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A7-0241/179

Amendment 179

Pervenche Berès

on behalf of the Committee on Employment and Social Affairs

Report

A7-0241/2012

Jutta Steinruck

Programme for social change and innovation

COM(2011)0609 – C7-0318/2011 – 2011/0270(COD)

Proposal for a regulation

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AMENDMENTS BY THE EUROPEAN PARLIAMENT*

to the Commission proposal

REGULATION (EU) No .../2013

OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on a European Union Programme for *Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion*

(Text with EEA relevance)

* Amendments: new or amended text is highlighted in bold italics; deletions are indicated by the symbol ■.

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 46(d), Article 149, Article 153(2)(a) and to the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C 143, 22.5.2012, p. 88.

² OJ C 225, 27.7.2012, p. 167.

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

Whereas:

- (1) In line with the Commission Communication of 29 June 2011 entitled ‘A budget for Europe 2020’, which recommends rationalising and simplifying the Union’s funding instruments and sharpening their focus both on Union added value and on impacts and results, this Regulation establishes a European Union Programme for **Employment and Social Innovation** (‘the Programme’) to provide for the continuation and development of activities carried out on the basis of Decision No 1672/2006/EC of the European Parliament and of the Council¹, Regulation (EU) No 492/2011 of the European Parliament and of the Council², Commission Implementing Decision 2012/733/EU³ and Decision No 283/2010/EU of the European Parliament and of the Council that established a European Progress Microfinance Facility for employment and social inclusion⁴ (‘the Facility’).

¹ Decision No 1672/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity – PROGRESS (OJ L 315, 15.11.2006, p. 1).

² Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union (OJ L 141, 27.5.2011, p. 1).

³ Commission Implementing Decision 2012/733/EU of 26 November 2012 implementing Regulation (EU) No 492/2011 of the European Parliament and of the Council as regards the clearance of vacancies and application for employment and the re-establishment of EURES (OJ L 328, 28.11.2012, p. 21).

⁴ Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion (OJ L 87, 7.4.2010, p. 1).

- (2) On 17 June 2010, the European Council endorsed the Commission proposal for a Europe 2020 Strategy for jobs and smart, sustainable and inclusive growth ("Europe 2020"), which provides for five headline targets (including those dealing with employment, the fight against poverty and social exclusion, and education, respectively), and seven flagship initiatives, and which constitutes a coherent policy framework for the coming decade. The European Council advocated full mobilisation of the appropriate Union instruments and policies to support the achievement of the common objectives, and invited the Member States to increase their coordinated action.
- (3) In accordance with Article 148(4) of the Treaty on the Functioning of the European Union (*TFEU*), the Council, on 21 October 2010, adopted guidelines for employment policies which, together with the broad guidelines for the economic policies of the Member States and of the Union adopted in accordance with Article 121 *TFEU*, comprise the Europe 2020 integrated guidelines. The Programme should contribute to *achieving* the Europe 2020 *targets, especially its poverty reduction and employment objectives, as defined in the Employment* Guidelines. *To that end, the Programme should support the* implementation of the flagship initiatives, with special regard to the European Platform against Poverty and Social Exclusion, an Agenda for New Skills and Jobs, and Youth on the Move, *as well as the Youth Employment Package*.

- (4) The Europe 2020 flagship initiatives entitled “European Platform against Poverty and Social Exclusion” and “Innovation Union” identify social innovation as a powerful tool for addressing the social challenges arising from population ageing, poverty, unemployment, new work patterns and life styles, and the expectations of citizens regarding social justice, education and health care. The Programme should support action to increase social innovation, in *response to social needs that are not met or that are met insufficiently, in respect of combating poverty and social exclusion, promoting a high level of quality and sustainable employment, guaranteeing adequate and poverty-preventing social protection, improving working conditions and improving access to training for vulnerable people*, taking due account of the role of regional and local authorities. ■ The Programme should also act as a catalyst for transnational partnerships and networking between public, private and third-sector actors, as well as supporting their involvement in designing and implementing new approaches to tackling pressing social needs and challenges.

- (4a) *In particular, the Programme should help to identify and to analyse innovative solutions, and to scale up their practical implementation, through social policy experimentation, so as to assist, where necessary, Member States to increase the efficiency of their labour markets and to further improve their social protection and inclusion policies. Social policy experimentation is project-based field testing of social innovations. It allows the gathering of evidence on the feasibility of social innovations. It should be possible for successful ideas to be pursued on a wider scale with financial support from the European Social Fund (ESF), as well as from other sources.*
- (4b) *The open method of coordination, which has proved its flexibility and operational effectiveness in employment and social policy areas, should be widely used and should benefit from actions supported by the Programme.*

- (4c) *Progress towards socially and environmentally sustainable development in Europe requires the anticipation and development of new skills and competencies, leading to an improvement in the conditions for job creation, in the quality of employment and in working conditions, through accompanying education, labour market and social policies in connection with the transformation of industries and services. The Programme should, therefore, contribute to promoting the creation of quality and sustainable 'green', 'white' and ICT jobs, as well as to anticipating and developing new skills and competencies for new quality and sustainable jobs, by linking employment and social policies with industrial and structural policies and by supporting a transition towards a resource-efficient and low carbon economy. In particular, the Programme should act as a catalyst for exploring the job creation potential of public sector-led green and social investments and of local and regional employment initiatives.*
- (4d) *The Programme should, where relevant, take account of the territorial dimension of unemployment, poverty and social exclusion, and especially of the increasing inequalities that exist within and between regions, between rural areas and cities and within cities.*

- (4e) *It is necessary to consolidate the social dimensions of the internal market. Given the need to enhance confidence in the internal market, including the free movement of services, through ensuring respect for workers' rights, it is necessary to ensure that the respective rights of workers and entrepreneurs to freedom of movement are accorded equal status throughout the Union.*
- (5) In line with Europe 2020, the Programme should pursue a coherent approach to promoting *quality and sustainable* employment, *as well as* to combating *and preventing* social exclusion and poverty, *while taking into account the need to respect equality between women and men*. The implementation of the Programme should be rationalised and simplified, notably through the establishment of a set of common provisions including, inter alia, general objectives and monitoring and evaluation arrangements. The Programme should ■ focus on ■ projects, *irrespective of their size*, with clear Union added value. *In* order to ■ reduce administrative *burdens, the Programme should support the creation and development of networks and partnerships*. In addition, greater use should be made of simplified cost options (lump-sum and flat-rate financing), in particular for the implementation of mobility schemes, *while ensuring transparency of proceedings*. The Programme should be a "one-stop shop" for microfinance providers *at Union level*, providing financing for *micro-credits and social entrepreneurship, facilitating access to borrowing and providing* technical assistance. ■

- (5a) *Taking into account the limited funds available to the Programme and the pre-allocation of these funds to the various axes, funding priority should be given to the development of structures with a clear multiplier effect which will benefit further activities and initiatives. Appropriate measures should also be put in place to avoid any possibility of overlap or double-financing with other funds or programmes, in particular the ESF.*
- (6) The Union should equip itself with evidence based on a sound analysis in order to support policy-making in the employment and social area, *paying special attention to the impact of financial and economic crises*. Such evidence adds value to national action by providing a Union dimension and a comparison for data-gathering and by developing statistical tools and methods and common indicators, for the purpose of composing a full picture of the situation in the fields of employment, social policy and working conditions across the Union and of ensuring high-quality evaluation of the efficiency and effectiveness of programmes and policies *with a view, inter alia, to reaching the Europe 2020 targets*.

- (7) The Union is uniquely placed to provide a platform for policy exchanges and mutual-learning between countries participating in the Programme in the *areas of* employment, *social protection* and social *inclusion, as well as social entrepreneurship*. Knowledge of policies applied in other countries and of their results, *including those achieved through social policy experimentation at local, regional and national level*, broadens the range of options available to policy-makers, *thereby triggering* new policy developments ■ .
- (8) Ensuring that minimum standards are in place and that working conditions improve constantly in the Union is a central feature of Union social policy. The Union has an important role to play ■ in ensuring that the legislative framework is adapted to evolving work patterns and new health and safety risks, *taking into account 'decent work' as well as* 'Smart Regulation' principles. *The Union also has an important role to play* in financing measures to improve compliance with *labour standards under ratified International Labour Organisation (ILO) conventions and Union* rules on the protection of workers' rights. *This is particularly the case of measures for raising awareness (e.g. through a social label), for disseminating information and for promoting the debate about the key challenges and policy issues in relation to working conditions, including among the social partners and other stakeholders, as well as for promoting work-life balance measures, for initiating preventive actions and for fostering the prevention culture in the field of health and safety at work.*

- (9) *Social partners and civil society organisations ■ play a key role in promoting quality employment and combating social exclusion and poverty, as well as in fighting unemployment. Therefore, the social partners and civil society organisations should, where appropriate, be involved in mutual learning and in the development, implementation and dissemination of new policies. The Commission should inform and exchange views with Union social partners and the civil society organisations on the results concerning the implementation of the Programme.*

- (10) The Union is committed to strengthening the social dimension of globalisation, ***and to combating social dumping***, by promoting decent work and labour standards, ***not only in*** countries participating in the Programme, ***but also*** internationally, either directly *vis-à-vis* third countries or indirectly through cooperation with international organisations. Accordingly, suitable relations need to be developed with third countries not participating in the Programme in order to help achieve its objectives, having regard to any agreements of relevance between such countries and the Union. This may involve the attendance of representatives of those third countries at events of mutual interest (such as conferences, workshops and seminars) that take place in countries participating in the Programme. In addition, cooperation should be developed with the international organisations concerned, **■** in particular the ILO ***and other relevant United Nations bodies***, the Council of Europe and the Organisation for Economic Cooperation and Development (OECD), with a view to implementing the Programme in a way that takes the role of such organisations into account.

- (11) In accordance with Articles 45 and 46 *TFEU*, Regulation (EU) No 492/2011 lays down provisions intended to achieve freedom of movement for workers *on a non-discriminatory basis* by ensuring the close cooperation of *the central employment services of* Member States with one another and with the Commission. EURES, which is the European network of employment services, should promote *the* better functioning of the labour markets by facilitating *the voluntary* transnational *cross-border* geographical mobility of workers, providing greater transparency on the labour market, ensuring the clearance of vacancies and applications for employment and supporting activities in the areas of *placement*, recruitment, advice and guidance services at national and cross-border level, thereby contributing to the objectives of Europe 2020. *Member States should be encouraged to integrate EURES services, making them available in a "one-stop shop", where appropriate.*

- (12) The scope of EURES should be broadened to ***include developing and supporting*** targeted mobility schemes, ***after calls for proposals***, at Union level with a view to filling vacancies where labour market shortcomings have been identified. In accordance with Article 47 ***TFEU***, those schemes should ***support facilitating voluntary*** mobility among young workers ***in the Union***. ***Targeted mobility schemes, such as those based on the preparatory action 'Your first EURES job', should make it easier for young people to access employment opportunities and to take up a job in another Member State, and should also encourage employers to create job openings for young mobile workers. Nevertheless, mobility schemes should not discourage the Union and Member States from helping young people to find a job in their home country.***
- (12a) ***In many border regions EURES cross-border partnerships play an important role in developing a genuine European labour market. EURES cross-border partnerships involve at least two Member States or a Member State and another participating country. Consequently, they are clearly horizontal in nature, and are a source of Union added value. EURES cross-border partnerships should therefore continue to be supported through horizontal Union activities, with the possibility of being complemented by national resources or by the ESF.***

- (12b) *The evaluation of EURES activities should take qualitative and quantitative criteria into account. Since outgoing placements in one Member State result in incoming placements in another and depend on the ever-changing labour market situations and related mobility patterns, the evaluation should focus not only on incoming or outgoing placements in individual Member States but also on aggregated figures at Union level. Furthermore, it should be borne in mind that counselling does not necessarily result in measurable mobility or in job placements.*
- (13) Europe 2020, and in particular Guideline 7 provided for in Council Decision 2010/707/EU¹, identifies self-employment and entrepreneurship as crucial to achieving smart, sustainable and inclusive growth.

¹ Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States (OJ L 308, 24.11.2010, p. 46).

- (14) Lack of access to credit, *equity or quasi-equity* is one of the main obstacles to business creation, especially among people furthest from the labour market. Union and national efforts in this area need to be intensified in order to increase the supply of, *and access to*, microfinance so as to meet demand from those who need it most, and in particular *the* unemployed, *women* and vulnerable people who wish to start up or develop a micro-enterprise, including on a self-employed basis, but who do not have access to credit. *In addition, micro-enterprises make up the majority of newly-formed companies in the Union. Therefore, it should be possible for microcredits to provide a means of adding value and achieving concrete results rapidly.* As a first step, in 2010 the European Parliament and the Council set up the Facility. *Communication activities on microfinance opportunities at Union and Member State level should be improved so as to better reach those in need of micro-financing.*

- (14a) *Microfinancing and support to social entrepreneurship should reach potential beneficiaries and should have long-lasting impact. They should contribute to a high level of quality and sustainable employment and serve as a catalyst for both economic and local development policies. In order to maximise the opportunities for creating viable enterprises, actions involving microfinance and social entrepreneurship should be accompanied by mentoring and training programmes and all relevant information, which should be regularly updated and made available to the public by the finance provider concerned. To this end, it is essential that adequate financing be provided, notably through the ESF.*
- (15) Making microfinance more available on the Union's young microfinance market *makes it necessary for* the institutional capacity of microfinance providers, and in particular *of* non-bank microfinance institutions, to be increased in line with the Commission Communication of 13 November 2007 entitled 'A European Initiative for the development of micro-credit in support of growth and employment' *and the Commission Report of 25 July 2008 entitled 'Promotion of Women Innovators and Entrepreneurship'.*

- (16) The social *economy and social entrepreneurship constitute an integral part of* Europe's pluralist social market economy, *and play an important role in ensuring greater social convergence in Europe.* They *are founded on the principles of solidarity and responsibility and of the primacy of the individual and of social objectives over capital, and on the promotion of social responsibility, social cohesion and social inclusion.* Social enterprises can act as drivers of social change by offering innovative solutions, *promoting inclusive labour markets and social services accessible to all.* They therefore make a valuable contribution to meeting the objectives of Europe 2020. The Programme should improve access by social enterprises to *different types of finance by providing suitable instruments to meet their specific financial needs throughout their lifecycle.*

- (17) In order to capitalise on the experience of *entities such as* the European Investment Bank Group, action involving microfinance and social entrepreneurship should be implemented by the Commission indirectly by entrusting budget implementation tasks to *such entities* in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council¹ ("the Financial Regulation"). The use of Union resources concentrates leverage from international financial institutions and other investors, *creates synergies between Member State and Union action and unifies approaches*. It thus improves *the access to finance of particular at-risk groups and young people, as well as the outreach of microfinance to them*. Access to finance for micro-enterprises, including the self-employed and social enterprises, is also improved. The Union contribution thus assists in the development of the emerging social business sector and the microfinance market in the Union and encourages cross-border activities. *The Union's actions should complement the use by Member States of financial instruments for microfinance and social entrepreneurship. The entities entrusted with the implementation of the actions should ensure that they add Union value and do not duplicate other financing through Union resources.*
- (17a) *In accordance with Europe 2020, the Programme should contribute to tackling the pressing problem of youth unemployment. Young people should, therefore, be given a future and the prospect of playing a key role in developing society and the economy in Europe, which is of particular importance in times of crisis.*

¹ *Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).*

- (17b) *The Programme should also point to the special role and importance of small enterprises regarding training, expertise and traditional know-how, as well as ensure that young people have access to microfinance. The Programme should facilitate the exchange of best practices between the Member States and other countries participating in the Programme in all those areas.*
- (17c) *Actions under the Programme should support the implementation by the Member States and labour market actors of Council Recommendation of 22 April 2013¹ concerning the establishment of a Youth Guarantee. That Recommendation states that all young people under the age of 25 should receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education. The Programme should facilitate the exchange of best practice between the Member States and other countries participating in the Programme in this area.*
- (18) *Pursuant to Article 3(3) of the Treaty on European Union (TEU) and Article 8 TFEU, it is necessary to ensure that the Programme contributes to the promotion of equality between women and men in all its axes and activities, including through gender mainstreaming and, where relevant, through specific action to promote women's employment and social inclusion. Pursuant to Article 10 TFEU, the Programme should ensure that the implementation of its priorities contributes to combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Monitoring and evaluation should be carried out to assess the way in which anti-discrimination issues are addressed in the Programme's activities.*

¹ *Council Recommendation of 22 April 2013 on establishing a Youth Guarantee (OJ C 120, 26.4.2013, p. 1).*

- (18a) *The Progress Programme for the period 2007-2013 includes sections entitled 'Antidiscrimination and diversity' and 'Gender equality' that are to be continued and further developed under the Rights, Equality and Citizenship Programme for the period 2014-2020. It is, however, of the utmost importance to maintain a strong focus on equality between women and men and on anti-discrimination issues in all relevant initiatives and actions covered by this Programme, especially in the fields of improving women's labour force participation, working conditions and promoting a better balance between professional and private lives.*
- (19) Pursuant to Article 9 *TFEU and the objectives of Europe 2020*, the Programme should *contribute to ensuring* a high-level of *quality and sustainable* employment, *to guaranteeing* adequate social protection and *to combating poverty and* social exclusion, *and should take into account the requirements linked to a high level of protection of human health.*

- (19a) *The Programme should complement other Union programmes, while acknowledging that each instrument should operate in accordance with its own specific procedures. Thus, the same eligible costs should not result in double funding. With the aim of adding value and achieving substantial impact through Union funding, close synergies should be developed between the Programme, other Union programmes and the Structural Funds, especially the ESF and the Youth Employment Initiative. The Programme should complement other Union programmes and initiatives that focus on combating youth unemployment.*
- (19b) *The Programme should be implemented in a way that makes it easier for the competent authority or authorities of each Member State to contribute to meeting the Programme's objectives.*
- (20) To ensure more efficient communication to the public at large and stronger synergies between the communication actions undertaken at the initiative of the Commission, the resources allocated to information and communication activities under this Programme should also contribute to corporate communication of, ***and to the provision of information on***, the political priorities of the Union related to the general objectives of this Programme.
- (22) This Regulation lays down a total financial envelope for the entire duration of the Programme which is to constitute the prime reference amount, within the meaning of Point 17 of the Interinstitutional Agreement [of ...] between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management¹, for the European Parliament and the Council during the annual budgetary procedure.
- (23) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties ***in accordance with the Financial Regulation***.

¹ OJ C ..., ..., p.

(23a) *In order to ensure that the Programme is sufficiently flexible to respond to changing needs and corresponding policy priorities throughout its duration, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the reallocation of funds between the axes and to the individual thematic sections within the axes of the Programme. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.*

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(25) *In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council¹.*

¹ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers (OJ L 55, 28.2.2011, p. 13).

(25a) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

Title I

Common provisions

Article 1

Subject matter

1. This Regulation establishes a European Union Programme for ***Employment and Social Innovation*** (‘the Programme’) which aims to contribute to the implementation of Europe 2020, including its headline targets, Integrated Guidelines ***and flagship initiatives***, by providing financial support for the Union’s objectives in terms of promoting a high level of ***quality and sustainable*** employment, guaranteeing adequate ***and decent*** social protection, combating social exclusion and poverty and improving working conditions.
2. The Programme shall run from 1 January 2014 to 31 December 2020.

Article 2
Definitions

For the purposes of this Regulation:

- (1) ‘social enterprise’ means an ***undertaking, regardless of its legal form, which:***
- (a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:***
 - (i) provides services or goods which generate a social return and/or***
 - (ii) employs a method of production of goods or services that embodies its social objective;***

- (b) *uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and*
- (c) *is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;*
- (2) ‘microcredit’ means a loan of up to EUR 25 000;
- (3) ‘micro-enterprise’ means an enterprise, including a self-employed person, that employs fewer than 10 people and whose annual turnover or annual balance sheet total does not exceed EUR 2 million, in accordance with Commission Recommendation 2003/361/EC¹,
- (4) ‘microfinance’ includes guarantees, ■ microcredit, equity and quasi-equity extended to persons and micro-enterprises *that experience difficulties accessing credit*;

¹ Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises (OJ L 124, 20.5.2003, p. 36).

- (4a) *‘social innovations’ are innovations that are social both as to their ends and their means and in particular those which relate to the development and implementation of new ideas (concerning products, services and models), that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act;*
- (4b) *‘social policy experimentation’ means policy interventions that offer an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being repeated on a larger scale, if the results prove convincing.*

Article 3

Structure of the Programme

1. The Programme shall be made up of the following three complementarity axes:

- (a) The Progress axis, which shall support the development, implementation, monitoring and evaluation of the Union *instruments and policies referred to in Article 1 and relevant Union law*, and *which* shall promote evidence-based policy-making, *social* innovation *and social progress*, in partnership with the social partners, civil society organisations and *public and private bodies*;
- (b) The EURES axis, which shall support activities carried out by EURES, namely, the specialist services designated by the EEA states and the Swiss Confederation, together with *social partners, other employment service providers and* other interested parties, to develop information exchanges and dissemination and other forms of cooperation, *such as cross-border partnerships*, to promote *voluntary* geographical mobility *for workers on a fair basis and to contribute to a high level of quality and sustainable employment*;
- (c) The Microfinance and Social Entrepreneurship axis, which shall *increase the* access to, *and the availability of, financing for legal and physical persons, pursuant to Article 22*.

2. The common provisions laid down in this Title shall apply to all three axes set out in points (a), (b) and (c) of paragraph 1, in addition to specific provisions of Title II.

Article 4

General objectives of the Programme

1. The Programme shall seek to achieve the following general objectives:
 - (a) strengthen ownership ***among policy-makers at all levels, and produce concrete, coordinated and innovative actions at both Union and Member State level, in respect*** of the Union objectives in the ***fields referred to in Article 1, in close collaboration with the social partners***, as well as ***civil society organisations and public and private bodies***;
 - (b) support the development of adequate, accessible and efficient social protection systems and labour markets and facilitate policy reform, ***in the fields referred to in Article 1, notably*** by promoting ***decent work and working conditions, a prevention culture for health and safety at work, a healthier balance between professional and private life and*** good governance ***for social objectives, including convergence, as well as*** mutual learning and social innovation;

- (c) ■ ensure that Union law on matters relating to *the fields referred to in Article 1* is effectively applied, *and, where necessary, contribute to modernising Union law, in line with decent work principles and taking into account the Smart Regulation principles*;
 - (d) promote workers' *voluntary* geographical mobility *on a fair basis* and boost employment opportunities by developing *high-quality and inclusive* Union labour markets that are open and accessible to all, *while respecting workers' rights throughout the Union, including freedom of movement*;
 - (e) promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable *people who wish to start up a micro-enterprise as well as for existing* micro-enterprises, and by increasing access to finance for social enterprises.
2. In pursuing those objectives, the Programme shall, *in all its axes and actions*, aim to:
- (-a) *pay particular attention to vulnerable groups, such as young people*;

- (a) promote equality between women and men, ***including through gender mainstreaming and, where appropriate, gender budgeting***;
- (ab) combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
- (b) ***when defining and implementing the Union's policies and activities, promote a high-level of quality and sustainable employment, guarantee adequate and decent social protection, combat long-term unemployment and fight against poverty and social exclusion*** .

Article 5

Budget

1. The financial envelope for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 shall amount to EUR ***[919 469 000]*, in current prices***.
2. The following indicative percentages shall be allocated to the axes set out in Article 3(1) ***[]*** :

* Subject to confirmation by plenary vote, after which the square brackets will be removed.

- (a) **61** % to the Progress axis ■ ;
- (b) **18** % to the EURES axis;
- (c) **21** % to the Microfinance and Social Entrepreneurship axis.

■

- 2a. *The Commission may make use of up to 2 % of the financial envelope referred to in paragraph 1 to finance operational expenditure for the support of the implementation of the Programme.***
3. The Commission may make use of the financial envelope referred to in paragraph 1 to finance technical and/or administrative assistance, in particular relating to auditing, outsourcing of translation, meetings of experts, and information and communication activities for the mutual benefit of the Commission and the beneficiaries.
4. Annual appropriations shall be authorised by the the European Parliament and the Council within the limits of the multiannual financial framework.



Article 7

Joint action

Actions eligible under the Programme may be implemented jointly with other Union instruments, provided that such actions meet the objectives of both the Programme and the other instruments concerned.

Article 8

Consistency and complementarity

1. The Commission, in cooperation with the Member States, shall ensure that activities carried out under the Programme are consistent with, and complementary to, other Union action, *such as the European Structural and Investment Funds (ESIFs), as specified in the Common Strategic Framework laid down in Regulation (EU) No .../2013 of the European Parliament and of the Council^{1*}*, and in particular under the *ESF*.

¹ *Regulation (EU) No .../2013 of the European Parliament and of the Council of ... laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (OJ L ..., ..., p. ...).*

* *OJ: please insert the number, the date and the OJ reference of the Regulation under COD 2011/0276.*

- 1a. *The Programme shall complement other Union programmes, without prejudice to the specific procedures of those programmes. The same eligible costs shall not result in double funding, and close synergies shall be developed between the Programme, other Union programmes and ESIFs, in particular the ESF.***
- 2. The activities supported by the Programme shall comply with Union and national law, including state aid rules, *and fundamental ILO Conventions.***
- 2a. *Consistency and complementarity shall also be ensured through close involvement by local and regional authorities.***

Article 9

Cooperation with *relevant bodies*

The Commission shall establish *the necessary links with the Employment Committee, the Social Protection Committee, the Advisory Committee on Health and Safety at Work, the Group of Directors-General for Industrial Relations and the Advisory Committee on Freedom of Movement of Workers* in order to ensure that they are regularly and appropriately informed of progress in implementing the Programme. *The Commission shall also inform other committees dealing with policies, instruments and actions of relevance to the Programme.*

Article 10

Dissemination of results and communication

- 1. *The Commission shall inform Union stakeholders, including social partners and civil society organisations, of the results of the implementation of the Programme and shall invite an exchange of views in that regard.*

1. The results of the actions implemented under the Programme shall be *regularly and* suitably communicated and disseminated *to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, as well as to the social partners and to the public* in order to maximise their impact, sustainability and Union added value.
2. Communication activities shall also contribute to corporate communication of the political priorities of the Union as far as they relate to the general objectives of this Regulation, and shall *provide information on those priorities to the public*.

Article 11

Financial provisions

1. The Commission shall manage the Programme in accordance with **■** the Financial Regulation.
2. *The grant agreement shall specify what part of the Union financial contribution will be based on the reimbursement of actual eligible costs, and what part will be based on flat rates, unit costs or lump-sums.*

Article 12

Protection of the financial interests of the Union

1. The Commission shall take appropriate preventive measures to ensure that, when actions financed under this **Programme** are implemented, the financial interests of the Union are protected against fraud, corruption and any other illegal activities, by effective checks and that, if irregularities are detected, resources are recovered, **primarily via offsetting** of amounts wrongly paid but, where appropriate, by imposing effective, **proportionate** and **dissuasive** penalties, in accordance with Article 325 **TFEU**, Council Regulation (EC, Euratom) No 2988/95¹ and the Financial Regulation.
2. The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks, in respect of all grant beneficiaries, contractors and subcontractors ■ who have received Union funds **under the Programme**.

¹ Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests (OJ L 312, 23.12.1995, p. 1).

- 2a. *The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council¹ and Council Regulation (Euratom, EC) No 2185/96² with a view to establishing whether fraud, corruption or any other illegal activity has occurred affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under the Programme.*
3. Without prejudice to paragraphs 1 and 2 and 2a, contracts, grant agreements and grant decisions, resulting from the implementation of this Programme shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct the audits and investigations referred to in those paragraphs, in accordance with their respective competences.

¹ *Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).*

² Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

Article 13

Monitoring

With a view to regular monitoring of the Programme and to making any adjustments needed to its policy and funding priorities, the Commission shall draw up *an initial qualitative and quantitative monitoring report covering the first year, followed by three reports covering consecutive two-year periods* and shall send those reports to the European Parliament and the Council. *The reports shall also be transmitted, for information purposes, to the European Economic and Social Committee and the Committee of the Regions. The reports shall cover the Programme's results and the extent to which the principles of equality between women and men and gender mainstreaming have been applied, as well as how anti-discrimination considerations, including accessibility issues, have been addressed through its activities. The reports shall be made available to the public in order to enhance the transparency of the Programme.*

Article 14
Evaluation

1. A mid-term evaluation of the Programme shall be carried out by **1 July** 2017 to measure, *on a qualitative and quantitative basis*, progress made in meeting the Programme's objectives, to *address the social environment within the Union and any major changes introduced by Union legislation*, to determine whether the resources of the Programme have been used efficiently and to assess its Union added value. *The results of that mid-term evaluation shall be presented to the European Parliament and to the Council.*
- 1a. *If the evaluation referred to in paragraph 1 of this Article, or any evaluation carried out pursuant to Article 19 of Decision No 1672/2006/EC or Article 9 of Decision No 283/2010/EU, reveals that the Programme has major shortcomings, the Commission shall, if appropriate, submit a proposal to the European Parliament and to the Council, including appropriate amendments to the Programme to take account of the results of the evaluation.*

- 1b. Before submitting any proposal for a prolongation of the Programme beyond 2020, the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions an evaluation of the conceptual strengths and weaknesses of the Programme in the period 2014 to 2020.***
2. By 31 December 2022, the Commission shall evaluate ex-post the impact and Union added value of the Programme and shall forward a report containing that evaluation to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. ***The report shall be made available to the public.***

Title II

Provisions Specific to Programme Axes

Chapter I

Progress Axis

Article 14a

Thematic sections and financing

1. ***The Progress axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c). Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (a) of Article 5(2) between the different sections shall respect the following minimum percentages:***
 - (a) ***employment, in particular to fight youth unemployment: 20 %;***

(b) *social protection, social inclusion and the reduction and prevention of poverty: 50 %;*

(c) *working conditions: 10 %.*

Any remainder shall be allocated to one or more of the thematic sections referred to in points (a), (b) or (c) or to a combination of them.

2. *From the overall allocation for the Progress axis, and within its different thematic sections, 15 % to 20 % shall be allocated to the promotion of social experimentation as a method for testing and evaluating innovative solutions with a view to up-scaling them.*

Article 15

Specific objectives

In addition to the general objectives set out in Article 4, the specific objectives of the Progress axis shall be to:

- (a) develop and disseminate high-quality comparative analytical knowledge, in order to ensure that Union *policies in the fields referred to in Article 1* are based on sound evidence and are relevant to needs, challenges and conditions in the individual Member States and other countries participating in the Programme;

- (b) facilitate effective and inclusive information-sharing, mutual learning and dialogue on Union ***policies in the fields referred to in Article 1***, at Union, national and international level in order to assist the Member States and other countries participating in the Programme in developing their policies and the Member States in implementing Union law;
- (c) provide ■ financial support to test social and labour market policy ***innovations, and, where necessary, to*** build up the main actors' capacity to design and implement social ***policy*** experimentation, and ***to*** make the relevant knowledge and expertise accessible;
- (d) provide Union and national organisations with financial support to increase their capacity to develop, promote and support the implementation of Union instruments and ***policies ■ as referred to in Article 1 and relevant Union law***.

Article 15a

Types of actions

The following types of actions may be financed under the Progress axis:

1. Analytical activities:

- (a) *gathering of data and statistics, taking account of both qualitative and quantitative criteria, and developing common methodologies, classifications, micro-simulations, indicators and benchmarks, where appropriate broken down by sex and age-group;*
- (b) *surveys, studies, analyses and reports, including through the funding of networks of experts and development of expertise in thematic sections;*
- (c) *qualitative and quantitative evaluations and impact assessments carried out by both public and private bodies;*
- (d) *monitoring and assessment of the transposition and application of Union law;*
- (e) *preparation and implementation of social policy experimentation as a method for testing and evaluating innovative solutions with a view to up-scaling them;*
- (f) *dissemination of the results of those analytical activities.*

2. *Mutual-learning, awareness and dissemination activities:*

- (a) exchanges and dissemination of good practice, innovative approaches and experience, peer reviews, benchmarking and mutual learning at European level;*
- (b) Council Presidency events, conferences and seminars;*
- (c) training of legal and policy practitioners;*
- (d) drafting and publication of guides, reports and educational material and measures relating to information, communication and media coverage of initiatives supported by the Programme;*
- (e) information and communication activities;*
- (f) development and maintenance of information systems in order to exchange and disseminate information on Union policy and legislation and on the labour market.*

3. *Support with regard to:*

- (a) *the operating costs of key Union-level networks the activities of which relate to and contribute to the objectives of the Progress axis;*
- (b) *capacity-building of national administrations and specialist services responsible for promoting geographical mobility designated by the Member States and microcredit providers;*
- (c) *organisation of working groups of national officials to monitor the implementation of Union law;*
- (d) *networking and cooperation among specialist bodies and other relevant stakeholders, national, regional and local authorities and employment services at European level;*
- (e) *funding of European-level observatories, including on key thematic sections;*
- (f) *exchange of personnel between national administrations.*

Article 15b
Union co-financing

Where activities under the Progress axis are financed following a call for proposals, they may receive Union co-financing which shall not exceed, as a general rule, 80 % of the total eligible expenditure. Any financial support in excess of this ceiling shall only be granted in duly justified exceptional circumstances.

Article 16
Participation

1. Participation in the Progress axis shall be open to:
 - (a) Member States;
 - (b) EEA countries, in accordance with the EEA Agreement, and EFTA member states;
 - (c) the candidate countries and potential candidates, in accordance with the general principles and the general terms and conditions laid down in the framework agreements concluded with them on their participation in Union programmes.

2. The Progress axis shall be open to all public and/or private bodies, actors and institutions, and in particular:

- (a) national, regional and local authorities;
- (b) employment services;
- (c) specialist bodies provided for under Union law;
- (d) the social partners;
- (e) non-governmental organisations ■ ;
- (f) higher education institutions and research institutes;
- (g) experts in evaluation and in impact assessment;
- (h) national statistical offices;
- (i) the media.

3. The Commission may cooperate with international organisations, and in particular with the Council of Europe, the OECD, the ILO, with ***other United Nations bodies and*** with the World Bank.
4. The Commission may cooperate with third countries which are not participating in the Programme. Representatives of such third countries may attend events of mutual interest (such as conferences, workshops and seminars) that take place in countries participating in the Programme, and the cost of their attendance may be covered by the Programme.



Chapter II

EURES Axis

Article 19a

Thematic sections and financing

The EURES axis shall support actions in one or more of the thematic sections listed in points (a), (b) and (c). Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (b) of Article 5(2) between the different sections shall respect the following minimum percentages:

- (a) transparency of job vacancies, applications and any related information for applicants and employers: 32 %;*
- (b) development of services for the recruitment and placing of workers in employment through the clearance of job vacancies and applications at Union level, in particular targeted mobility schemes: 30 %;*
- (c) cross-border partnerships: 18 %.*

Any remainder shall be allocated to one or more of the thematic sections referred to in points (a), (b), or (c), or to a combination of them.

Article 20
Specific objectives

In addition to the general objectives set out in Article 4, the specific objectives of the EURES axis shall be to:

- (a) ensure that job vacancies and applications and *corresponding information and advice, as well as* any related information *such as that concerning living and working conditions*, are *made* transparent for the potential applicants and the employers, respectively. This shall be achieved through exchange and dissemination at transnational, interregional and cross-border level, through the use of standard interoperability forms *for job vacancies and applications and through other suitable means, such as individual counselling and mentoring, especially for the low skilled*;

- (b) *support the provision of EURES* services for the recruitment and placing of workers in *quality and sustainable* employment through the clearance of job vacancies and applications ■ ; *support for EURES services* shall *extend to various* phases of placement, ranging from pre-recruitment preparation to post-placement assistance with a view to the applicant's successful integration into the labour market; such *support* services *may* include targeted mobility schemes to fill *job* vacancies *in a certain sector, occupation, country or a group of countries or for* particular groups of workers, such as young people, *with a propensity to be mobile, where a clear economic need has been identified.*

Article 20a
Types of Actions

The EURES axis may be used to finance actions to promote voluntary mobility of individuals in the Union, on a fair basis, and to remove mobility obstacles, and in particular:

- (a) the development and the activities of EURES cross-border partnerships where requested by services territorially responsible for border regions;***
- (b) the provision of information, counselling, placement and recruitment services for cross-border workers;***
- (c) the development of the multilingual digital platform for the clearance of job vacancies and applications;***

- (d) *the development of targeted mobility schemes, following calls for proposals, to fill job vacancies where labour market shortcomings have been identified, and/or to help workers with a propensity to be mobile, where a clear economic need has been identified;*
- (e) *mutual learning among EURES actors and training of EURES advisors, including EURES cross-border partnership advisors;*
- (f) *information and communication activities to raise awareness of the benefits of geographical and occupational mobility in general and of the activities and services provided by EURES.*

Article 20b

Union co-financing

Where activities under the EURES axis are financed following a call for proposals, they may receive Union co-financing which shall not exceed, as a general rule, 95 % of the total eligible expenditure. Any financial support in excess of this ceiling shall only be granted in duly justified exceptional circumstances.

Article 20c
Monitoring of Mobility Patterns

In order to detect and prevent negative effects arising in connection with inter-Union geographical mobility, the Commission shall, together with the Member States, in accordance with Article 12 of Regulation (EU) No 492/2011, regularly monitor mobility flows and patterns.

Article 21
Participation

1. Participation in the EURES axis shall be open to:
 - (a) Member States;
 - (b) EEA countries, in accordance with the EEA Agreement, and the Swiss Confederation, in accordance with the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons¹.

¹ OJ L 114, 30.4.2002, p. 6.

2. The EURES axis shall be open to all ■ bodies, actors and institutions designated by a Member State or by the Commission which fulfil the conditions for participating in EURES, as set out in Commission **Implementing** Decision **2012/733/EU**. Such bodies, actors and institutions shall include in particular:
- (a) national, regional and local authorities;
 - (b) employment services;
 - (c) social partner organisations and other interested parties.

Chapter III

Microfinance and Social Entrepreneurship Axis

Article 21a

Thematic sections and financing

The Microfinance and Social Entrepreneurship axis shall support actions in one or more of the thematic sections listed in points (a) and (b). Over the entire period of the Programme, the indicative breakdown of the allocation set out in point (c) of Article 5(2) between the different sections shall respect the following minimum percentages:

(a) *microfinance for vulnerable groups and micro-enterprises: 45 %;*

(b) *social entrepreneurship: 45 %.*

Any reminder shall be allocated to the thematic sections referred to in points (a) or (b) or to a combination of them.

Article 22

Specific objectives

In addition to the general objectives set out in Article 4, the specific objectives of the Microfinance and Social Entrepreneurship axis shall be to:

- (a) increase access to, and the availability of, microfinance for:
 - (i) **vulnerable** persons who have lost or are at risk of losing their **job**, or ■ have difficulty in entering or re-entering the labour market, **or are** at risk of social exclusion, **or are socially excluded**, and ■ are in a disadvantaged position with regard to access to the conventional credit market and who wish to start up or develop their own micro-enterprises;

- (ii) micro-enterprises *in both start-up and development phase*, especially *micro-enterprises* which employ persons as referred to in point (i);
- (b) build up the institutional capacity of microcredit providers;
- (c) support the development of *the social investment market and facilitate access to finance for* social enterprises *by making equity, quasi-equity, loan instruments and grants of up to EUR 500 000 available to social enterprises with either an annual turnover not exceeding EUR 30 million, or an annual balance sheet total not exceeding EUR 30 million which are not themselves a collective investment undertaking.*

In order to ensure complementarity, the Commission and the Member States shall, in their respective areas of competence, closely coordinate these actions with those undertaken in the framework of cohesion policy and national policies.

Article 22a

Types of actions

Support to microfinance and social enterprises, including for institutional capacity building, in particular through the financial instruments provided for under Title VIII of Part one of the Financial Regulation, and grants may be provided under the Microfinance and Social Enterprises axis.

Article 23

Participation

1. Participation under the Microfinance and Social Entrepreneurship axis shall be open to public and private bodies established at national, regional or local level in the countries referred to in Article 16(1) and providing in those countries:
 - (a) microfinance for persons and micro-enterprises; ***and/or***
 - (b) financing for social enterprises.
- 1a. The Commission shall ensure that the axis is accessible, without discrimination, to all public and private bodies in the Member States.***

2. In order to reach out to the final beneficiaries and create competitive, viable micro-enterprises, public and private bodies that carry out activities as referred to in point (a) of paragraph 1 shall cooperate closely with organisations, ***including civil society organisations***, representing the interests of the final beneficiaries of microcredit and with organisations, in particular those supported by the ESF, ***and shall*** provide mentoring and training programmes for such final beneficiaries. ***In this context, a sufficient follow-up of beneficiaries shall be ensured both before and after the creation of the micro-enterprise.***
3. Public and private bodies that carry out activities as referred to in point (a) of paragraph 1 shall adhere to high standards concerning governance, management and customer protection in line with the principles of the European Code of Good Conduct for Microcredit Provision and shall seek to prevent persons and undertakings from becoming over-indebted, ***for example, as a result of the granting of loans to them at high interest rates or on terms likely to result in their insolvency.***

Article 24

Financial contribution

Except in the case of joint actions, the financial appropriations allocated to the Microfinance and Social Entrepreneurship axis shall cover the full cost of the actions implemented through financial instruments, including payment obligations towards financial intermediaries, such as losses from guarantees, management fees for the *entities* managing the Union's contribution and any other eligible costs.

Article 25
Management

1. In order to implement the instruments and grants referred to in Article 22a, the Commission may conclude agreements with the entities listed in Article **139(4)** of the Financial Regulation **■**, and in particular with the European Investment Bank and the European Investment Fund. Such agreements shall set out detailed provisions on the implementation of the tasks entrusted to those *entities*, including provisions specifying the need to ensure additionality and coordination with existing Union and national financial instruments and to apportion the resources in a balanced way among the Member States and the other participating countries. Financial instruments *under Title VIII of Part One of the Financial Regulation may be delivered through a dedicated investment vehicle, which may be financed by Programme funds, other investors or by both.*

- 1a. The dedicated investment vehicle referred to in paragraph 1 may provide, inter alia, loans, equity capital and risk-sharing instruments for intermediaries or direct financing for social enterprises or both. Equity capital can be provided, inter alia, in the form of open equity participations, dormant holdings, shareholder loans and combinations of different types of equity participations issued to the investors.**
- 1b. The conditions, such as interest rates, for micro-credits directly or indirectly supported in the framework of this axis shall reflect the benefit of the support and shall be justifiable with regard to underlying risks and the actual cost of funding related to a credit.**

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- 3. In accordance with Article 140(6) of the Financial Regulation, *annual repayments* generated by one financial instrument shall be assigned to that financial instrument until 1 January 2024, while revenues shall be entered in the general budget of the Union after deduction of management costs and fees.** For financial instruments already set up in the multiannual financial framework for the period 2007-2013, *annual repayments* and revenues generated by operations started in the previous period shall be assigned to the financial instrument in the current period.

4. On the expiry of the agreements concluded with the *entities referred to in paragraph 1* or after the termination of the investment period of the specialised investment vehicle, the ■ balance due to the Union shall be paid into the general budget of the Union.
5. The *entities referred to in paragraph 1 of this Article* and, where relevant, the fund managers shall conclude written agreements with the public and private bodies referred to in Article 23. Such agreements shall lay down the obligations of the public and private providers to use the resources made available under the Microfinance and Social Entrepreneurship axis in accordance with the objectives set out in Article 22 and to provide information for drafting the annual reports provided for in Article 26.

Article 26

Implementation reports

1. The *entities referred to in Article 25(1)*, and, where relevant, the fund managers, shall send to the Commission annual implementation reports setting out the activities that have been granted support and covering their financial implementation and the allocation and accessibility of funding and investment by sector, *geographical area* and type of beneficiary. *Those implementation reports shall also set out the applications accepted or rejected with regard to each specific objective, the contracts concluded by the public and private bodies concerned, the actions funded and the results, including in terms of their social impact, employment creation and sustainability of the support granted. The Commission shall send those reports to the European Parliament for information purposes.*
2. The information provided in these annual implementation reports shall feed into the biennial monitoring reports provided for in Article 13. Such monitoring reports shall include the annual reports provided for in Article 8(2) of Decision No 283/2010/EU, *detailed information on communication activities and information on complementarity with other Union instruments, notably the ESF.*

Title IIa

Work Programmes and final provisions

Article 26a

Work Programmes

The Commission shall adopt implementing acts laying down work programmes covering the three axes. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 26e(3).

The work programmes shall, where relevant, be for a three-year rolling period and shall contain a description of the actions to be financed, the procedures for selecting actions to be supported by the Union, the geographic coverage, the target audience and an indicative implementation time frame. The work programmes shall also include an indication of the amount allocated to each specific objective and shall reflect the re-allocation of funds in accordance with Article 26b. The work programmes shall reinforce the coherence of the Programme by indicating the links between the three axes.

Article 26b

Re-allocation of funds between the axes and to the individual thematic sections within the axes

The Commission shall be empowered to adopt delegated acts, in accordance with Article 26c, re-allocating funds between axes and to individual thematic sections within each axis that would exceed the indicative amount set in each case by more than 5 % and up to 10 %, where developments in the socio-economic context or the findings in the mid-term evaluation referred to in Article 14(1) so require. The re-allocation of funds to thematic sections within each axis shall be reflected in the work programmes referred to in Article 26a.

Article 26c

Exercise of the delegation

- 1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.*
- 2. The power to adopt delegated acts referred to in Article 26b shall be conferred on the Commission for a period of seven years from 1 January 2014.*

3. *The delegation of power referred to in Article 26b may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.*
4. *As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.*
5. *A delegated act adopted pursuant to Article 26b shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.*

Article 26d

Additional implementation measures

Measures necessary for the implementation of the Programme, such as the criteria for evaluating the Programme, including those relating to cost effectiveness and the arrangements for disseminating and transferring results, shall be adopted in accordance with the advisory procedure referred to in Article 26e(2).

Article 26e

Committee procedure

- 1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.*

2. *Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.*
3. *Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.*

Article 26f

Transitional measures

Actions referred to in Articles 4, 5 and 6 of Decision No 1672/2006/EC, which are initiated before 1 January 2014 shall continue to be governed by that Decision. With regard to those actions, the Commission shall be assisted by the committee referred to in Article 26e of this Regulation.

Article 27

Evaluation

1. The final evaluation provided for in Article 14(2) shall include the final evaluation provided for in Article 9 of Decision No 283/2010/EU.

2. The Commission shall carry out a specific final evaluation of the Microfinance and Social Entrepreneurship axis no later than one year after the expiry of the agreements with the ■ entities.

Article 28

Amendments to Decision No 283/2010/EU

Decision No 283/2010/EU is amended as follows:

- (1) In Article 5, paragraph 4 is replaced by the following:

"4. On the expiry of the Facility, the balance due to the Union shall be made available for microfinance and support for social enterprises in accordance with Regulation (EU) No .../2013 *of the European Parliament and of the Council of ... on a European Union Programme for Employment and Social Innovation ("EaSI")*⁺.

* OJ L ..., ..., p.";

- (2) In Article 8, paragraphs 3 and 4 are deleted.

⁺ OJ: please insert the number, the date and the OJ reference of this Regulation.

Article 29

Entry into force

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

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

Done at

For the European Parliament
The President

For the Council
The President

Or. en