiting Council 1st reading position.

Background

This implementation appraisal focuses on [Regulation \(EU\) 1304/2013](#) on the functioning of the European Social Fund (ESF) and the **Youth Employment Initiative (YEI)**, in force since 21 December 2013. The European Commission announced in its annual [Work Programme \(CWP\) for 2015](#) that the provisions concerning the YEI, Chapter IV of Regulation (EU) 1304/2013, will be updated by a new proposal, which it tabled on 4 February 2015. The general provisions of Regulation (EU) 1304/2013 regarding the ESF will remain unchanged.

Giving "**a new boost to jobs, growth and investment**" is an essential priority of the new Commission, as set out in the CWP for 2015 and already defined by Commission President Juncker in his [ten political guidelines](#). Eurostat figures show that the [youth unemployment rate in 2014](#) was 21.9% in the EU28 and 23.3% in the euro area. There was a wide dispersion between Member States and in certain countries youth

unemployment remains very high (above 40% or even 50%). Even if these rates are slowly decreasing, the proportion of young people (15-24) neither in employment, education or training (NEETs¹) has remained high. In addition, more than half of young Europeans feel that young people have been marginalised from economic and social life after the crisis. In this context, **the European Commission proposed to review the legislation regarding the YEI**, even though the regulatory framework was updated only at the end of 2013. Moreover, in order to balance dispersion and to support labour mobility, the CWP for 2015 foresees a review of the [Labour Mobility Package](#).

The YEI was established by the [European Council of 7-8 February 2013](#) with a budget of 6 billion euro to be allocated in the [Multiannual Financial Framework 2014-20](#) (MFF). The YEI is intended to be part of the [Youth Employment Package](#) and, more generally, of the [Employment Package](#). The purpose of the YEI is to provide additional funding for promoting youth employment to the regions most affected by youth unemployment including through the implementation of the [2013 country specific recommendations](#) from the Council on establishing the [Youth Guarantee](#) (YG²).

[Regulation \(EU\) 1304/2013 of the European Parliament and the Council](#), endorsing the European Council's proposal, settled the provisions concerning the YEI. In this regard, the YEI is integrated in the programming of the ESF under Article 96 of [Regulation \(EU\) 1303/2013](#). However, where appropriate, Member States can organise the programming arrangements for the YEI in their Partnership Agreements³ and in their operational programmes. Programming arrangements for the YEI can take the form of dedicated operational programmes, dedicated priority axes within an operational programme, and parts of one or more priority axes. The YEI targets **young persons under the age of 25** who are unemployed and reside in eligible regions. Although, Member States can, on a voluntary basis, extend the initiative to young persons under the age of 30 not in employment. **Eligible regions** are those NUTS⁴ level 2 regions with youth unemployment rates for young persons between 15 and 24 years old of more than 25% in 2012. In addition, for Member States where the youth unemployment rate has increased by more than 30% in 2012, eligibility is extended to NUTS level 2 regions affected by youth unemployment rates of more than 20% in 2012. As Figure 1 shows, regions in 20 Member States are eligible for YEI funding.

The financing provisions for the YEI are addressed in [Regulation \(EU\) 1303/2013](#), which defined common rules applicable to the European Structural and Investment (ESI) Funds including the ESF and therefore the YEI. Under the terms of this regulation, **the resources for the YEI amount to 3 billion euro coming from a dedicated YEI budget line and at least 3 billion euro from ESF targeted investment. If we consider the**

¹ The acronym NEET refers to a young person who is "Neither in Education, Employment, or Training". It was first used in the UK but then its use spread to other countries. The [Eurostat indicator on NEET](#) provides information on young people aged 15 to 24 who meet the following two conditions: they are not employed and they have not received any education or training in the four weeks preceding the survey.

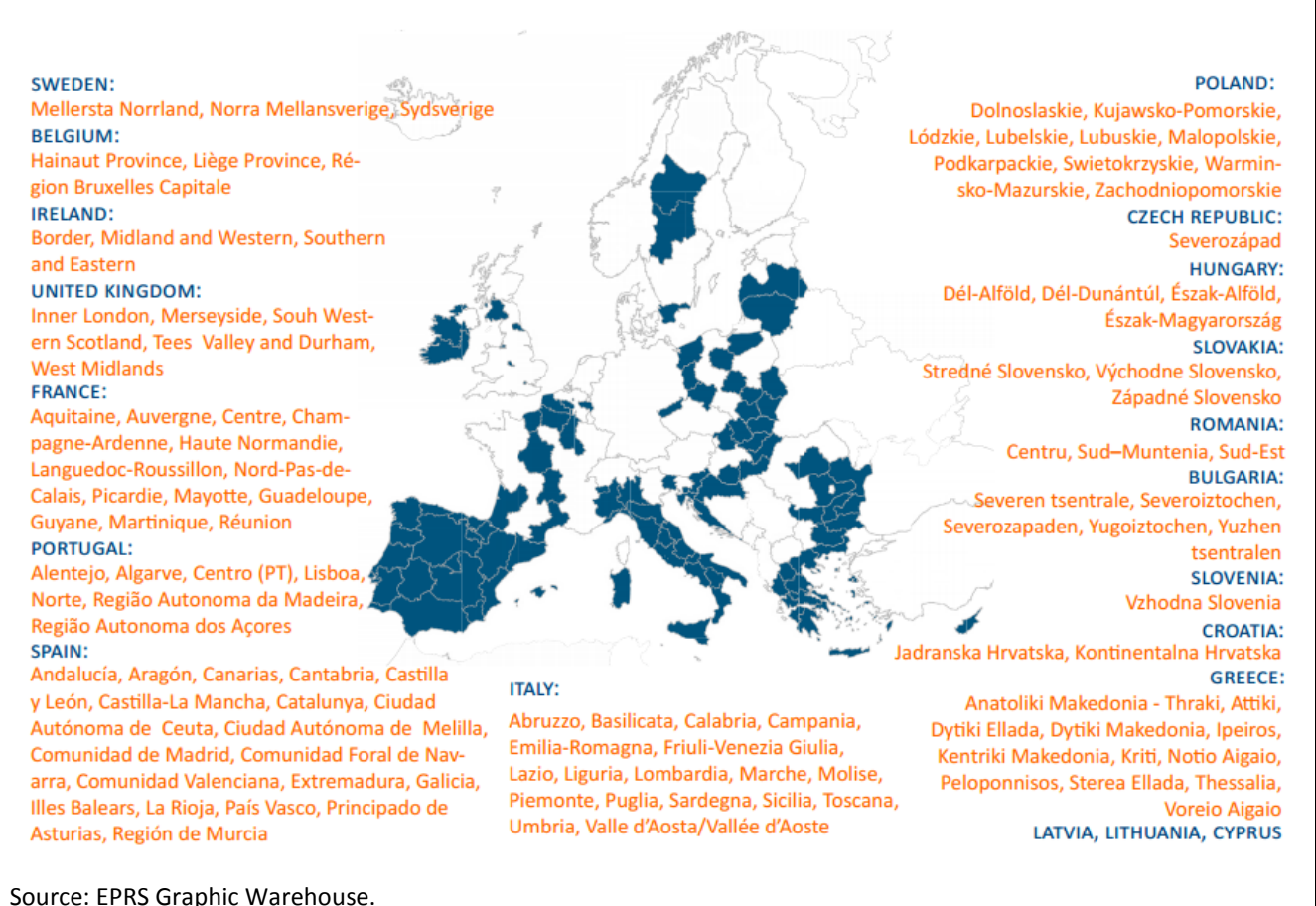
² The YG was introduced upon a [recommendation](#) of the Council in April 2013. Under the YG, Member States committed to tackle youth unemployment by ensuring that, within four months of leaving school or losing a job, young people under 25 can either find a good-quality job suited to their education, skills and experience; or acquire the education, skills and experience required to find a job in the future through an apprenticeship, traineeship or continued education.

³ [Partnership agreements](#) between the European Commission and individual EU countries arrange the national plans on how to use funding from the ESI Funds between 2014 and 2020. They outline each country's strategic goals and investment priorities, in line with the [Europe 2020 strategy](#) for smart, sustainable and inclusive growth.

⁴ At the beginning of the 1970s, Eurostat set up the NUTS classification as a single, coherent system for dividing up the EU's territory in order to produce regional statistics for the Community. The NUTS classification is a hierarchical system for dividing up the economic territory of the EU for the following purposes: collection, development and harmonisation of European regional statistics; socio-economic analyses of the regions; and framing of EU regional policies, such as the determination of specific funding eligibility. The NUTS classification identifies three levels of regions: NUTS 1 (major socio-economic regions), NUTS 2 (basic regions for the application of regional policies), NUTS 3 (small regions for specific diagnoses). [Legislation on NUTS](#) was first adopted in 2003 and has undergone several amendments to date.

current prices adjustment⁵, the total allocation amounts to 6.4 billion euro. Because of the gravity of the youth unemployment situation, the budget of the YEI was not committed under the standard 7-year period of the MFF, but frontloaded in the years 2014 and 2015 to ensure a swift mobilisation of resources. Furthermore, the level of **the initial pre-financing immediately paid by the European Commission upon adoption of an operational programme amounts to 1% of the total EU contribution allocated to that programme.** This level of pre-financing is increased to 1.5% for Member States under financial assistance. Interim payments can be made only on the basis of expenditure incurred by beneficiaries. This means that Member States must pay out and the European Commission will issue reimbursements once the operational programmes have been implemented.

Figure 1: Youth Employment Initiative - Eligible Regions 2014-5.



Source: EPRS Graphic Warehouse.

About one year after its adoption, the YEI has not achieved the expected mobilization of financial resources available through the initiative. The European Parliament voiced [concerns about the slow take-up of the YEI](#). Moreover, as stated by the European Commission in its communication for the new proposal, **Member States have complained about the lack of sufficient pre-financing to implement the necessary measures.** This has a particular relevance in those countries with the highest level of youth unemployment due to budgetary constraints and poor funding. The lack of pre-financing has been raised by Member States at various levels, including in the context of meetings of the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO⁶) as well as in bilateral meetings with the European Commission that they are facing significant difficulties

⁵ Current prices refer to the nominal value of the allocations. In other words, these values are influenced by the effect of price inflation.

⁶ The EPSCO Council is composed of the ministers responsible for employment, social affairs, health, and consumer policy from all EU member states. EPSCO usually meets four times a year. Two of the meetings are generally devoted exclusively to employment and social policy topics. Relevant European Commissioners also participate in meetings.

in commencing the implementation of operations due to the absence of sufficient funding to advance payments to beneficiaries.

In line with the CWP for 2015 and the political commitment of the European Union to provide immediate support for the integration of young people into the labour market, the European Commission adopted a [proposal](#) amending Regulation 1304/2013 on the European Social Fund, regarding an increase of the initial pre-financing amount paid to operational programmes supported by the Youth Employment Initiative.

The proposal suggests introducing an additional provision in Regulation (EU) 1304/2013, (Article 22a) **increasing the level of initial pre-financing made available from the dedicated YEI budget line in 2015 from 1% to 30%, resulting in an increase of the initial pre-financing to about 1 billion euro.**

However, the total allocation to the YEI in the MFF 2014-20 remains unchanged. **The new proposal does not alter the already agreed national allocations but merely suggests advancing in time the allocations, leading to increased flexibility for Member States.** This proposal aims at ensuring that the additional pre-financing will be adequate to fund payments to beneficiaries in order to start the implementation of operations. Moreover, for the additional initial pre-financing to bring about the immediate implementation of the YEI, the new proposal suggests that this amount is reimbursed to the European Commission, if in the interim payment applications, submitted to the Commission by Member States 12 months after the entry into force of the new regulation, the Union contribution from the YEI does not amount to at least 50% of the additional pre-financing.

The European Commission also published [YEI Country Fiches](#) for 2015. These documents present the youth employment situation for each member state and provide data on **how the specific YEI country allocations will be affected by the increased pre-financing proposal.** The following table shows current prices adjusted YEI allocations per country, as presented in the above mentioned country fiches.

Member State	Specific Allocation to YEI	Pre-financing from the YEI specific allocation (without increase)	Pre-financing from the YEI specific allocation in 2015 (after increase)
Belgium	€42,435,070	€424,351	€12,730,521
Bulgaria	€55,188,745	€551,887	€16,556,624
Croatia	€66,177,144	€661,771	€19,853,143
Cyprus	€11,572,101	€173,582	€3,471,630
Czech Republic	€13,599,984	€136,000	€4,079,995
France	€310,161,402	€3,101,614	€93,048,421
Greece	€171,517,029	€2,572,755	€51,455,109
Hungary	€49,765,356	€497,654	€14,929,607
Ireland	€68,145,419	€681,454	€20,443,626
Italy	€567,511,248	€5,675,112	€170,253,374
Latvia	€29,010,639	€290,106	€8,703,192
Lithuania	€31,782,633	€317,826	€9,534,790
Poland	€252,437,822	€2,524,378	€75,731,347
Portugal	€160,772,169	€1,607,722	€48,231,651
Romania	€105,994,315	€1,589,915	€31,798,295
Slovakia	€72,175,259	€721,753	€21,652,578
Slovenia	€9,211,536	€92,115	€2,763,461
Spain	€943,496,315	€9,434,963	€283,048,895
Sweden	€44,163,096	€441,631	€13,248,929
United Kingdom	€206,098,124	€2,060,981	€61,829,437
TOTAL	€3,211,215,406	€33,435,170	€963,364,625

1. EU-level reports and documents to date

Pursuant to Article 19 of Regulation 1304/2013, Member States have to submit annual implementation reports and a final report starting from 2016 until 2023. In addition, they must conduct at least two evaluations which will assess the effectiveness, efficiency and impact of the YEI. The first evaluation shall be completed by 31 December 2015 and the second evaluation by 31 December 2018. Although Member States have not yet submitted their reports and evaluations, there are a number of sources available concerning the implementation of the YEI.

EUROPEAN COMMISSION

In a [thematic paper of March 2014 on YEI and ESF](#), the European Commission made the assessment that, prior to the adoption of the YEI, more than 20 million young people under 25 have received ESF support during the 2007-13 programming period. It is estimated that 68% of the annual ESF budget has funded projects directed also to young people not in education, employment or training. The state of play in March 2014 shows that 4.2 billion euro of ESF resources have been allocated to specific actions directed to around 1.2 million young people. In particular, the publication provides an overview of the situation in 8 countries: Greece, Ireland, Slovakia, Portugal, Latvia, Lithuania, Italy, and Spain. These countries have all committed ESF funding to projects that aim at boosting education, employment and mobility opportunities for young people⁷. In this context, the YEI is intended to enhance the support that the ESF already provides for wider groups of young people by narrowing the target to young NEETs under 25 who not normally receive any employment or education support. The adoption of the YEI is going to affect the allocation of the ESF as the resources from the specific allocation of the YEI should at least be matched by the same amount of ESF funds.

While the specific allocation for the YEI is frontloaded in the MFF, there is no frontloading of the corresponding ESF credits foreseen in the MFF. Therefore, the frontloading of the corresponding ESF support in 2014 and 2015 induces a proportionate reduction of the ESF commitments in other non-YEI (part of) priority axes or programmes for 2014 and 2015 so as to ensure full compliance with the yearly financial profile notified to each Member State.

In September 2014, the European Commission issued a paper to provide [guidance on implementing the Youth Employment Initiative](#), focusing on the treatment of YEI funding. Identifying the target population is the first step for Member States in order to properly implement the YEI. Indeed, the YEI can only target young persons aged less than 25 years - or 30 years where the Member States choose so - who are NEET. Therefore, the YEI can finance only those initiatives that directly help target individuals, not structures or systems. Even though the activities financed through the YEI may be located anywhere in the EU, it is mandatory that beneficiaries reside in one of the eligible regions.

The European Commission stresses that the YEI must not be mistaken for the YG and clarifies the link between the two policies. The YG is intended to be both a structural reform to education and a short-term measure to fight youth unemployment while the YEI is a financing instrument. The YG is mainly financed through the ESF, national budgets and - when applicable - through the YEI. The YEI can finance only those aspects of the YG that are consistent with the YEI legislation, such as the direct provision of jobs, apprenticeships, traineeships, or continued education for the YEI target group in the eligible regions. While the YG applies to all 28 Member States, only 20 out of 28 Member States are eligible for YEI support. Moreover, the ESF regulation does not stipulate a minimum or maximum duration of a YEI intervention or at what point after leaving education the person should receive the YEI support. On the contrary, the YG requires a young person to be offered training or education within four months of being unemployed.

The European Commission lists some typical examples of YEI-supported interventions as part of an individual plan: provision of traineeships or apprenticeships; provision of first job experience; reduction of non-wage labour

⁷ The publication illustrates various cases of successful projects funded through the ESF in support to young people in different Member States, including UK, France, Spain, and Lithuania.

costs; targeted and well-designed wage and recruitment subsidies; job and training mobility measures; start-up support for young entrepreneurs; quality education and training courses; second chance school programmes for early school leavers. Full-time students are excluded from YEI support. Structural reforms cannot be funded under the YEI but can of course be supported by the ESF funding not earmarked for the YEI.

The ESF Regulation contains specific provisions (Article 19 and Annex II) for monitoring, reporting and evaluation of the YEI to ensure that its impacts and contribution can be measured and made visible. In addition, the European Commission prepared a guidance document on the [monitoring and evaluation of the ESF](#) for the 2014-20 programming period, including a detailed explanation of the indicators to monitor and evaluate the YEI implementation and a [guidance on evaluation of the YEI](#). Member States are in charge of monitoring and evaluating the YEI; they are also responsible for ex-ante evaluation plans, which should be submitted within one year after the adoption of a programme. The guidelines specify that indicators should exclusively relate to persons, not to entities. Indicators include the number of participants entering an operation, of participants leaving an operation, of participants in employment six months after leaving an operation. Interestingly, baselines and benchmarks are not set. Indicators should assess effectiveness, meaning the sustainable integration in the labour market; impact on society; efficiency, that is achieving the given objectives at the minimum possible cost; quality of employment received by beneficiaries. The guidance also illustrates possible evaluation questions and methodology.

The evaluation of the YEI should indirectly help to demonstrate also how and to what extent the YEI has contributed to the relevant aspects of the YG Recommendation and its overall policy goals to reduce youth unemployment. In this regard, the evaluation of the YEI is linked to the assessment of the YG. For this reason, it is worth mentioning that the Employment Committee (EMCO⁸) drafted a [monitoring framework for the implementation of the YG](#), endorsed also by EPSCO. It has been agreed to proceed with an annual data collection and reporting. A template for a pilot data collection covering the first 9 months of 2014 has been prepared. Ultimately the dataset should cover all participants in the YG in the whole territory of each country and be collected with reference to each calendar year. DG EMPL launched a pilot data collection exercise to test the monitoring framework proposed by EMCO and to identify obstacles to the provision of necessary data. The involvement of Member States in the pilot is essential to regularly collect annual data. In this context, the evaluation of the pilot is set to take place in early 2015 and it could probably lead to some technical revision of the monitoring framework. Furthermore, EMCO issued a short [review on youth unemployment and the implementation of the YG](#) to update EPSCO on the state of play of the YG. The European Commission has received Youth Guarantee Implementation Plans ([YGIPs](#)) by all 28 Member States. These plans showed diversity in approach suggesting that countries develop systems compatible with national specificities. [First findings](#) from 18 YG pilot projects seemed encouraging and suggest achievements in relation to partnership formation and structural improvements to school-to-work transition and employment services for young people. Major challenges include balancing short-term measures and structural reforms and ensuring successful and timing roll-outs of the plan. However, the YGIPs do not provide exhaustive information about the YEI as they were submitted concurrently with the adoption of the YEI.

The [Joint Employment Report](#), adopted also by EPSCO in March 2015, presents an overview of the employment measures implemented by Member States, including the YEI. Findings from this report show that the degree of progress in youth employment varies between Member States. Reforms have been adopted but the full effects of the reforms are not yet visible as they typically take time to materialise. Moreover, since several reforms have

⁸ EMCO was created by a [Council Decision in 2000](#) as an advisory committee to promote coordination between Member States on employment and labour market policies. Each Member State and the European Commission appoint two members of EMCO, selected from among senior officials or experts possessing outstanding competence in the field of employment and labour market policy in the Member States. EMCO's tasks include monitoring the employment situation and employment policies across the EU; drawing opinions at the request of either the Council or the European Commission or on its own initiative; and contributing to the preparation of the Council, in particular by advising Employment and Social Affairs Ministers in the [Employment, Social Policy, Health and Consumer Affairs Council configuration](#) (EPSCO). The committee meets regularly throughout the year, sometimes including EU-level trade unions and employers representatives.

been undertaken at the same time, it is difficult to isolate the effect of single reforms. In a number of countries measures have been taken to make working arrangements more flexible, to promote employment dynamism and combat segmentation. Promising first steps have been taken in regard to the implementation of the YG. For instance, the public employment service in the Brussels region set up a service dedicated to the YG whose aim is to support young people in finding an occupation. Also, Romania has launched two YG pilot schemes currently financed by the ESF. Yet, in Italy and Portugal, integrated e-portal have been introduced to speed-up the process. Most Member States introduced start-up incentives schemes, measures aimed at improving skills and facilitating school-to-work transition. However, further efforts and financial supports are needed for YG to be successfully implemented.

COUNCIL OF THE EUROPEAN UNION

In March 2014, Ministers of the EPSCO Council have been invited to express their opinion with regard to [implementation issues of YEI and YG](#) by addressing the following questions:

- How do the eligible Member States intensify their efforts to finalise the programming of the “Youth Employment Initiative” to start using EU pre-financing and payments?
- What needs to be done to optimise the use of the available financial resources?

So far, no documents addressing these questions are available.

In December 2014, a [presidency note](#) assessed that modest signs of improvement in the youth employment situation have materialized. However, the situation is still urgent and youth unemployment remains a priority concern for the EU. It seems necessary both at the national and at the EU level to boost investment with the purpose to favour the integration of young unemployed into the labour market. Adequate financial resources are essential for the success. In this regard, for the period from 2016 to 2020, there is the possibility of scaling up resources for the YEI in accordance with the MFF regulation.

During the [Employment Conference](#) in Milan on 8 October 2014 interesting conclusions emerged: only 25% of the Youth Employment Initiative money had been committed. This was considered not enough and the Heads of State and Government participating in the conference called for a significant increase of the amount of pre-financing of the YEI, now limited to 1%. The new proposal of the European Commission has addressed this point. Indeed, the [latest presidency note](#) of 23 March 2015 welcomed the new proposal of the European Commission and recommended the Council to adopt it as it stands.

EXTERNAL STUDIES

The International Labour Organisation (ILO) has estimated the cost of setting up the Youth Guarantee in the Eurozone at 21 billion euro per year in the study "[Euro Zone job crisis: trends and policy responses](#)". ILO points out that well-designed active labour market programmes could play an instrumental role in promoting job recovery. At this aim, YG schemes must be backed up by adequate funding. In fact, financial austerity has resulted in lower growth and employment. It is estimated that if there are no changes in policy direction, up to 4.5 million jobs could thus be lost. Moreover, in a [Report on Youth Guarantees](#), ILO claims that evidence on the impact and effectiveness of youth guarantees is limited. Further research, including impact evaluation studies, is needed to gain a deeper understanding of the impact of YG on youth employment. Among the prerequisites for well-functioning YG schemes the study identifies budget flexibility, which the new Commission's proposal is likely to foster.

As reported in the [latest publication of the European Commission on youth employment](#), the YG has a fiscal cost for Member State Governments. However, the costs of inaction are far higher: the European Foundation for Living and Working Conditions has estimated the current economic loss in the EU of having 7.5 million young people out of work or education or training at over 150 billion euro (1.21% of GDP) in terms of benefits paid out and lost output.

Similar findings are shown in a study by Robert Bosch Stiftung: [Youth Unemployment in Europe. Appraisal and Policy Options](#). This study provides an overview of youth employment policies adopted by the EU, investigates the structural and institutional factors that contributed to the high youth unemployment, and provides a list of good practices to foster youth employment. The study highlights how structural factors such as the educational system and the labour market policy affect youth unemployment. In order to tackle unemployment, the following course of action is recommended: create more jobs for labour market entrants, better align skills and labour market needs, active labour market policies, support mobility, and involve all relevant stakeholders. Findings suggest that EU measures follow this path but current financial resources are insufficient. In this regard, increasing pre-financing from 1% to 30% is a step forward but there is no evidence it will be sufficient.

2. European Parliament position / MEP oral and written questions

From its side, the [European Parliament voiced concerns about the slow take-up of the YEI](#). The Parliament called for stronger measures to fight unemployment among young people, including common minimum standards for apprenticeships, decent wages and increase in EU funding of employment-related programmes. In a [motion for a resolution](#) on 15 July 2014, the European Parliament highlighted that the funding allocated to the YEI is far below that which would be required according to the ILO study "Euro Zone job crisis: trends and policy responses", which points to the need for 21 billion euro to be injected in order to have real impact on the level of youth unemployment. The same concerns have been stressed during a [debate on the YEI](#) on 17 July 2014. After this debate, the Parliament adopted in plenary a [text on the YG](#) with 502 votes in favor, 112 against and 22 abstentions. In this text, the European Parliament *"recalls that the EUR 6 billion allocated to the YEI are not sufficient to combat youth unemployment in a lasting manner; calls, therefore, on the Commission and the Member States to make the Youth Guarantee a priority and to increase its budget allocation for the overall period 2014-2020 when deciding on the compulsory post-electoral revision of the MFF 2014-2020, which is due to take place at the end of 2016 at the very latest"*.

A workshop was held in the European Parliament in Brussels on 22 and 23 September 2014 with the aim of providing a [forum for discussion between MEPs and an expert panel](#) on different employment policy areas. In this context, **doubts were raised about the effectiveness of the YEI**. According to some, it was **not possible to determine how many permanent jobs had been created by the programme**. The monitoring of the implementation and the impact of the YEI were challenged. Moreover, there was a general opinion that the success of YEI measures can only be judged in terms of permanent jobs for young people, not in their placement in temporary programs. Among the policy recommendations, the **experts stressed the importance of increasing funding for the Youth Guarantee**.

[Written question](#) by MEP Miguel Viegas (GUE/NGL): 5 February 2015 - With regard to the pre-financing increase announced by the European Commission, the MEP inquires on the estimated impact of this new allocation. The [answer by the European Commission](#) highlights that the increase in pre-financing is expected to bring about a quicker integration of young people in the labour market. Regular data collection should start this year.

[Written question](#) by MEP Claudia Tapardel (S&D): 12 February 2015 - The MEP inquires if any evidence yet emerged that that young people are in fact deriving some benefit from the youth employment initiative. The [answer by the European Commission](#) stresses that the first evaluation on YEI that Member States are required to submit in December 2015 is expected to provide a more in-depth analysis of the extent to which the YEI-supported measures are likely to have an effect on young people's labour market and education.

[Written question](#) by MEP Neena Gill (S&D): 13 February 2015 - The MEP inquires about the assessment of projects under the YEI. The [answer by the European Commission](#) clarifies the different instruments that will be used to assess the implementation of the YEI. Firstly, the ESF Regulation establishes a set of common indicators, including result indicators, which Member States will have to report on already from April this year (earlier than for other interventions). The first evaluation on the YEI is also to be completed by the end of 2015. This evaluation will be discussed at the Annual Review Meeting between the European Commission and each Member State. It will provide an insight in to the results the YEI has achieved. Secondly, the YEI is subject to the performance

framework that assesses the contribution of the measures towards the relevant objectives and targets set in the Operational Programmes. Finally, quality will also be monitored through the policy processes, notably the European Semester, as well as the follow-up of the Council Recommendation on Establishing a Youth Guarantee.

The EMPL Committee held a first exchange of views on 25 March 2015 with regard to a [draft report by rapporteur Ms Elisabeth Morin-Chartier](#)'s (EPP) on the European Commission's proposal of increasing the YEI pre-financing. The report contained no amendments but only an explanatory statement welcoming the proposal of the European Commission and stressing the need for the EMPL Committee and the European Parliament to finalise a decision as soon as possible. During the meeting, [eight amendments](#) have been submitted but only with regard to the language of the proposal. The European Parliament [debated the new proposal](#) in plenary on 28 April 2015 and [adopted](#) it without amendments on 29 April 2015.

3. European Court of Auditors Special Report 3/2015

The European Court of Auditors (ECA), as announced in the [ECA 2015 Work Programme](#), issued a special report concerning Youth Employment: [EU Youth Guarantee: first steps taken but implementation risks ahead](#). Member States committed themselves to submitting Youth Guarantee Implementation Plans to the Commission. The 20 eligible YEI Member States were to send these documents by the end of 2013 and the others in 2014. Within the framework of the European Semester, the Commission's DG EMPL was entrusted with assessing the available Member States' YGIPs in January 2014 so that feedback could be provided to Member States during the European Semester bilateral meetings in February 2014. **The Court observed that the European Commission provided adequate and timely support to the Member States in setting up YG schemes. However, the assessment of YGIPs by the European Commission has not been sufficiently co-ordinated with its assessment of the ex-ante conditionality for the YEI operational programmes** (an important prerequisite to ensure that Member States' YEI investments are embedded in a strategic policy framework for youth employment and including setting up youth guarantee schemes). The European Commission has adopted 28 out of 34 operational programmes funded through the YEI. Moreover, **the Court identified a number of issues: first, total funding is likely to be inadequate for tackling youth unemployment considering the current scale of youth unemployment across the EU; second, no ex-ante impact assessments have been carried out; third, Member States did not provide accurate and complete information about the source of funding used to support their YGIPs, which makes it difficult to assess the regularity of YEI expenditure.**

In its reply, **the European Commission noted that ex-post evaluations will provide all the missing information with regard to the YEI expenditure.** It also stressed that the assessment of the YEI ex-ante conditionality is not necessarily linked to the assessment of the YGIPs. **The European Commission committed to provide a detailed report on the implementation of the YG to the European Parliament and the Council in 2016.**

4. Positions of European Economic and Social Committee (EESC) and Committee of the Regions (CoR)

The EESC has discussed the situation of young unemployment in numerous opinions, hearings, and conferences. In its [opinion on the Youth Employment Package](#), the **EESC noted that the YEI 6 billion euro budget would be insufficient to tackle youth unemployment.** Moreover, **EESC called for a coordinated approach to all the efforts and policies adopted both at the national and European level.**

Furthermore, in its [opinion on COM\(2015\)46](#) on 18 March 2015, the **EESC welcomes the European Commission proposal to substantially increase the initial pre-financing for the Youth Employment Initiative (YEI) as a good step forward.** This proposal should help the Member States with the highest levels of youth unemployment and budgetary constraints to start efficiently implementing the YEI. The EESC calls on the European Commission to monitor the use of ESF funds for youth-related projects. The EESC calls on the European Commission to closely monitor the challenges to the implementation of the YEI and especially to the YG.

On 19 February 2015, the CoR [recommended not to draw an opinion on COM\(2015\)46](#), but to respond in the form of a letter. The proposed letter should **welcome the European Commission proposal** and reiterate the importance for the CoR of a continuous focus on the fight against youth unemployment. **It is estimated that the accelerated pre-financing could speed up immediate support and reach out to between 350 000 and 650 000 young people in 2015.**

In a previous [opinion on the Youth Employment Package](#) of May 2013, the CoR argued that the resources provided for the YEI would not be sufficient to address the youth unemployment situation in Europe. Moreover, the CoR would seek that the budget allocation for the YEI offers more flexible conditions in matters such as advance payments. In this regard, the new proposal will ensure more flexibility.

5. (Ex-ante) Impact Assessment on amending legislative proposal

No ex-ante impact assessments focusing on the YEI have been issued to date.

6. Other useful documents

EPRS - European Council Oversight Unit, "[European Council Conclusions - A Rolling Check-List of Commitments to Date](#)", 17 March 2015.

EPRS - M. Lecerf and E. Claros, "[At a glance - Youth Employment Initiative](#)", 17 July 2014.

EPRS - I. Katsarova, "[Briefing - EU Youth Initiatives: focus on education and employment](#)", 10 October 2014.

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