2014 Discharge to the Commission
ADDITIONAL WRITTEN QUESTIONS TO COMMISSIONER THYSSEN
Hearing on 1 December 2015

Performance related issues

1. How does the Commissioner explain the huge gap between best and worst performing states in term of absorption rate on the ESF (62% Romania, 65% Croatia, 74% Spain, 77% Malta, 78% Slovakia and some 15 MS above 90%)?

There are a number of factors that may influence the absorption capacity of a Member State. Some may be external to the management of the funds (the political system; administrative structure; political and economic stability; social environment), others are related to the management of the Funds (complex programming architecture; lack of administrative capacity of audit bodies, Managing Authorities and Intermediate Bodies and beneficiaries). This is why it is very difficult to present one-size-fit-all solutions to this problem and it is crucial to identify the specific problems that affect the performance of the Funds in each Member State.

In the case of Croatia, the lower performance is partly due to the fact that it is a new Member State with less experience on the management of the funds and partly because their IPA programme 2007-13 (EUR 92m) was extended by a further EUR 60m from July 2013 and retrospectively turned into an ESF programme. The accession treaty gives an additional 12 months to Croatia for the closure of the 2007-13 period, so the absorption figure for 2015 is not comparable with those of other Member States. Moreover, current administrative capacities for the management of ESI Funds, which require strong strategic, administrative and technical capacities in the management bodies in order to manage and closely monitoring the implementation for the ESI-funded programmes, are still limited. Hence, there is an action plan in place to strengthen these capacities, particularly as regards the new sectors included in the 2014-20 programming period.

In the case of Spain the absorption rate on the ESF, which corresponds to the payments done by the Commission and not to the execution on the ground, has been influenced by several cases of interruption or suspension procedures, including some of the Operational Programmes with higher ESF allocation, the considerable delays in the implementation of corrective and preventive actions on the ground to remedy the deficiencies and irregularities identified in the procedures, and the testing of their effectiveness. Another serious factor behind the low absorption of the Spanish OPs, and, in particular, the several cases of interruption and suspension, is the complex architecture of the OPs and the high number of Intermediate Bodies involved in the management and control of the OPs. This is actually one of the problems that the Commission encouraged Spain to address in the new programming period.

In the case of Malta, absorption capacity is mainly affected by the challenges faced in the procurement process (i.e. non-submission of bids, over- or under-budgeting of bids compared to the available budget) and to the low capacity of the NGOs to access and manage/implement EU funded projects. To tackle these problems, the Managing Authority increased its efforts and is concentrated on the implementation of the projects by the end of 2015. As regards public procurement, different means were used to address the encountered bottlenecks by republishing of tenders and further publicity, better planning or more clarity in the Terms of Reference. In addition, the 2014-2020 European Social Fund in Malta supports the capacity of NGOs to access and manage/implement EU funded projects through technical assistance means and a dedicated investment priority aiming at strengthening the capacity of stakeholders involved in the delivery of employment and social policies. Nevertheless, the Managing Authority committed 101.37% of the total 2007-2013 ESF financial allocation and Malta's aim is to avoid the de-commitment of funds at closure and to reach an absorption rate close to 100%.

In the case of Slovakia, while one ESF supported Operational Programme – on Employment and social inclusion - performed well in terms of absorption, the second one – on Education – was systemically lagging behind, and therefore, an action plan was implemented to foster absorption. In addition, since 2015 the absorption was closely monitored by the Commission's Task Force on Better Implementation. Among the causes of the lack of absorption capacity was relatively slow start of the programme, administrative capacity issues and high administrative burden for beneficiaries, in addition to lack of analytical capacity as well as challenges in public procurement. Moreover, the implementation of this programme has also suffered from deficiencies in management and control systems causing recurring interruptions and suspensions of payments (OP Education was suspended in 2012, 2013 and in August 2015) and subsequent financial corrections further increasing the available funds for re-use.

In the case of Romania the little experience in managing large programmes coupled with a high managerial staff turnover as well as weaknesses in the management and control systems induced serious delays in the Programme implementation. The poor coordination by the Managing Authorities of the Intermediate Bodies located in different line ministries further exacerbated this issue.

Beyond the specific issues abovementioned, it is worth noting that a common feature shared by the 4 Member States concerned is a rather low take up of the simplification options already available in the 2007-2013 programming period, where, as shown on page 17 of the overview report on the use of simplified cost options in the ESF, Croatia and Romania report no utilization and Spain (6%) and Slovakia (4%) very low utilisation.

2. The Commission has delivered the absorption rate until the 31/10/2015 (see question 2 of the responses to the questionnaire) what we've very much appreciated. Nevertheless could you please provide us with the figures for the situation as of 31/12/2014?

Country	Total Payments (Pre-financing + Interim Payments)/ Decided at the end of 2014
Austria	95,00%
Belgium	77,23%

Bulgaria	82,18%
Croatia	58,23%
Cyprus	90,42%
Czech Republic	66,67%
Denmark	80,84%
Estonia	95,00%
Finland	91,72%
France	74,64%
Germany	85,08%
Greece	84,49%
Hungary	80,61%
Ireland	76,42%
Italy	77,65%
Latvia	95,00%
Lithuania	95,00%
Luxembourg	82,92%
Malta	69,43%
Netherlands	77,31%
Poland	87,22%
Portugal	94,95%
Romania	44,19%
Slovakia	69,59%
Slovenia	88,30%
Spain	67,47%
Sweden	89,92%
United Kingdom	70,03%
TOTAL	**78,80%**

3. According to question 2 of the questionnaire the Commission set up 8 taskforces to help Members States that are at risk of de-commitment. Could you please provide the Parliament with the names of these Member States (besides Romania and Slovakia) and the results of the respective taskforces? Why is the Commission only reacting now?

The Internal Task Force for Better Implementation was set up in November 2014 as an initiative of Commissioner Creţu and covers BG, HR, CZ, HU, IT (South), RO, SK and SI. Several types of measures have been suggested to Member States in line with the conclusions of the European Council from 18 December 2014 calling on the Commission to find solutions to maximise the use of commitments under the 2007-2013 period using the flexibility of the existing rules. As part of its objectives, the Task Force drew up and agreed with Member States at the beginning of 2015 action plans on key measures that were still possible to implement over the year. The implementation of the targeted measures agreed has been closely monitored.

More generally, the Commission has provided guidance and assistance to Member states throughout the whole programming period. Progress on implementation of the Funds has been closely monitored by the Commission, notably through the participation in the Monitoring Committees. The launch of the Task Force mentioned above represents the ultimate stage of the work carried out by the Commission to help those Member States that had difficulties in implementation.

The specific measures that have been suggested to Member States, in particular in the context of the Task Force, depend on the Member State's needs, but they normally entail both short-term and medium-term actions:

- Reprogramming funding from low performance areas to areas with a high performance and high policy value. This may entail a reallocation between programmes, funds and inclusion of new categories of expenditure or even new priorities. Member States also have the possibility to exceed by up to 10% the amount of eligible expenditure foreseen for a given priority axis in the OP by declaring correspondingly lower amounts for other priority axes of the same OP.
- Increasing the co-financing rate of priority axes is also a measure that contributes to increase the absorption capacity. This measure is particularly important where the low performance is linked to lack of financial capacity from the Member State to comply with the national contribution requirement.
- There are flexible arrangements regarding phasing of projects between the 2007-2013 and the next period.
- It has been clarified that while the eligibility period for payments into financial instruments is set by the regulation up to end 2015, disbursement of funds from financial instruments to final recipients is possible till the moment of closure (March 2017).
- Improving administrative capacity stands as the key action for the medium-term, in particular in view of the 2014-2020 period. In this context, Member States have been encouraged to use their technical assistance budget in a more efficient and targeted way to strengthen their administrative capacity. Support to e.g. staff in ESIF bodies, training measures, better preparation and implementation of projects for final beneficiaries, public procurement, State aid and anti-fraud and corruption measures should address the most important bottlenecks for implementation.
- Other measures:
    - Public procurement procedures (appeals, checks, non-compliance) have been one of the key factors causing considerable delays in implementation in all concerned Member States. Certain national regulatory provisions in particular regarding the appeal procedures have been changed in HU, CZ and SK to reduce the effect of systemic appeal filed by unsuccessful bidders.
    - Revision of internal workflows allowing a more timely processing of payments, coupled with enhanced communication with beneficiaries, has been done in CZ, SK, HU.
    - Overbooking of projects (i.e. contracting amounts to projects which exceed the programme allocations) has also been encouraged for all priorities where mature projects exist, as well as mechanisms for establishing systematically reserve lists for projects with conditional support (e.g. SK, HU).

As a result of the many meetings held with Member States, the project pipeline improved and amounts of expected decommitments at closure significantly decreased. For example, for ERDF/CF, SK, HU, CZ, IT report now significantly lower amounts at risk of not being implemented at closure than before commencing the work of the Task Force. The average level of payments at end October 2015 increased considerably compared to when the Task Force was created.

For the ESF more specifically, the most important decommitment risk for 2015 concerns Romania, where in spite of sustained efforts of DG EMPL to help the Romanian authorities to improve the management of the fund for example by assisting them in their efforts to simplify procedures for beneficiaries and by promoting the use of simplified cost options and to strengthen the absorption capacity, expenditure incurred on the ground appears clearly insufficient for Romania to absorb its entire allocation within the timeframe set by the regulatory framework.

4. In 2013 there are 3263 workers out of the 7383 (44,2%) who received EGF assistance who found a job because of the EGF. You consider as a positive result but what has happened to the rest (55,8%)? Did the Commission follow up on the situation of the people who did not find a job? Did the Commission propose to the workers and/or local authorities and/or the MS any further support? If yes which ones?

The figure refers to the number of workers who had found a job at the end of the implementation period for the EGF measures. The remaining workers would either still be in training/education or be inactive/unemployed (or emigrated). It should be noted that EGF funded measures may continue until the end of the implementation period, so that workers taking advantage of the full period may still be involved in training measures at the end, when the data for the final report are gathered. Member States have indicated that reintegration rates tend to increase markedly during the months following the submission of the final report and continue to rise in the medium term.

It is a requirement for the Member States that the EGF supported measures are complementary to national and EU funded active labour market policy measures and the Commission encourages Member States to continue the tailor-made support beyond the EGF implementation period if needed, with the support of national or ESF financing.

The Report from the Commission to the European Parliament and the Council on the activities of the European Globalisation Adjustment Fund in 2013 and 2014 (COM(2015) 355 of 22 July 2015) provides detailed information about the labour market status of participants under each case for which final reports were delivered to the Commission in 2013 and 2014. This data reveals that for the two years combined 7636 workers (44.9 % of the beneficiaries) had found a new job at the end of the EGF implementation period.

***5. Question 5: "The final reports presented by 7 Member States in 2013 ..."* Could you please provide us with the names of these 7 Member States and the report?**

Please find hereby the names of the cases and the applicant Member State.

EGF/2010/017	Midtjylland Machinery	DK
EGF/2010/022	LM Glasfiber	DK
EGF/2010/025	Odense Steel Shipyard	DK
EGF/2010/026	Rohde	PT
EGF/2010/027	N Brabant	NL
EGF/2010/028	Overijssel	NL
EGF/2010/029	Zuid Holland and Utrecht	NL
EGF/2010/030	Noord Holland and Flevoland	NL
EGF/2010/031	General Motors Belgium	BE
EGF/2011/001	Nieder- and Oberösterreich	AT
EGF/2011/002	Trentino Alto Adige	IT
EGF/2011/003	Arnsberg and Düsseldorf Automotive	DE
EGF/2011/005	Norte-Centro Automotive	PT

Concerning the sending of the final reports to the European Parliament, the Commission will make them available shortly, after having addressed any possible privacy concerns or issues related to the protection of personal data involved.

***

> The Commission claims that preliminary findings of the ex post evaluation of the programming period 2007-2013 show that 8.8 million ESF participants gained (or maintained) employment as a result of ESF interventions during this period till the end of 2013. Also, more than 300.000 people supported by the ESF became self-employed and more than 50.000 start-ups were supported. For the European Globalisation Adjustment Fund the final reports presented by 7 Member States in 2013 showed that at the end of the EGF implementation period, 3 263 workers, or 44.2 % of the 7 383 workers who received EGF assistance, had found new jobs or were self-employed.

6. I would like to ask, how reliable and sustainable are the given figures? Are the indicators sufficiently refined to offer reliable results through the 2014-2020 period?

European Social Fund

Reliability in 2007-2013

The information presented is based on indicators as reported by Member States in their 2013Annual Implementation Reports (AIR) submitted during 2014.

There were no common results indicators for ESF in the programming period 2007-2013. Hence, to circumvent this problem, the ex-post evaluation endeavoured to aggregate programme specific result indicators that were similar into a limited number of result indicators (i.e..: gaining or maintaining employment, number of self-employed etc..). The results reported by the Commission do not include the indicators which could not be aggregated, and therefore the reported figures underestimate the total results. For the Human Capital priority, it was possible to aggregate 92% of the result indicators, 48% for Social Inclusion and 39% of the indicators for Access to employment.

Sustainability in 2007-2013

The ex-post evaluation has endeavoured to analyse the sustainability of projects and of the results of the support to ESF participants based on a sample of selected interventions that were analysed in-depth.

The analysis showed that evidence on the sustainability of results after the end of the intervention (such as continued employment, continued use of products developed, lasting improvements of skills and competences) was available only in few cases. For the cases where evidence was available, there was considerable diversity of observed sustainability of results, ranging from 20% to 91% depending on the nature of the intervention and the target group. The activities associated with higher sustainability of results were linked to investments in higher education targeting higher education students and staff; conversely lower sustainability was linked to more problematic target groups.

Improvements in 2014-2020

In the 2014-2020 period, Member States will have to report a set of common output and results indicators included in the ESF Regulation on an annual basis or at pre-established moments. They will also have to report on longer term result indicators measuring results 6 months after leaving the ESF interventions, helping to assess the sustainability of results of ESF support. Finally, the Member States will also have to report on any specific indicator that was used to set targets for the various specific objectives of the programmes.

The Commission has taken steps to support Member States in the process of establishing their monitoring systems issuing guidance, establishing an ESF Data

Support Centre to advise on data collection and reporting systems, and providing individual and collective advice during the negotiations phase.

The guidance issued by the Commission covered, inter-alia:

- definitions of common output and results indicators;
- setting rules to avoid counting indirect participants and that participants and results will relate only to one operation, so subsequent participations in the same operation will count as one participation;
- target setting and establishment of baselines;
- practical advice for data collection, aggregation and reporting.

Furthermore, DG EMPL has conducted in 2015 a number of thematic audits focusing on the reliability of the IT systems set up in order to collect and process performance data.

The regulatory framework foresees the possibility that payments may be suspended in case of non-reliability of the monitoring system.

As regards target settings, when the Commission considered that baselines were not sufficiently robust, an action plan had to be set up and fulfilled by end 2016 at the latest. Furthermore, the Commission has provided guidance whenever needed.

Through all these measures, it is expected that data from different programmes and Member States will be more robust and comparable, offering more timely and reliable data on the participants of the ESF and the results of their participation.

European Globalisation Adjustment Fund

The data recorded at the end of the implementation period provides the workers' employment situation at the moment the data is collected. As stated above, the workers' situation will evolve after the implementation period (mainly in a positive direction in terms of a higher integration rate or completed training/education). To map those developments, the Member States are therefore encouraged to follow the participants after delivery of the final report and requested to report the employment status of the supported workers to the Commission one year after the submission of the final report in order to facilitate the evaluators' work.

The results are recorded in the EGF Database and available for the purposes of biennial reports, audits, evaluations, etc.

7. Do the country specific recommendations (CSR) reflect MS efforts in attaining the EU 2020 objectives? How will the Commission render the reporting on CSR in the AAR of DG EMPL more comprehensive and detailed?

Overall, a good fit exists between Country Specific Recommendations and ESF activities and the ESF has indeed been used by Member States to address Country Specific Recommendations, thereby also contributing to attain the Europe 2020 objectives.

The Annual Activity Report of DG EMPL is not meant for a comprehensive and detailed reporting on CSRs. In line with the purposes of the AAR, it is a management report of the DG to the College of Commissioners. While the AAR gives an account of the progress towards the achievement of key policy objectives and core activities of the DG, detailed and comprehensive reporting takes place in the context of the country reports of the European Semester.

8. Which countries show the most important mismatch between skills and market needs?

Unemployment rates (especially Long Term Unemployment) and the percentage of young persons not in employment, education or training (NEETs), are indications of mismatch in the labour market. The five countries with the highest level of long-term unemployment (as share of active population) in the EU are Greece (19.5%), Spain (12.9%), Croatia (10.1%), Slovakia (9.3%) and Portugal (8.4%) against the EU average of 5.1% (LFS 2014). The countries with the highest rate of NEETs are Cyprus (33.7%), Bulgaria (30.9%), Hungary (30.3%), Greece (30.0%) and Romania (26.9%) compared to an EU average of 16.37%**.**

In addition, OECD PISA data (2012) show the EU Member States with the highest proportion of low achieving pupils in key subjects such as reading and mathematics, which indicates likely future gaps in the skills supply. For reading, the countries with a proportion of low achieving pupils below the EU average (19.68%) are Bulgaria, Romania, Cyprus, Slovakia, Sweden, Greece, Luxembourg, Lithuania and Hungary. For mathematics, 12 countries (Bulgaria, Romania, Cyprus, Croatia, Slovakia, Sweden, Greece, Luxembourg, Lithuania, Hungary, Italy and Portugal) have a proportion of low achieving pupils below the EU average of 23.87%.

In 2014, the European Commission published a study on bottleneck occupations in the EU, i.e. where employers have been experiencing problems in filling vacancies.

The study, compiling data available at national level, found that bottleneck vacancies do not only occur in high skilled occupations, such as health, IT, scientific and engineering professionals, but are also found in skilled and low skilled manual occupations, in manufacturing, construction or tourism. This is due both to mismatch in educational choices at high skill level, and to poor wage or working conditions leading to high turnover and difficulties to replace ageing workers at lower skill levels. Countries most affected by bottlenecks differ according to the occupation. The countries experience the most bottlenecks in the science and engineering professionals are: Sweden, Denmark, Belgium, Austria and Slovakia. The countries reporting the most bottlenecks in IT are Belgium, Denmark, Italy, Latvia and Sweden. In construction (building and related trade workers), the countries reporting the highest number of bottlenecks are Austria, Italy, Poland and Romania.

9. How many countries still have important mismatches between skills and market needs? What are the steps taken to address this issue? (maybe better than pointing fingers)

Skills mismatches and the relevance and quality of national education and training systems are high on the Europe's growth and jobs agenda and figure regularly among the issues discussed in the European semester. In 2015, 15 Member States received Country Specific Recommendations in the area of skills, education and training, including 5 Member States (BE, EE, FI, LT, UK) for which the Recommendations focused specifically on skills mismatch or relevance to the labour market needs.

To improve the alignment of skills to the current and future labour market needs, the intelligence on what skills are and will be needed has to be developed. At EU level, the EU Skills Panorama is an interactive analytical tool offering quality evidence on changing skills needs. The Skills Initiative that the Commission will present in 2016, will have a strong emphasis on developing further the mechanisms and tools for generating skills intelligence and passing this knowledge on to the end-users – education and training providers, policy makers, social partners, parents and students.

***

> Concerning performance, there is one more issue to be opened - absorption rate for the past programming period. According to declaration of assurance in 2014 annual activity report, there are deficiencies of key elements of the management and control systems set up in relation to the requirements of Regulation 438/2001 (2000-2006 period) and 1083/2006 (2007-2013 period) for identified ESF Operational Programmes in 11 Member States which have not been subject to sufficient control and corrective measures by the national authorities.

10. While this is still ongoing, when is the closure be finished?

Concerning the 2000-2006 programming period, by the end of 2014, DG EMPL completed 209 full and 30 partial closures (Austria (2), Belgium (1), Czech Republic (1), Germany (10), Hungary (3), Italy (10), Poland (1) and Sweden (2)). These 30 OPs could not yet be fully closed due to still ongoing legal and administrative proceedings at Member States level concerning eligibility of part of the expenditure or due to ongoing financial correction procedures at EU level. As a result, for these OPs there is still an outstanding commitment open (total of 472 million euro) and will be paid, de-committed or recovered as soon as the different procedures are finalised.

Concerning the 2007-2013 programming period and in accordance with the regulatory framework (article 87), Member States should finalise the programming period by sending to the Commission before end March 2017 an application for payment of the final balance together with a final statement of expenditure, the final implementation report for the programme and the closure declaration. After that, the Commission will perform its assessment and could propose additional corrections for some programmes, including those that are or will be subject to interruption or suspension procedures due to deficiencies in the their management and control systems.

***

> For 2007 – 2013 programming period additional payments for EUR 1 390,62 million under 17 OPs have been interrupted. The commissioner's response to question 27 is, that "*at this stage of the programming period (close to the end*

of the eligibility period), MS should have taken all the measures to ensure the best rate of absorption through the award of contracts or grants".

11. Does the Commission know for sure, that MS have taken all the measures or is that just an assumption?

Assuming that the question refers to measures taken to enhance absorption of funds, the Commission has indeed been closely monitoring implementation of the programmes throughout the whole programming period, notably through the Monitoring Committees and its analysis the Annual Implementation Reports. The Commission has also prepared guidance and organized specific seminars on closure in order to help Member States increase the performance of their programmes.

The Commission has indications to believe that these efforts have produced results and have increased the level of payments in 2015 and minimized the risks of de-commitment for many Member States. This year, only one Member State is at the risk of de-commitment (Romania). (see also reply to question 3 above)

It should be noted, however, that in spite of all the efforts and the guidance provided by the Commission, implementation of the Programmes remains a responsibility of the Member States. A high-level political engagement from the Member States is a must to reach the desired results..

12. In case of interruptions/suspensions, or when Commission knows unsufficient absorption is probable, are there any procedures to reallocate the amount (agile budget)?

In case of absorption problems under a specific Operational Programme (OP), Article 33 of the Regulation (EC) No 1083/2006 allowed Member States until 31.12.2013 to shift unused allocations under a specific programme and Fund to another programme of another Fund that would have been better performing. After this date, the Member States can still make modifications in their OPs in order to ensure the best absorption rate within the programme until 31.12.2015, under the condition that those modifications are justified within the meaning of the Regulation.. Any modification request is assessed by the Commission in view of achieving the overall policy objectives.

As far as automatic decommitment is concerned, amounts are lost for the programme and Member State concerned, in line with Article 93 of Regulation (EC) No 1083/2006 of 11 July 2006. No reallocation of funds decommitted is possible.

13. Could the Commission share its view whether the EGF is a sustainable way of going forward in "bailing out" failed companies?

The Commission cannot and does not provide EGF support to any companies. The funding can solely be used to support workers made redundant by means of the provision of personalised labour market policy measures targeted at each individual.

The support is additional to any support which the company is obliged to provide by virtue of national and European legislation.

Employment, social affairs and inclusion

14. While the obligation is to earmark at least 20% of the ESF funding for social inclusion (at the MS state level), you say that the average is 25,6%. We welcome this point but then you mention that some MS (Lithuania, Finland and Slovenia) earmark the bare minimum (20%) while the Netherlands reaches 74,1%. This means 2 things. 1st, in the member states earmarking the bare minimum some Operational programmes are necessarily below 20% and some above. While it is legal, could the Commissioner confirm this possibility to have OPs (largely?) below 20%? Secondly, is it logic, according to the Commissioner, to have such gap (20% to 74%) among Member States? While it is legal, does the Commission consider it as a sufficient and/or efficient use of the earmarking? Could you provide the breakdown member state per member state, Operational programmes per operational programmes?

The ESF budget for social inclusion is calculated on the basis of the overall ESF resources available at Member State level and not for each Operational Programme separately. The ESF Regulation gives flexibility at Member States' level to have variations from one ESF OP to another one as long as at least 20% of the ESF total national allocation is dedicated to the thematic objective 9 on social inclusion.

The differences existing between EU Member States are primarily explained by the fact that this is a matter of shared management, Member States deciding on how they will fund social inclusion measures (either with EU or national funding) to meet the challenges identified in the country-specific recommendations. Some programmes have a strong focus on employment and/or education, which explains why some Member States only reach the minimum share for social inclusion.

This compulsory earmarking has strongly incentivized Member States to increase substantially the ESF resources devoted to social inclusion compared with the programming period 2007-2013 (from 15% to 25,6%).

	Social Inclusion	**Share social inclusion**
AT	137,642,139.00	33.10%
BE	339,598,816.00	34.23%
BG	401,331,363.00	28.92%
CY	27,000,000.00	21.17%
CZ	825,692,920.00	24.74%
DE	2,462,802,459.00	34.23%
DK	41,477,689.00	21.05%
EE	133,753,104.00	22.79%
ES	1,960,019,470.00	26.54%
FI	99,955,335.00	20.00%
FR	1,914,851,361.00	33.07%

GR	787,217,482.40	22.19%
HR	328,000,000.00	22.84%
HU	1,081,345,637.00	22.95%
IE	193,807,784.00	36.40%
IT	2,219,831,595.00	21.96%
LT	220,294,386.00	20.00%
LU	4,011,245.00	21.28%
LV	225,160,750.00	36.48%
MT	32,000,000.00	32.15%
NL	361,025,499.00	74.13%
PL	2,769,868,521.00	23.13%
PT	1,630,789,998.00	21.98%
RO	1,141,605,484.00	25.50%
SE	154,536,200.00	20.84%
SI	145,249,585.00	20.63%
SK	433,699,291.00	21.13%
UK	1,094,145,089.00	22.90%
TOTAL	21,166,713,202.40	25.60%

15. You mention that by the 24th of November 173 of 187 of the ESF programmes have been adopted. Then you say that the 14 Spanish programmes are under adoption procedure. Would that mean that only Spanish programmes have not been adopted yet? What does the Commission think about member states with a very high unemployment rate not ready to use ESF funds? Were the other member states with high unemployment rates late as well?

The adoption of Operational Programmes is a process that can only be completed when a Member State submits an Operational Programme that meets the necessary conditions to be adopted. At this stage, 11 Spanish OPs are still under adoption procedure and it is expected that they will be adopted before the end of the year. At any rate, the national Spanish ESF/YEI programme dedicated to the youth unemployment was adopted already last year, given the priority acknowledged both by the Commission and the Member States to urgently tackle youth unemployment.

128 ESF programmes were adopted during last year (2014) and further 22 in the first months of this year. In relation to Member States with a higher unemployment rate, it is worth-mentioning that all ESF programmes of Greece, Croatia, Cyprus, Portugal, Slovakia and 20 out of 29 ESF Italian programmes were adopted in 2014. Priority was also given to the adoption of all OPs that addresses youth unemployment.

16. You answer to the question on your reaction to the Court' statement (to make the EU budget more in line with the EU2020 strategy) is not satisfactory. The Commissioner says that Commission will take the Court's recommendation into consideration for your post 2020 proposal. The ECA stressed that the 2014-2020 budget must be in line with the EU 2020 strategy. What are you ready to do to reply to the ECA recommendation during this MFF? Are you ready to push for

some revision of operational programmes? Are you ready to use the MFF mid-term revision to make the ESF even more EU2020-compatible?

The objectives of the Europe 2020 Strategy and the EU response to the crisis motivated key elements of the reform of the European and Structural Investment Funds. First of all, the funding is closely linked to the European semester processes. Out of a total of 157 country-specific recommendations for 2014, more than two third have been considered as relevant for cohesion policy. Relevant country specific recommendations and the national reform programmes have been established as reference points in the programming exercise and cohesion policy (including the ESF more specifically in the area of employment, education or poverty reduction) thus provides substantial resources to undertake structural reforms linked to country specific recommendations.

The new generation of ESI Funds' programmes is also closely linked to European priorities as set out in the Europe 2020 strategy. Investments focus on a "menu" of eleven thematic objectives directly translating the aims of the Europe 2020 Strategy. This ensures a concentration of funding on key growth themes..

In addition, the Commission considers that the Court's criticism is premature as the partnership agreements have only just been put in place. A report on the outcome of the negotiations, as required by Article 16 of the Common Provisions Regulation, will be published soon (mid-December) and was not available at the time of the Court's assessment.

The Commission will also, during the period 2014-2020, provide annually as from 2016 (by the end of the year) a summary of the implementation of the ESI funded programmes and a synthesis of the impact evaluations done by the Member States. Moreover, by 31 December 2017 and 31 December 2019, the Commission shall submit to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, a strategic report summarising the progress reports of Member States.

The alignment of the funds with the policy priorities identified by the European Semester is an ongoing process. It is one of the key priorities of the Commission in its bilateral relations with Member States in the context of the management and monitoring of the Funds. Moreover, the Commission has the possibility to request a Member State to propose amendments to its Partnership Agreement and programmes as a measure linked to sound economic governance (1st strand of the "macro-economic conditionalities" - paragraphs 1-8 of Article 23 of the CPR). The Commission will use this prerogative when this is justified to support the implementation of relevant Council recommendations that are addressable with public investment.

Furthermore, the Commission services are working on ways to improve this alignment in the context of the next MFF review and the Network on EU-Budget Focused on Results. One of the main challenges is a better alignment of multiannual investments with annual policy recommendations. Furthermore, the Commission services launched a study that will assess how funding is contributing to help implementing the CSRs.

As regards the Europe 2020 Strategy targets, reporting on progress will be included in the National Reform Programmes. In particular, Member States have been asked to report on the consistency between their ESIF funding priorities for the period 2014-2020 and the priorities identified in Country Reports and Country Specific Recommendations, and thereby with the priorities which are to deliver on the Europe 2020 targets.

***

> The ECA attached great importance to simplification and the simplified cost option (SCO). However during the 2007-2013 financing period the SCO also held a number of risks for the beneficiaries.

17. What were the risks for the beneficiaries and how are these risks been contained under the new financing period?

The main risks regarding the implementation of Simplified Cost Options (SCOs) identified by DG EMPL in the recent survey towards ESF Managing Authorities conducted in September 2015 are twofold:

First, while acknowledging that SCOs significantly reduce the risk of eligibility errors, ESF Managing Authorities fear a risk of a systemic error if the methodology applied to design the flat rate or the unit cost proved to be incorrect.

Second, ESF Managing Authorities have noted an issue of legal uncertainty for SCOs, mainly explained by the fact that SCOs have been introduced in a legal framework that was designed and developed on the logic of real costs. At national level, it resulted in conflicting regulatory provisions or in too complex regulations (so-called 'gold plating').
The Commission has undertaken specific actions to address these risks, under the current financing period.

As regards the identified risks linked to the methodologies, two new calculation methods were introduced under Article 67 of the CPR. They can be easily applied by Member States and bear little risk of error. In order to avoid risks of calculation errors, the new Regulation has introduced rates and specific methods in the CPR and in the Fund specific Regulations.

Furthermore, while issues of legal uncertainty due to conflicting or too complex national rules need to be primarily addressed by Member States, DG EMPL will pursue the development of SCOs at EU level, to give maximum legal certainty to Member States. If these efforts are successful, they could be adopted by delegated regulation under Article 14(1) ESF, meaning Member States could apply them directly and without need for justification.

More details on the identified risks for beneficiaries can be found in the note "Simplified Cost Options in the European Social Fund" which was transmitted to the CONT Members on 27/11/2015.

It should finally be noted that the new High Level Group (HLG) on Simplification for beneficiaries held a session on SCOs on 1 December 2015, where input was received from a number of Managing Authorities on the concerns of the beneficiaries. The HLG is planning to issue recommendations, expected in the first half of 2016, on what could be done to improve the stance of beneficiaries.

It should be further considered that except for SCOs based on article 14.1 of the ESF regulation and Join Action Plans, SCOs cannot be used in projects implemented through public procurement procedures. Therefore, their potential use in large infrastructure investments might be limited.

18. Why are Bulgaria, Hungary, Latvia and Slovakia reluctant to use this option?

The use of SCOs in the ESF is not mandatory for operations above 50,000 EUR and it is for each Member State to decide the extent to which it will avail of simplified costs. There can be a range of reasons for which Member States do not want to use SCOs, often related to the risks referred to in the reply to question 17 (e.g. fear of systemic error, lack of legal certainty).

Moreover, in general, SCOs are based on the verified historical data of beneficiaries and this can pose problems for some Member States because either they have new operations, and therefore have no historical data, or problems have been identified during audits on previous operations meaning their data is not reliable and therefore unsuitable for basing simplified costs on.

Where this is the case, a range of other options are provided, such as pre-defined flat rates provided for in the Common Provisions Regulation, the possibility to re-use EU policies or national schemes for grants, or the ability to use market surveys. The Commission will continue to promote these options to Member States, including through targeted training seminars, so as to ensure Member States are fully informed and can make best use of the possibilities available.

***

> The total payments figures indicate a Member State's ability to implement the programmes. The absorption rate for Romania, Slovakia and Spain were fairly low on 31 October 2015.

19. Which measures do the task forces suggest to avoid de-commitment of funds?

See reply to questions 3 and 12.

***

> By December 2015 hopefully all ESF programmes will have been adopted.

20. Do you think the adoption process could be speeded up? Are the programmes suggested new or follow-up measures from the last financing period? If the latter is the case, should the adoption not be a speedier process?

Operational Programmes have to meet a set of legal and quality criteria in order to be adopted. In the new programming period, there is a strong focus on results and on ensuring a better alignment between the Funds and Europe 2020. Therefore, continuing measures that were funded in the last programming period is justified only where these measures contribute to address the challenges of the Member States. The Commission has taken all the measures to ensure a quick adoption of all the OPs that met these requirements. Moreover, the Commission also gave priority to the adoption of those OPs more relevant for addressing the most pressing challenges of MS, such as the OPs supported by the Youth Employment Initiative.

21. When looking at the answers to questions 18 and 19 concerning partnership agreements the Commission seems to disagree with the ECA who was of the opinion that the new Partnership Agreements do not sufficiently reflect the EU 2020 objectives. Could it be explained?

See reply to question 16.

22. The new single audit strategy will depend very much on an assurance building process, relying on the sound work of national audit authorities. Is this a safe assumption?

There is a single audit strategy for DG REGIO, DG EMPL and DG MARE aiming at the efficient use of staff resources. This endeavour is linked to an even closer alignment of the ESI Funds in the 2014-2020 period and to the increased requirements for additional audit assurance, for example in the case of performance data. It means that the three DGs will join audit resources in order to meet these expectations.

The single audit principle means the reliance on the work of other auditors. The use of this principle is also related to the requirement for proportional controls under Article 148 of the Regulation (EU) 1303/2013. The Commission can rely on the work of other auditors once it has assured itself that these auditors work in appropriate way based on the same audit methodology as the Commission. For this reason, the main block of the Commission's audit activity since 2009 is to review the reliability of the national audit authorities. This will be strengthened in 2014-2020 programmes. Using this approach, the Commission can support its assurance with a much wider audit coverage representing one third of the expenditure and thousands of project audits every year.

National audit authorities indeed play a crucial role in the assurance building system for the ESI funds. As can be seen from the Annual Activity Reports issued in recent years, the reliance that can be placed on the national Audit Authorities is generally high. This does not imply, however, that the Commission will not closely monitor the audit activities carried out by the Audit Authorities. The audit work referred to here will mainly consist of re-performance of the Audit Authorities' activities in order to confirm, regularly, the reliance that can be obtained from it. To support the national audit authorities, the Commission has been sharing methodology and audit techniques such as checklists etc. with them throughout the programming period 2007-2013 and has also provided guidance for the 2014-2020 period.

Errors and error rates

> The most likely error rate in the area "employment and social affairs" stood at 3,7% in 2014. However, the error rate could have been considerably lower had Member States used all the information available to them, as already said.

23. We receive the same message every year. The ECA and the Parliament have repeatedly requested that this problem be addressed. Why does the situation not improve? What measures does the Commission take to "discourage" intermediate bodies, staff turnover and insufficient staff allocation?

It is a reality that some operations supported by the ESI funds are of a complex nature thus increasing the risks for wrong interpretation and implementation of the regulatory requirements. Action plans developed to address deficiencies of management and control systems typically include measures destined to address the lack of accountability, the lack of simplified cost options and the lack of robust management verifications.

As could be seen from the report on the implementation of simplified cost options, DG EMPL is strongly advising Member States where recurrent errors or systemic deficiencies are observed to expand the use of simplified cost options.

On the strengthening of administrative capacity of the Member States, DG EMPL has organised many seminars and feedback conferences with the national authorities to discuss important issues, such as simplified cost options, management verifications, audit work throughout the programming period.

In the past months, the Commission has for example taken the following measures to help improving the situation. In Spain, DG EMPL has successfully pushed to reduce the number of Intermediate Bodies (IBs) in the 2014-2020 programming period. DG EMPL discussed the same issue with the French authorities who also drastically reduced the IBs or concentrated them to increase the robustness of the systems. In Slovakia, DG EMPL helped the authorities to increase stability of staff.

***

Youth guarantee and the Youth Employment Initiative

Finally, structured data reports on YEI implementation have been submitted by the Member States for all adopted OPs for YEI in April-June 2015: In terms of participation, 110.300 unemployed young people participated in YEI actions in 2014; 1,3 billion euros are already allocated to projects on the ground. The results reported for 2014 are limited but are broadly commensurate with the Commission's estimates in relation to the OP targets and the available (1-1.5%) pre-financing in 2014. They are encouraging first results of the YEI on the ground. The reports indicate that in 2015 significant measures are being mobilised and young people are receiving services and support. This reflects the expectation of the 30% pre-financing increase, which will allow for additional financial liquidity disbursed to projects.

24. How does the Commission evaluate, at this stage, the YEI? Has it delivered results in terms of lowering (youth) unemployment?

It is too early to discuss the results of the YEI. Some results were reported by the Member States in the structured data reports. However, as the YEI actions have been mobilised relatively late, the reports mainly covered inputs and outputs, and only to a limited extent results (given that in most cases the participants had not yet completed the YEI operation at the time covered by the reporting). Yet, more encouraging projections are expected for 2015 and 2016. The upcoming first YEI evaluation by Member States by the end of 2015 and the Annual Implementation reports expected in May 2016 will provide more substantial information on the quality of measures funded and the results achieved.

Financial Engineering Instruments (FEI)

By 2014, a total of 53 financial instruments, primarily limited to supporting SMEs, have been implemented across 7 Member States financed by the European Social Fund (ESF) (these figures apply to the programming period 2007-2013 which is still being implemented). Despite the limited number of ESF financial instruments implemented under the past programming period, a total of 16716 SMEs (out of which 11286 Micro-enterprises) have been reached with a total ESF budget of 472 million €.

25. What are the preconditions in Member States to make effective use of FEI in the social policy area?

The key of success for financial instruments in the social policy area is and will be the ongoing involvement of European Social Fund Managing Authorities and stakeholders.

In the field of human capital and employment it is often difficult to mobilise revolving funds in line with usual market conditions in order to promote social inclusion, invest in education and last but not least to address the needs of most disadvantaged people such as youth, women, unemployed and socially excluded people.

The technical assistance provided under the financial instruments technical advisory platform (Fi-compass) is therefore of crucial importance as it will provide administrative capacity building and technical support not only targeted at Managing Authorities but also to financial intermediaries and other stakeholders specialised on social entrepreneurship or willing to finance projects in the ESF policy area of intervention.

26. How will the Commission address the "accountability gap" in the area of FEIs?

There is no general "accountability gap" when implementing financial instruments operations.

Financial instruments represent a resource-efficient way of deploying Cohesion Policy resources in pursuit of the Europe 2020 Strategy objectives. Financial instruments increase the efficiency and effectiveness of Cohesion Policy public resources' allocation, by targeting projects with potential economic and financial viability.

Differently from the financial instruments operated under the rules of direct management, the ESIF financial instruments are managed by authorities in Member States.

In this framework, a beneficiary in the sense of Cohesion Policy Regulations is, for financial instruments operations, "*the body which implements the financial instrument or the fund of funds as appropriate*". In that legal context, this beneficiary has to report to Member States' authorities on the use of the funds allocated to the financial instrument, which in turn report to the European Commission. At the end the European Commission is accountable to the European Parliament for the use of EU budget.

Audit authorities verify the performance of first-level checks by management authorities and will have to obtain sufficient assurance on the funds by closure. As a result of the audit experience obtained through thematic audits conducted since 2011 the Commission issued guidelines laying down common rules on determining financial corrections to be applied in the area of financial instruments. This allows audit authorities to better quantify detected irregularities in this complex area, in particular in their preparation of closure of the programming period.

A particular case has existed when Member States allocated Cohesion Policy Funds to the European Investment Bank for the purpose of financial instruments: Cohesion Policy funds managed by EIB Group represent EUR 3 billion or 19% of the 2007-2013 OP resources dedicated to FEIs.

In that context, the European Investment Bank group (acting as fund of funds or financial intermediary) acts as a beneficiary, like any other body implementing financial instruments.

Nevertheless, access to national audit authorities was not granted by the EIB Group and this has been mentioned by the ECA in its 2014 annual report (paragraph 6.67): the EIB refuses to be controlled by managing authorities, intermediate bodies and audit authorities from 28 Member States and by the Commission, with different methodologies.

In its reply to the 2014 ECA annual report, the Commission regretted the limitations to the access rights and noted that a Memorandum of Understanding (MoU) between the Commission and the European Investment Bank was under signature "so that in the future, managing and audit authorities have the possibility to use the services of a contractor selected by the Commission for the verification and the audit work of the European Investment Bank." Actually, this MoU was signed in July 2015. This MoU clarifies that controls of financial instruments managed by the EIB Group should be done through a single external service provider, procured in agreement with the EIB, under an agreed methodology.

DG Regional and Urban Policy services are currently preparing the practical modalities of the implementation of the MoU. In the meantime, if audit authorities cannot access the EIB headquarters to audit how the financial instruments were set up, they can still audit implementation at the level of final recipients.

In any case, the European Court of Auditors is also the external auditor for the EIB for the operations financed by EU budget.

Refugees

> European Union Member States are currently exposed to an unprecedented humanitarian crisis. Millions of refugees are currently, or may in the near future be knocking on our door seeking protection from war and political prosecution. In this context the Commission published a communication on 23 September 2015 entitled "Managing the refugee crisis: immediate operational, budgetary and legal measures under the European Agenda on Migration" (COM(2015)490 final), which points out (p. 10) " Even if the Structural Funds operate with a long-term perspective, they can still be mobilised to help tackle the migration challenge in terms of integration measures like language learning or co-financing key infrastructure including housing and social infrastructure, and in emergency cases reception centres." In principle four funds are available to help Member States in dealing with the refugee crisis: the ERDF, the ESF, the FEAD (Fund for European Aid to the Most Deprived) and the AMIF (Asylum, Migration and Integration Fund). However the ERDF and ESF were designed for different purposes.

27. Are these funds really the appropriate tool to assist Member States in the refugee crisis? Should Member States not rather be encouraged to make use of unspent EU budget appropriations?

The following funds are available for targeted actions at different stage of the process to help Member States in dealing with the refugee crisis:

- the AMIF (Asylum, Migration and Integration Fund),
- the ISF (Internal Security Fund) - both reinforced by the Emergency Assistance,
- the ESF (European Social fund),
- the FEAD (Fund for European Aid to the Most Deprived),
- the ERDF (European Regional Development Fund),
- possibly the EAFRD (European Agricultural Fund for Rural Development) and the EMFF (European Maritime and Fisheries Fund).

Each of the considered EU Funds has an important role according to its own mission and legal provisions being it at the stage of reception/return or further during the registration, assessment up to preparing and launching different integration measures. Coordinated, strategic approach is necessary to enhance synergies on the funding side in order to maximize Europe's response to the refugee crisis and further to benefit from the socio-economic potential it might offer in a mid-/long-term.

The AMIF contributes to the efficient management of migrations flows and to the implementation, strengthening and development of common policy on asylum, subsidiary protection and temporary protection and the common immigration policy, while fully respecting the rights and principles enshrined in the Charter of Fundamental rights of the EU.

The ISF contributes to ensuring a high level of security in the Union while facilitating legitimate travel.

Specific targeted funding under the AMIF and the ISF has been reinforced already in 2015 but will not provide for sufficient intensity of actions unless more can be done through other EU funding notably regarding a wide range of social inclusion, education and occupational activity targeting actions.

The ESF, as the main EU Fund for investing in people, can support a wide range of activities to facilitate the integration of asylum seekers and refugees in the labour market. It can do so by funding measures such as training, language courses, counselling, coaching, vocational training and employment measures. With the exception of some measures – education for children and vocational training in some Member States – the ESF can only support asylum seekers once they have access to the labour market, i.e. once they applied for international protection.

The FEAD can also play its part in this difficult situation, as it supports persons worst affected by poverty by providing them with immediate relief and promoting their social inclusion. Every Member State defines who to target with the FEAD. Asylum seekers can be a part of this group. The FEAD could support such persons both in the early stages after their arrival in the EU, and later, regardless of their status. The scope of support by FEAD would depend on the scope of the national programme: but in theory, asylum seekers – like other target communities – could benefit both from food and basic material assistance. They could also benefit from social inclusion activities.

Using unspent EU budget appropriations within cohesion policy from the 2007-2013 period would require regulatory changes and modifications of 2007-13 period operational programmes. This would risk shifting the focus away from implementation of 2014-2020 programmes and could result in significant delays in implementation.

Roma

28. What kind of Roma related projects in which Member States have been financed by the EU with what amount, respectively?

During the programming period 2007-2013, the ESF supported many projects in the area of Roma inclusion, especially by supporting the education of Roma children and young Roma. School attendance of the Roma children goes hand in hand with raising the parents' awareness on the need to send their children to school and ensuring that teachers are prepared for the special needs that Roma children might have. Other projects were more oriented toward the labour market integration of Roma people through job-seeking activities including professional training and qualification.

In the programming period 2007-2013 the amount allocated to "integration of disadvantaged people into employment" including, amongst others, Roma was around 10 billion. Five Member States (BG, CZ, HU, RO, SK) with the largest Roma minorities allocated 1.3 bn EUR (10% of the total ESF national allocation) to support disadvantaged people, particularly Roma. However, in the programming period 2007-2013, the ESF focussed on reinforcing social inclusion of the disadvantaged groups and combating discrimination. The Fund followed a mainstreaming approach towards disadvantaged groups, including Roma, and therefore did not target the Roma directly. Disadvantaged groups could receive funds from various general strands – mainly in the area of social inclusion, but also in the areas of employment and education.

Following the modification of the ERDF Regulation in 2010, an aggregate amount of € 80 million was allocated by 8 Member States (Bulgaria, Czech Republic, France, Greece, Hungary, Italy, Romania, Slovakia) to integrated housing schemes in favour of marginalised communities, including Roma, for 2007-2013. This support has been granted in line with the Common Basic Principles on Roma Inclusion approved by Council in 2009 which allows explicit but not exclusive targeting. The ERDF URBACT programme financed a network involving 10 cities from 7 Member States under the ROMA-NET project. This project facilitated the exchange of experience and good practice among the participating cities.

Additionally, Roma have been among the beneficiaries of the mainstream social inclusion expenditure of ERDF for 2007-2013 (for which Member states allocated € 18,6 billion), notably expenditure on education, childcare, social and health infrastructure.

In the programming period 2014-2020, 1.5 bn EUR will be spent on the specific Investment Priority for marginalised communities such as Roma. The majority of funding (1.2 bn EUR) is concentrated in BG, CZ, HU and RO. In addition, although not directly targeted, Roma could be supported under other Investment Priorities in the area of Social Inclusion. For these priorities, the total budget amounts to 21bn Euro.

Roma will also be able to benefit from relevant specific objectives included in ERDF operational programmes for the 2014-2020 period. These will be part of the overall allocations made by Member States of ERDF funding for inclusive growth thematic objectives. On the basis of aggregate data from the Partnership Agreements, Member States have allocated around €20 billion to cover all the investment priorities of these thematic objectives.

Instrument for pre-accession assistance

29. According to the AAR DG EMPL (page 38) the rejection of proposed operations/ projects was 19,2% in 2014 for Turkey. Could you please provide the Parliament with the detailed reasons and corresponding percentages for this high amount?

The Human Resources Development Operational Programme for Turkey under IPA Component IV (programming period 2007-2013) is implemented through indirect (decentralised) management. The Ministry of Labour and Social Security is the Contracting Authority. The tendering of contracts, launch of call for proposals and award of contracts and grants are subject to ex-ante controls performed by the EU Delegation in Ankara. The rejection rate corresponds to the percentage of files submitted to the ex-ante control and returned for correction to the Ministry. A rejection does not imply an irregularity, but is a means to prevent potential irregularities.

70.6% of the rejected files were done so on the grounds of lack of quality and legality & regularity, followed by "sound financial management" and "compliance" reasons with 17.6% and 11.7% of the cases, respectively.

The distribution of rejection reasons shows that the internal control and quality checks at the Operating Structure (Managing Authorities for the Human Resources Development Operational programme) should be improved. This message has been passed to the Turkish authorities. The Commission services and the EU Delegation in Ankara are continuously monitoring the rejection rates and their reasons. Concrete recommendations for improving rejection rates are provided to the Operating Structure on a regular 6 monthly basis.

Other

30. Do you already have identified proven evidence about the impact of ESF interventions to fulfil the Europe 2020 Strategy labour market indicators?

The ex-post evaluation regarding the 2007-2013 period shows that ESF Operational Programmes were aligned with EU policies and supported the implementation of national reforms that responded to EU priorities first under the Lisbon and then under the Europe 2020 strategy, as well as to the 2008 Commission Recommendation on active inclusion and the Education and Training 2020 cooperation framework.

Overall, a direct relation between the impact of ESF interventions and the developments in the Europe 2020 labour market indicators cannot be easily established. However, the importance of the ESF funding in certain Member States (in particular for all convergence regions) and the ability of Member States to offer more tailored services, improve their delivery systems making them accessible to new target groups across all Member States and regions thanks to the ESF support, have clearly contributed to improve labour markets indicators, that would have evolved more negatively without ESF support.

Very few impact evaluations and even less counterfactual impact evaluations have been carried out by the Member States during the 2007-2013 programing period. The

Commission has funded a number of counterfactual impact evaluations that show positive net impacts of the support of ESF in terms of increasing the probability of transition into employment, increase of employment spells or employment rates.

During the 2014-2020 programming period, the Operational Programmes include indicators, baselines and targets for each investment priority. The impacts of programmes shall be evaluated in relation to the targets under the Union strategy for smart, sustainable and inclusive growth and in relation to GDP and unemployment. The evaluations should also assess how support from the ESI Funds has contributed to the objectives for each priority. Member States have to prepare an evaluation plan one year after the adoption of the Operational Programmes.

First results on the implementation of the 2014-2020 programmes will only be available after the submission of the annual implementation reports in May 2016. The annual implementation report to be submitted in 2019 will have a specific focus on the contribution of the ESI Funds to achieving the Union Strategy for smart sustainable and inclusive growth. As explained under question 16, in relevant policy areas, including those of employment, education and poverty reduction, a direct link was established between the 2013-2014 Country Specific Recommendations and the Operational Programmes through the selection of the relevant investment priorities.

Example of contribution to the Europe 2020 Strategy:

Poland has received in 2014 a CSR to continue efforts to increase female labour market participation, in particular by taking further steps to increase the availability of affordable quality childcare and pre-school education and ensuring stable funding. The regional multi-fund ERDF/ESF Operational Programme of Pomorskie will contribute to tackle this issue. It has allocated EUR 1.9 billion, including EUR 1.3 billion of ERDF and EUR 0.5 billion of ESF, to the objective of increasing the employment of persons with care responsibilities for children under the age of three. From these investments, Poland expects the number of persons who returned to the labour market after leaving the market due to childcare responsibilities related to birth/up-bringing of a child, after completion of the programme to represent 48% of participants. Moreover, 60% of the supported care places for children under the age of 3 should be sustainable and function two years after obtaining funding from the ESF.

31. Which segment of your initiatives could represent any best practice example from the result-based approach?

There are many examples of result-based approach.

The examples below on improving compulsory education and reducing long-term and youth unemployment illustrate how the interventions are designed to deliver meaningful results.

In the area of quality of compulsory education, CZ has been requested to improve its evaluation framework, support weaker schools and improve attractiveness of the teaching profession. The programmes include EUR 680 million allocated from EU to improve knowledge and skills of 30 000 educational staff.

DE has been asked to promote activation and integration measures, especially for the Long-Term Unemployed (LTU). Among several German programmes supporting the labour market integration of LTU, there is one programme that includes EUR 470 million allocated for intense coaching, wage subsidies and company canvassers in the job centres to ensure 51% of the LTU engaged in projects are integrated into the labour market.

PL has been asked to strengthen efforts to reduce youth unemployment, in particular by further improving the relevance of education to labour market needs, increasing the availability of apprenticeships and work-based learning places and by strengthening outreach to unregistered youth and the cooperation between schools and employers, in line with the objectives of a youth guarantee. It included a specific objective to increase employment of youth up to 29 year's old without work, in particular those not in employment, education and training. This will result in that 58% of the participants will be in employment six months after leaving and 23% in self-employment six months after leaving.

32. How do you evaluate the synergies between cohesion and non-cohesion measures and initiatives in the DG EMPL portfolio? How do you evaluate the synergies between the ESF on one hand, and the ERDF and the CF on the other hand within the cohesion policy activities?

The Commission services have produced substantial guidance work on how to promote synergies with the other "non-cohesion" funds, in particular Erasmus+ and Home. Many Member States have used a fruitful combination of various funds and the services are putting in place ways to combine funds from ESF and AMIF to help tackling the refugees' crisis. Furthermore there has been fruitful combination between the ESF and the EURES on the ground.

For the period 2007-2013, Article 34(2) of the Regulation (EC) 1083/2006 provided a possibility for the use of parts of the Funds (up to a limit of 10%) to finance activities incremental for the other funds.

There is continuous co-ordination at the level of the Commission (including a joint development of Regulations, guidance, training, etc.) but also at the level of the programmes. The national authorities for many programmes are responsible for both ERDF/CF and ESF. Therefore, the structures of the programmes cover all funds ensuring one point of reference for the beneficiaries.

Finally, in the 2014-2020, Member States were given the possibility to put forward Operational Programmes supported by both ERDF/CF and the ESF, thereby further increasing scope for coordination and synergy. A total of 92 multi-fund programmes (including ERDF/CF and ESF) were adopted by the Commission.

33. Where do you see the main space for improvement? One of the current keywords of the cohesion policy management now is simplification. Where do

you see (topics, countries, horizontal issues) the biggest potential for simplification?

The issue of simplification of ESI Funds is part of the Commission's plans on better regulation and better results. At this point in the programming period, there is a need for stability of the rules and time for the new provisions to start delivering their simplification benefits. The Commission has launched a series of studies to understand better the take up and impact of the new provisions.

In addition, the Commission has set up a High level Group on Simplification to look at further options for simplifying implementation of the ESIF funds – both for the remainder of this period and for the post 2020 period. The Group is expected to deliver its first report early in 2016, based on studies which are being carried out at the request of the Commission. An administrative Simplification Scoreboard will also be adopted by the Commission as of 2016, to monitor progress on simplification, within the Communication on "Budget Focussed on Results".

During the first year, the high-level group will address identified administrative bottlenecks in the access to the ESI Funds and promote good practices in the use of online procedures and simpler ways to reimburse costs. It will monitor the progress of the Member States with regard to the use of simplification measures. In 2017, the high-level group will focus on the post-2020 framework and its final report will feed into our reflection on the future of Cohesion policy.

There are several areas with a potential for simplification can already be considered under the current legislative framework and may be further strengthened as part of the mid-term review of the MFF.

- The use of Simplified Cost Options (unit costs, lump sums, flat rates) should be increased so that all the Member States, especially those which have issues of absorption, use them. A report on the use of SCOs by Member States has recently been submitted to the Parliament. The current legislative framework allows Member States to make use of SCOs when allocating EU funds: the uptake can be improved via administrative measures taken at national level. A better uptake would allow reaching the target of 50% ESF transactions using SCOs, hence reducing time to pay and risk of errors. The Commission remains available to provide support and guidance to Member States willing to make greater use of SCOs.

- The current procedure for allocation of support under the European Globalisation Adjustment Fund (EGF), that requires a Commission's proposal to be approved by the European Parliament, is extremely burdensome and makes that for each measure, the funds take an average of two years to reach beneficiaries.

- Also, the legal and administrative barriers which artificially hamper further synergies between European Structural and Investment funds and the new EU Programme for Employment and Social Innovation (EaSI) instruments, as well as other Union financial instruments, should be addressed. It would allow such instruments to fully deliver their capacities, in terms of leverage of public and private investments for growth and jobs.

- In addition, legislation has been revised in the areas of public procurement and State aid, which trigger the majority of errors in cohesion policy as a whole:

    - The EU public procurement directives have been revised in 2014. Public procurement procedures will be simpler and more flexible in the future. This will benefit both public purchasers and businesses, particularly small and medium-sized companies, and will reduce the risk of errors. However this will not have immediate effect as the Member States have until April 2016 to transpose the new rules into their national law.
    - As regards State aid, new and clearer Regulations have entered into force on 1 July 2014. They contain more flexible retroactive rules on the incentive effect and indirect aid. They will also reduce the risk of error in this area. The Court of Auditors has already followed some of the new rules in its DAS 2014 audits.

The support of the European Parliament will be much needed for these possible simplification initiatives, which would help improving performance of the available instruments and of the Union budget at large.