REPORT

on the implementation of the Youth Employment Initiative in the Member States
(2017/2039(INI))

Committee on Employment and Social Affairs

Rapporteur: Romana Tomc
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the implementation of the Youth Employment Initiative in the Member States
(2017/2039(INI))

The European Parliament,

– having regard to Regulation (EU) No 1304/2013 of the European Parliament and of the
Council of 17 December 2013 on the European Social Fund and repealing Council
Regulation (EC) No 1081/20061,
– having regard to Regulation (EU) 2015/779 of the European Parliament and of the
Council of 20 May 2015 amending Regulation (EU) No 1304/2013, as regards an
additional initial pre-financing amount paid to operational programmes supported by the
Youth Employment Initiative2,
– having regard to the Council Recommendation of 22 April 2013 on establishing a Youth
Guarantee3,
– having regard to the Commission communication of 4 October 2016 entitled ‘The
Youth Guarantee and Youth Employment Initiative three years on’ (COM(2016)0646),
– having regard to the European Court of Auditors’ (ECA) Special Report No 3/2015 of
March 2015 entitled ‘EU Youth Guarantee: first steps taken but implementation risks
ahead’,
– having regard to the ECA Special Report No 5/2017 of March 2017 entitled ‘Youth
unemployment – have EU policies made a difference? An assessment of the Youth
Guarantee and the Youth Employment Initiative’,
– having regard to its resolution of 24 October 2017 on control of spending and
monitoring of EU Youth Guarantee schemes’ cost-effectiveness4,
– having regard to its Policy Department for Budgetary Affairs’ in-depth analysis of 3
February 2016 entitled ‘Assessment of Youth Employment Initiative’,
– having regard to the Commission communication of 10 June 2016 for a Council
Recommendation on establishing a Skills Guarantee (COM(2016)0382),
– having regard to its resolution of 24 May 2012 on the Youth Opportunities Initiative5,
– having regard to the Council Recommendation of 10 March 2014 on a Quality
Framework for Traineeships,

– having regard to the European Social Charter, the Additional Protocol thereto and the revised version thereof, which entered into force on 1 July 1999,

– having regard to the 2030 Sustainable Development Goals (SDGs), in particular SDG 8, to ‘promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all’, which were adopted by the UN in 2015 and which apply to the whole world, including the EU,

– having regard to the report by Jean-Claude Juncker in close cooperation with Donald Tusk, Jeroen Dijsselbloem, Mario Draghi and Martin Schulz of 22 June 2015 on completing Europe’s economic and monetary union (the ‘Five Presidents’ Report’), the Commission reflection papers of 26 April 2017 on the social dimension of Europe and of 31 May 2017 on deepening the European Monetary Union, and the Commission White Paper of 1 March 2017 on the future of Europe,

– having regard to the Commission communication of 26 April 2017 establishing a European Pillar of Social Rights (COM(2017)0250) and Commission Recommendation (EU) 2017/761 of 26 April 2017 on the European Pillar of Social Rights¹,

– having regard to the work and research of Eurofound, Cedefop, the International Labour Organisation (ILO), the Organisation for Economic Co-operation and Development (OECD), the European Trade Union Confederation (ETUC) and the European Trade Union Institute (ETUI), the Confederation of European Business (BusinessEurope), the European Association of Craft, Small and Medium-Sized Enterprises (UEAPME), the European Centre of Enterprises with Public Participation and of Enterprises of General Economic Interest (CEEP), Eurocities and the European Youth Forum,

– having regard to President Juncker’s State of the Union speech of 13 September 2017, the Roadmap for a More United, Stronger and More Democratic Union (Draft Commission Work Programme up to end 2018) and the letter of intent from the Commission to President Antonio Tajani and to Estonian Prime Minister Jüri Ratas of 13 September 2017,

– having regard to Rule 52 of its Rules of Procedure,

– having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Budgets, the Committee on Budgetary Control, the Committee on Culture and Education and the Committee on Women’s Rights and Gender Equality (A8-0406/2017),

A. whereas the financial and economic crisis and subsequent austerity measures caused the youth unemployment rate to rise from 15 % in 2008 to a peak of 24 % in early 2013, with this average rate masking huge divergences across Member States and regions; whereas youth unemployment rates in 2013 stayed close to 10 % in Germany, Austria and the Netherlands while peaking at close to or well over 40 % in Italy, Spain, Croatia and Greece;

B. whereas crisis measures to reduce public spending in crisis countries have already

shown a direct negative impact, in particular on young people, owing to cuts in education, training, employment creation and support services;

C. whereas policies affecting young people have been developed without the involvement of the young people concerned and their representatives;

D. whereas long spells of youth unemployment risk marginalising and excluding young people from society, make them feel isolated and can cause ‘scarriing effects’, meaning that there is a higher probability that they will become unemployed again and face lower earnings and career prospects during their working lives; whereas the side-lining of young people represents a loss of public and private investment, leading to widespread job insecurity and skills erosion, given the unused and faltering human potential that it entails;

E. whereas in 2012, one in three European employees were either over- or under-qualified for their jobs¹, and whereas young employees are typically more likely to be formally over-qualified, while also more likely than older workers to have jobs less matched to their skills;

F. whereas young workers are at a higher risk of finding themselves in a position of precarious employment; whereas the odds of being in an occupation with multiple disadvantages are twice as high for workers under 25 than for workers aged 50 and over²;

G. whereas a successful school-to-work and inactivity-to-work transition and having a first real job empower and motivate young people, helping them develop their personal and professional skills so that they can become independent, self-confident citizens and get their careers off to a good start;

H. whereas having peaked at 24 % in 2013, the youth unemployment rate in the EU-28 has steadily dropped, reaching below 17 % in 2017; whereas the level of youth unemployment remains high, there being just a few Member States (Austria, the Czech Republic, the Netherlands, Malta, Hungary and Germany) with a youth unemployment rate of less than 11 %, and there are serious disparities between the Member States;

I. whereas an analysis of the gender breakdown of full-time and part-time work across Europe reveals that the gender gap persisted between 2007 and 2017, where men continue to make up around 60 % of 15-24-year-olds in full-time employment, while consistently accounting for around 40 % of the same age group in part-time employment;

J. whereas regrettaely, as a statistical given, the youth unemployment rate is generally about twice the average overall unemployment rate, both during periods of economic growth and during recessions;

**Youth Employment Initiative and Youth Guarantee**

¹ Commission report of December 2013 entitled ‘Employment and Social Developments in Europe 2013’.
² Eurofound report of August 2014 entitled ‘Occupational profiles in working conditions: Identification of groups with multiple disadvantages’.
K. whereas on 22 April 2013, the Council, by means of a Council Recommendation, established the Youth Guarantee (YG), by which the Member States commit themselves to offering young people 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;

L. whereas given that many Member States have not enjoyed great success with the regulations and opportunities hitherto available in the fight against youth unemployment, they should place more emphasis on effective use of the funding and tools available under the European Social Fund (ESF);

M. whereas in February 2013, the Council agreed to create the Youth Employment Initiative (YEI), which was launched as the main EU budgetary instrument – linked to the ESF – to help Member State regions experiencing particularly high levels of youth unemployment, in particular by introducing YG schemes;

N. whereas the YG is an EU-wide commitment, while the YEI is targeted to those Member States and regions where youth unemployment rates are above 25 %, with a total of 20 Member States either partly or totally eligible;

O. whereas a quick mobilisation of funds was sought by frontloading the YEI budget for 2014 and 2015 in order to maximise the impact of YEI-funded measures; whereas owing to delays in implementation at national and regional level, frontloading in itself fell short as a measure; whereas in 2015, the pre-financing rate was raised conditionally from 1 % to 30 % and a majority of eligible Member States applied this measure successfully;

P. whereas one main ambition of the YEI and YG is to reach out to those young people Not in Employment, Education or Training (NEETs), who are at the highest risk of exclusion, while taking into account that the term ‘NEETs’ covers various subgroups of young people with diverse needs;

Q. whereas the YG is designed to achieve the sustainable integration of NEETs into the labour market by offering an individualised approach, leading to a good-quality offer and enhancing young people’s employability, while in a broader context supporting young people in the school-to-work transition and helping to address skills mismatches on the labour market; whereas appropriate outreach strategies by the Member States are necessary in this regard;

R. whereas in 2015, the ILO estimated the cost of implementing the YG throughout the EU-28 to be EUR 45 billion; whereas the YEI for the 2014-2020 programming period was endowed with a modest budget of EUR 6.4 billion, with the aim of complementing national funding and not replacing it;

S. whereas the Commission proposed that the YEI budget be increased by EUR 1 billion, to be matched by EUR 1 billion in ESF commitments, within the framework of the revision of the multiannual financial framework (MFF) for 2017-2020; whereas following an agreement between Parliament and the Council, the figure was raised to EUR 1.2 billion; whereas on 5 September 2017, Parliament adopted Draft amending budget No 3/2017 in order to provide an additional EUR 500 million for the YEI in
2017, financed by the Global Margin for Commitments, while also regretting the delay in the 2017 budgetary procedure owing to the blockage and late approval by the Council of the mid-term MFF revision;

T. whereas in its first Special Report on the YG, the ECA raised concerns about the adequacy of (both EU and national) funding of the initiative, the definition of a ‘good-quality offer’, the lack of a strategy with clear milestones and objectives, and monitoring and reporting on the results; whereas it also raised concerns about the lack of success of the application of the partnership approach, as enshrined in the Council Recommendation of 22 April 2013, in the development of the YG;

U. whereas truly effective mechanisms are required for the discussion and resolution of difficulties experienced when implementing YG schemes, together with a strong commitment by the Member States to implementing the YG in full, taking particular account of local conditions and enabling skills enhancement, and putting in place proper, flexible evaluation structures;

V. whereas the ECA’s Special Report on the YG identified some common criteria for what constitutes a ‘good-quality offer’, with Slovakia making its definition legally binding, covering provisions for minimum working time and sustainability of employment after cessation of YEI support, and taking into account the health status of the recipient;

W. whereas in its recently published second Special Report on the YEI and the YG, conducted on the basis of a seven Member State sample, the ECA voiced concerns that it was difficult to access complete data and that limited progress had been made with YG implementation, with results falling short of initial expectations; whereas the YEI and the YG still represent one of the most innovative and ambitious policy responses to youth unemployment in the wake of the economic crisis, and should therefore have the continued financial and political support of EU, national and regional institutions in their delivery in the years to come;

X. whereas the cost-effectiveness of the YEI and the ultimate goal of the YG to have young people entering sustainable employment can only be achieved if operations are properly monitored on the basis of reliable and comparable data, if programmes are result-oriented, and if adjustments are made in cases where ineffective and cost-intensive measures are detected;

Y. whereas more efforts are required on the part of the Member States to support and target the young people furthest or entirely detached from the labour market, such as young people with disabilities;

Z. whereas the YEI and the YG are meant to play a central role in the achievement of the key principles of the European Pillar of Social Rights;

AA. whereas in his 2017 State of the Union speech, the President of the Commission, Jean-Claude Juncker, made no mention of the youth unemployment situation in Europe, which remains alarming; whereas the letter of intent accompanying the 2017 State of the Union speech acknowledged the role of the YG in helping to create jobs in the EU; whereas the fight against unemployment and youth unemployment in particular should remain a priority for EU action;
AB. whereas it has been reported that young people have experienced delays in payment under YEI-funded measures, often caused by the late establishment of managing authorities or the insufficient administrative capacity of national or regional authorities;

AC. whereas YEI and YG measures such as internships and traineeships should help to facilitate transition into the labour market and should never be a substitute for regular employment contracts;

AD. whereas for young women in rural areas, irregular employment arrangements or the failure to register as unemployed renders statistical data imprecise and creates disparities in their pensions; whereas this practice has a negative influence on society as a whole and, in particular, on women’s well-being, other forms of social insurance, and career change or future employment opportunities;

AE. whereas 16 million NEETs have entered YG schemes and the YEI has provided direct support to over 1.6 million young people in the EU;

AF. whereas under the YEI, Member States have adopted more than 132 labour market measures targeting young people;

AG. whereas 75% of the total YEI budget has been committed and 19% has already been invested by the Member States, making the YEI budget implementation rate the highest among the European Structural and Investment Funds (ESI Funds);

AH. whereas several reports on YEI implementation show that despite the concerns about the adequacy of the funding and the estimates of the total investment required, the available resources are being channelled successfully to meet regional demand by targeting specific regions and groups of beneficiaries;

AI. whereas since the introduction of the European Employment Strategy in 1997, the Commission has supported a number of measures designed to improve young people’s employment and education prospects1; whereas since the crisis, the EU’s efforts have been focused in particular on the YG and the YEI;

AJ. whereas the YG is financed through the ESF, national budgets and the YEI, while the YEI can finance the direct provision of jobs, apprenticeships, traineeships or continued education for the YEI target group in the eligible regions; whereas YEI intervention has no predefined duration, while the YG requires an offer to be made within four months;

AK. whereas the YG has led to the implementation of structural reforms in the Member States, notably with a view to aligning their education and training models with the labour market so as to achieve YG objectives;

AL. whereas external factors, such as the specific economic situation or the production model of each region, influence the achievement of the goals set out in the YG;

Introduction

1Other measures include the Youth on the Move initiative launched in September 2010, the Youth Opportunities Initiative launched in December 2011 and the Youth Action Teams initiative launched in January 2012.
1. Believes that the YG must be a first step towards a rights-based approach to the employment needs of young people; recalls that employers have an obligation to participate in the process of providing young people with accessible vocational training programmes, entry level jobs and quality internships;

2. Stresses that the qualitative aspect of decent work for young people must never be compromised; underlines that the core labour standards and other standards related to the quality of work, such as working time, the minimum wage, social security, and occupational health and safety, must be central considerations in the efforts made;

3. Notes the significant divergence in economic performance in terms of both economic and employment growth across the EU-28, which calls for a decisive policy response; recognises that certain Member States are lagging behind in the implementation of necessary structural reforms; notes that it is sound economic policies, as well as employment and investment policies, which are ultimately a Member State responsibility, that create jobs; expresses its concern about the long-term impact on the economic development of regions that are experiencing a brain drain of highly educated people;

4. Recalls that under the YEI implementing rules, Member States must choose between different ways of implementing the programme (as a dedicated programme, as priority axes within an existing operational programme or as part of several different priority axes); points out that given the various options for implementation and on the basis of the results obtained, an exchange of best practices is required with a view to taking them on board during future phases of the programme;

5. Notes with concern that ECA Special Report No 5/2017 states that there is a risk that EU funding is simply replacing national funding rather than creating added value; recalls that in line with the principle of additionality, the YEI aims to complement national funding and not to replace Member States’ own policies and funding to fight youth unemployment; stresses that the YEI budget cannot and was never meant to single-handedly shoulder the ambition of providing all young people with 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;

6. Stresses the need for the YEI to be a driver for policy reform in particular and for better coordination in the fields of employment and education, especially in Member States experiencing high rates of youth unemployment, with a view to ensuring that those Member States introduce integrated, comprehensive and long-term approaches to tackling youth unemployment which enhance the employability of young people, give them better prospects and lead to sustainable employment, as opposed to pursuing a range of fragmented (existing) policies; considers the YEI and the YG to be powerful instruments in the fight against the social exclusion of the groups of young people that are most marginalised; believes that it is important to work towards achieving the objectives of the Europe 2020 strategy on employment, school drop-out rates and social exclusion;

7. Recalls that in line with the Council Recommendation on establishing a Youth Guarantee, six guidelines were defined on which YG schemes were to be based: building up partnership-based approaches, early intervention and activation, supportive
measures enabling labour market integration, use of Union funds, assessment and continuous improvement of the scheme, and its swift implementation\(^1\); points out that according to the assessment reports, very few Member States have provided data on and full assessments of these aspects;

8. Stresses that more should be invested in both domestic mobility and cross-border mobility in order to reduce the youth unemployment rate and address skills mismatches; calls for the supply of work and skills to be better aligned with demand by facilitating mobility between regions (including cross-border regions); recognises that the Member States must devote special attention to providing a better link between education systems and labour markets in the cross-border regions, for example by promoting education in neighbouring languages;

9. Recalls that the high rate of youth unemployment is caused by: the effects of the global economic crisis on labour markets, early school leaving without sufficient qualifications, a lack of relevant skills and work experience, the increasing prevalence of precarious forms of short-term employment followed by periods of unemployment, limited training opportunities, and insufficient or inadequate active labour market programmes;

10. Takes the view that the monitoring of the YEI needs to be backed up by reliable data; considers the monitoring data and results available at present insufficient to carry out an overall assessment of the implementation and results of the YEI as the main EU financing vehicle for YG schemes, in particular as a result of the initial delays in the setting up of operational programmes by Member States and the fact that they are still in the relatively early stages of implementation; insists on the need to maintain youth employment as one of the priorities of EU action; is concerned, however, at the findings of the recent ECA report on the impact of the YEI and YG as Union policies aimed at tackling youth unemployment, while bearing in mind its limited territorial and temporal scope;

11. Takes the view that in order to be truly effective, a strategy to boost youth employment should provide for round-table discussions involving those concerned, take account of the territorial context in which it is to be implemented and provide for targeted training that meets the needs of businesses while balancing them with the aspirations and skills of young people; stresses that the same strategy should ensure high-quality training and total transparency in the allocation of funding to training agencies, including through careful monitoring of its use;

12. Deplores the fact that the Member States have chosen to commit themselves only through the non-binding instrument of the Council Recommendation; points out that the aim of the YG is far from being achieved in many Member States;

**Reaching out to the most excluded young people**

13. Notes the risk that young people with disabilities fall within the scope of neither the YEI nor the YG; calls on the Commission and the Member States to adapt their

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\(^1\) OJ C 120, 26.4.2013, p. 1.
operational programmes in order to ensure that YEI and YG measures are actually accessible to all people with disabilities, providing equity of access for disabled young people and matching individual needs;

14. Stresses that reaching out to NEETs requires strong and sustained efforts by national authorities and cross-sectoral cooperation, as NEETs are a heterogeneous group with diverse needs and skills; stresses the need, therefore, for accurate and comprehensive data on the entire NEET population, with the objective of registering them and reaching out to them more effectively, since more disaggregated data, including on a region-by-region basis, could identify which groups should be targeted and how to better tailor employment initiatives to recipients;

15. Takes the view that unemployment among young people cannot be reductively attributed to a problem of mismatched skills, since its roots can be found in issues such as the lack of new jobs, in turn the result of Europe’s deindustrialisation, outsourcing and speculation, a situation aggravated by the crisis and austerity policies; believes that only education and training can solve the problem of youth unemployment;

16. Believes that the YG and the YEI are no substitute for using macroeconomic instruments and other policies to promote youth employment; adds that when assessing the implementation and impact of the YG, it is important to bear in mind the differing macro-economic climates and budgetary situations in the Member States; considers that a long-term structural reform programme needs to be mapped out for the YG if its duration is to be extended; stresses the clear need for more effective coordination between the different Member States;

17. Supports the development of one-stop-shops that can ensure that all services and guidance are easily accessible, available and free of charge for young people in one location;

18. Is concerned about initial observations which show that improvements need to be made in the registration of and outreach to all NEETs, in particular inactive NEETs and those who are proving difficult to re-integrate; calls on the Member States to establish appropriate and tailored outreach strategies to reach all NEETs and to take an integrated approach towards making more individualised assistance and services available to support young people facing multiple barriers; urges the Member States to pay special attention to the needs of vulnerable NEETs and to eliminate prejudiced and negative attitudes towards them;

19. Stresses the need to tailor measures to local needs in order to increase their impact; calls on the Member States to implement special youth employment measures in rural areas;

20. Calls on the Member States to rapidly improve the communication of existing support programmes available to young people, especially to the groups furthest from the labour market, through awareness-raising campaigns, using both traditional and modern media channels such as social networks;

**Ensuring the quality of offers under the Youth Employment Initiative**

21. Recognises the call to define what a ‘quality offer’ in the framework of the YEI should
be; highlights the need to elaborate a comprehensive, commonly agreed definition which could take into account the work undertaken in the EMCO Committee in collaboration with the Commission, the ILO and the relevant stakeholders; points out that a good-quality offer is a multifaceted measure leading to sustainable, well-matched integration in the labour market for participants, achieved through the development of skills, and that it should match the participants’ qualification level and profile and take into account employment demand; urges the Member States to ensure that the relevant social protection, rules on working conditions and compensation levels are applied to participants; draws attention to the quality standards mentioned in the Guidance on evaluation of the Youth Employment Initiative published by the Commission in 2015, which establishes the characteristics of employment offers, their relevance to participant needs, the labour market outcomes produced by the offers and the proportion of offers not accepted or abandoned prematurely as valid indicators for the assessment of quality employment;

22. Recalls that the ILO defines ‘decent work’ as work that is ‘productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organise and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men’, and that this minimum standard remains unmet for young people in employment;

23. Is of the opinion that young people should also be involved in the monitoring of the quality of offers;

24. Stresses that a quality traineeship contract must respect a quality framework offering the following guarantees: a traineeship must be governed by a written contract containing transparent information on the rights and obligations of the contracting parties, establishing concrete objectives and outlining high-quality training; a mentor or supervisor must be allocated to assess the trainee’s performance at the end of the traineeship; the traineeship must have a specific duration and limits must be set on the length of traineeships with the same employer, and the contract should have clear provisions on coverage in social security systems and remuneration;

25. Encourages Member States to progressively update and revise their YEI operational programmes with the involvement of social partners and youth organisations in order to fine-tune their action based on the actual needs of young people and the labour market;

26. Stresses that establishing whether the YEI budget is well spent, and whether the ultimate YEI goal of helping young unemployed people into sustainable employment is attained, can only be achieved if operations are closely and transparently monitored on the basis of reliable and comparable data, and if Member States that have made no progress are addressed in a more ambitious manner; calls on the Member States to improve monitoring, reporting and the quality of data as a matter of urgency and to guarantee that reliable and comparable data and figures on current YEI implementation are gathered and made available in a timely manner and more frequently than is required under their annual reporting obligation, as defined in Article 19(2) of the ESF Regulation; calls on the Commission to revise its guidelines on data collection in line with the recommendation of the ECA in order to minimise the risk of overstatement of
results;

27. Notes the proposals for and different types of programmes developed by Member States under the YEI; considers that in some Member States, national regulation has been vague in its objectives and approaches and unclear in its wording, and has offered a limited range of options for promoting employment; takes the view that the considerable margin of discretion and the lack of clear oversight mechanisms have occasionally led to the substitution of jobs for offers under the YEI;

28. Is concerned about reports of the inappropriate use of YEI-funded measures, including delayed payments to young people or the abuse of internships, for example their excessive use; expresses its willingness to combat such practices; takes the view that any repeated take-up of the YG should not go against the spirit of market activation and the aim of more permanent integration into the labour market;

29. Calls on the Commission and the Member States to identify, exchange and disseminate best practices aimed at mutual policy learning and contributing to designing and implementing evidence-based policies; stresses that changes in the labour market and the digitalisation of the economy call for a new approach to youth employment policies; points out that the YEI needs to work on using effective tools to reduce youth unemployment and should not recycle ineffective employment policies;

30. Reiterates that the Council Recommendation on establishing a Youth Guarantee considers partnership-based approaches a key issue in implementing YG schemes and reaching NEETs; calls on the Member States to pursue a partnership approach by actively identifying and involving the relevant stakeholders and to better promote the YG programme among businesses, in particular SMEs and smaller, family-run companies; stresses that evidence from Member States that had already adopted YG-like approaches prior to the programme’s introduction demonstrates that a successful stakeholder approach is important for successful implementation;

31. Underlines the important role of youth organisations as intermediaries between young people and the public employment services (PES); encourages the Member States, in this context, to work closely with youth organisations at national, regional and local level when communicating, planning, implementing and evaluating the YEI;

32. Stresses the importance of skilled and modernised PES in providing tailored services to NEETs; calls on the Member States, when implementing the YEI, to better coordinate their public employment services at EU level within the framework of the Public Employment Services (PES) Network; encourages the development of further synergies between public and private employment providers, businesses and education systems; encourages the widespread use of e-government to reduce red tape;

33. Calls on the Commission to provide a country-specific estimate of the yearly cost for each Member State to implement the YG effectively, taking into consideration the ILO estimate;

34. Stresses that it is essential to boost the number of apprenticeships available under the YG, since they account for only 4.1% of offers accepted thus far;
Final remarks

35. Highlights the need for a strategy to transform the YEI from an anti-crisis instrument into a more stable EU financing instrument for tackling youth unemployment in the post-2020 period, while ensuring the quick and uncomplicated deployment of funds, and which establishes a co-financing requirement in order to underline the primary responsibility of the Member States; notes that the extension of the YEI should take into account the observations of the ECA; stresses that the programme’s overall aim is the sustainable integration of young people into the labour market; highlights the need to set clear, measurable objectives; stresses that these elements should be discussed in the context of the next MFF to ensure continuity, cost-effectiveness and added value;

36. Reiterates its support for the YEI; stresses that further efforts and continued political and financial commitments to tackle youth unemployment are absolutely necessary; recalls, in particular, the importance of ensuring funding of at least EUR 700 million for the YEI for the period 2018-2020, as agreed in the mid-term revision of the MFF; calls also for the allocation of sufficient payment appropriations to ensure the proper and timely implementation of the YEI;

37. Emphasises the need to improve the quality of offers under the YEI and YG and calls for a future discussion about the eligible age bracket;

38. Takes the view that for the youth employment quality framework to become operational, progress should be made towards adopting a recommendation with its legal basis in Articles 292 and 153 of the Treaty on the Functioning of the European Union (TFEU) and a range of information measures should be taken, such as the creation of an easily accessible website that is kept updated with relevant information on the rules governing traineeships in each Member State;

39. Recognises that the YEI is a financial instrument meant to complement Member States’ initiatives to tackle high levels of youth unemployment and that greater efforts should be made by the Member States to provide a better link between education systems and labour markets, in order to integrate young people into the labour markets in a sustainable manner; welcomes the measures and policies in place to help to address existing skills mismatches; recognises that skills utilisation continues to present a challenge across Europe and considers it necessary, therefore, to ensure that the skills that are in demand and those on offer are better matched;

40. Considers the YEI and the YG essential in the effective delivery of the key principles of the European Pillar of Social Rights, in particular No 1 on education, training and life-long learning; No 4 on active support to employment; No 5 on secure and adaptable employment; No 6 on wages; No 8 on social dialogue and involvement of workers; No 10 on healthy, safe and well-adapted work environment and data protection; No 12 on social protection; No 13 on unemployment benefits; and No 14 on minimum income;

41. Calls on the Commission and Member States to redouble their joint efforts with the ILO to provide customised information and build national capacity to deliver and assess YG schemes in the following aspects: ensuring the full, sustainable implementation of the initiative, improving its ability to reach unregistered NEETs and young people with low skill levels, capacity building and improving the quality of offers;
42. Notes that pending the release by the Commission of the final figures provided by Member States, the number of young people having completed a YEI programme at the end of 2015 was estimated at 203 000, which represents 4 % of the participants; expresses concern at the high number of YEI participants who have failed to complete the programme in some Member States; believes that it is important to strengthen incentives so as to ensure that young people consider the YEI useful;

43. Recalls that the YEI should provide financial support for measures that foster the integration of NEETs into the labour market, including paid internships, traineeships and apprenticeships, but should not become a substitute for actual gainful employment;

44. Suggests the establishment of an EU hotline against the violation of the rights of young people, so that young people can report any negative experience of participation in YEI and YG measures to the Commission directly, enabling the collection of information and the investigation of reports of abusive practices in the deployment of EU-funded policies;

45. Welcomes the reference contained in the letter of intent attached to President Juncker’s 2017 State of the Union speech to a proposal to establish a European Labour Authority to strengthen cooperation between labour market authorities at all levels and better manage cross-border situations, as well as further initiatives in support of fair mobility;

46. Recognises the success of the YEI in reducing youth unemployment rates and, in particular, ensuring gender balance, with the result that the YEI has reached around 48 % of men and 52 % of women;

47. Calls for the full implementation in the context of the YEI of both Directive 2000/78/EC on equal treatment in employment and occupation and Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity;

48. Considers it necessary for the Commission and the Member States to come forward with positive measures to ensure that young women and girls receive good-quality offers of employment and are not employed or trapped in precarious, underpaid and temporary jobs with limited or no rights as workers;

49. Calls on the Member States to compile gender-disaggregated statistical data so that the Commission can launch an impact assessment of the YEI and its influence on gender balance to enable a thorough evaluation and analysis of its implementation;

50. Calls on the Member States to find ways to support young women’s re-entry into the labour market, education or training by ensuring gender equality in access to employment, career progression, the reconciliation of work and private life, and the provision of childcare and adult care, and by promoting equal pay for female and male workers for equal work or work of equal value;

51. Urges the Member States to invest more effort in improving measures within education systems to help young people at risk to remain protected;
52. Notes with concern that the most recent assessment reports\(^1\) have highlighted that during its first implementation phase, the YEI tended to focus mostly on highly educated NEETs, rather than those who are low-skilled, inactive and not registered by the PES;

53. Calls on Member States to address this substantial shortcoming in YEI implementation by developing, inter alia, specific follow-up measures with a view to implementing more evidence-based, effective and sustained youth policies;

54. Calls on the Member States to make sure that their legislation enables all young people within the identified age group to register and participate effectively in the YEI\(^2\);

55. Draws attention to the lack of regulation of traineeship offers on the open market as regards transparency of hiring, duration and recognition and points out that only a few Member States have established minimum quality criteria, including for the purposes of monitoring the YG and YEI;

56. Recognises that EU budget investments through the YEI have made an impact and have accelerated the expansion of the labour market for young people; considers that the YEI represents clear EU added value as many youth employment schemes could not have been implemented without an EU commitment;

57. Notes that the original financial allocation for the YEI in the 2014-2020 MFF was EUR 6.4 billion, of which EUR 3.2 billion came from a dedicated budget line, matched by the same amount from the ESF;

58. Underlines that in the context of the mid-term revision of the MFF, an additional allocation of EUR 1.2 billion for the YEI was politically endorsed for the period 2017-2020, to be matched by the same amount from the ESF; stresses, however, that the final allocation for this programme will be determined in the upcoming annual budgetary procedures;

59. Welcomes the fact that at Parliament’s urging, the result of the conciliation process on the 2018 EU budget was to increase the specific allocation originally proposed for the YEI by EUR 116.7 million in fresh appropriations, bringing its total to EUR 350 million in 2018; notes the unilateral commitment by the Commission to proposing a further increase in YEI funding through an amending budget should the absorption capacity of the YEI allow for an increase;

60. Considers that the overall YEI budget is not sufficient to cover actual demand and the resources required to ensure that the programme reaches its targets; recalls that on

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\(^1\) ECA Special Report No 5/2017 on the implementation of the Youth Guarantee and the Youth Employment Initiative; Final Report to the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission of June 2016 on first results of the Youth Employment Initiative; Commission communication of 4 October 2016 on the Youth Guarantee and Youth Employment Initiative three years on (COM(2016)0646); EPRS In-Depth Analysis of June 2016 entitled ‘Youth Employment Initiative: European Implementation Assessment’.

\(^2\) The legislative framework of some countries defines some young people, in particular those with severe disabilities, as ‘unable to work’. They are not able to register with PES and are therefore unable to participate in the YEI.
average only 42% of NEETs have been reached, with the figure dropping below 20% in a number of Member States; calls, therefore, for a significant increase in the YEI allocation under the next MFF and for the Member States to make provisions for youth employment schemes in their national budgets;

61. Calls on the Commission to ensure consistency among youth employment investments by encouraging synergies between available sources and creating homogeneous rules presented in a holistic guide, with the aim of ensuring greater impact, synergies, effectiveness and simplification on the ground; recalls the priority of reducing the administrative burden for managing authorities; highlights the importance of country-specific reports on the financing of YG schemes that also monitor the synergies between national budgets and the EU budget, as well as the need for better coordination and closer cooperation among key stakeholders in the process;

62. Calls on the Commission to improve the planning of post-2020 youth employment investments by fully applying the approach used in programming the ESI Funds, where funding is subject to comprehensive preliminary planning and ex-ante evaluation followed by the conclusion of partnership agreements; considers that such an approach increases the impact of the EU budget; notes the successful implementation of the YEI in Member States, with dedicated operational programmes and significant contributions from national and regional budgets;

63. Calls, moreover, on the Commission to redesign the current evaluation mechanism by focusing on unified outcome criteria and performance audits in the annual and final reporting process in order to better monitor the impact of the EU budget; calls for the EU-wide application of indicators, such as the share of YEI participants who enter the primary labour market as a result of EU-funded interventions;

64. Stresses, however, that reformed planning and reporting should neither delay the implementation of the budget nor generate an excessive administrative burden for the managing authorities and the final beneficiaries in particular;

65. Recognises that the existing administrative burden undermines the investment capacity of the EU budget, especially in the case of instruments with shorter implementation periods such as the YEI; calls, therefore, for streamlined tendering procedures with a focus on faster preparation of tenders and shorter decision appeal procedures; notes the positive effect of the use of simplified cost options (SCOs) in YEI expenditure; calls for the EU-wide introduction of SCOs in YEI projects in order to cut red tape significantly and accelerate budgetary implementation;

66. Underlines that as of now the YEI is the best performing of all the ESI Funds in terms of financial implementation;

67. Welcomes the fact that YEI measures have provided support to more than 1.6 million young people and led to Member States consolidating operations amounting to more than EUR 4 billion;

68. Notes that a lack of information on the potential cost of implementing a scheme in a Member State can result in inadequate funding for its implementation and the achievement of its objectives; calls on the Member States to conduct an ex-ante analysis
and draw up an overview of the cost of implementing the YG;

69. Calls on the Commission and the Member States to take the necessary measures to set up less administratively burdensome and more up-to-date monitoring systems for the remaining YEI funding;

70. Calls for a focus on YEI results through the definition of concrete indicators relating to new services and labour market support measures established through the programme in the Member States and the number of permanent contracts offered;

71. Believes that in order to assess the scheme's effectiveness, all aspects need to be evaluated, including the value for money of the scheme; takes note of previous ILO and Eurofound estimates and asks the Commission to confirm or update these projections;

72. Calls on the Commission and Member States to set realistic and achievable goals, assess disparities, analyse the market before implementing schemes, and improve supervision and notification systems;

73. Instructs its President to forward this resolution to the Council and the Commission.
EXPLANATORY STATEMENT

Introduction

The financial and economic crisis that started in 2008 led to a steep rise in people being unemployed. Young people, typically in a situation of looking for a first job, being on temporary contracts, or being the first to lose their job owing to last-in-first-out dismissal rules, were hit especially hard. The youth unemployment rate rose from 15 % in 2008 to a peak of 24 % in early 2013, with this average rate masking huge divergences across Member States and regions. Youth unemployment in 2013 stayed close to 10 % in Germany, Austria and the Netherlands, while peaking at close to or well over 40 % in Italy, Spain, Croatia and Greece. Besides, the crisis increased youth disengagement from the labour market, with the number of young people not in employment, education or training (NEETs) reaching 7.3 million in 2013 (13 % of all young people aged 15 to 24).

Confronted by this situation, in response to a proposal by the Commission and after having been repeatedly pressured to take urgent action by Parliament, on 22 April 2013 the Council, by means of a Council Recommendation, established a Youth Guarantee (YG) by which Member States commit themselves to ensuring that young people 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. In parallel, in February 2013 the European Council agreed to create the Youth Employment Initiative (YEI) to act as the main EU budgetary instrument – linked to the European Social Fund (ESF) – to help regions in the Member States that are experiencing particularly high levels of youth unemployment address the situation, in particular by introducing Youth Guarantee schemes.

The YEI budget for the 2014-2020 programming period was set at EUR 6.4 billion, comprising EUR 3.2 billion from a specific new EU budget line which was matched by EUR 3.2 billion from national allocations under the ESF. With the intention of rapidly tackling youth unemployment, the YEI budget – in terms of commitments – was frontloaded for the period 2014-2015.

Regions eligible for YEI funding are those that had a youth unemployment rate of more than 25 % for young people aged 15-24 in 2012 and Member States with a youth unemployment rate higher than 20 % and recording a rise in that rate of more than 30 % in 2012. While the Youth Guarantee is an EU-wide commitment, the YEI is targeted on only those Member States and regions where youth unemployment rates are worst, with eventually 20 Member States concerned, partially or totally. The YEI aims to target unemployed young people aged up to and including 24, while offering Member States the option (which ten have made use of) of extending the age limit as far as 29.

The goal of this implementation report is to assess the implementation of the YEI in its function as the main EU financing instrument for realising the objectives set out by the Youth Guarantee, as well as to put forward policy recommendations on how to improve its functioning in the future, taking stock of the experience obtained and data gathered in the first three years since the initiative’s launch.

In preparing the present report, the rapporteur based her conclusions in particular on: the Commission communication of 4 October 2016, ‘The Youth Guarantee and Youth Employment
Initiative three years on”1; the relevant special reports by the European Court of Auditors; studies commissioned by Parliament’s policy departments; an in-house implementation assessment by the EPRS; and reports by the Council’s Employment Committee (EMCO). In the process of drafting the report, the rapporteur has met various stakeholders, including youth representatives, social partners, academic experts and national authorities involved in YEI/YG, as well as undertaking missions, including a fact-finding mission to Slovenia and Croatia.

Findings

In the face of the steep rise in youth unemployment, a main ambition of the YEI was to enable a quick mobilisation of funds in the most affected regions. To facilitate a rapid uptake, expenditure on YEI projects was made eligible from 1 September 2013 and the YEI budget was frontloaded for 2014 and 2015. Noting signals of the pace of actual implementation falling behind expectations, in February 2015 the Commission proposed a significant rise in the pre-financing rate, from 1-1.5 % to 30 %, thereby freeing up EUR 1 billion for immediate funding. On the basis of the data available today, one should note that the ambition of a quick mobilisation of funds was only realised in five Member States (Greece, Italy, France, Portugal and Spain). Formulating and implementing policies, engaging the relevant stakeholders for a partnership approach and other introductory steps may have taken more time than expected and many Member States were late in designating the authorities required to claim for expenditure.

The main ambition of the YEI and the YG is to reach out to NEETs, even if they are not actively looking for a job. The assessments available so far suggest that Member States experience difficulties in identifying and targeting (especially their inactive) NEET population, which might cause them to target young unemployed who are more visible and easier to integrate. The most recent report by the Court of Auditors, which was based on a performance audit in seven Member States (five for YEI), voiced strong concerns as regards strategies it observed to establish the YEI target population (‘superficial and generic’).

The overarching objective of the Youth Guarantee being the sustainable integration of NEETs into the labour market, it sets out an individualised approach that should lead to a good quality offer, enhancing a young person’s employability while in a broader context ideally helping to address skills mismatches on the (regional) labour market. All these conditions are essential for YEI funding to be effective and efficient. The Commission has communicated that all managing authorities have reported the practice of establishing a personalised action plan for each YEI beneficiary. By contrast, the Court of Auditors reports that only one Member State is systematically taking into account the skills mismatch, while all (audited) Member States are applying some kind of profiling of NEETs - sometimes using existing systems, sometimes introducing new ones. Several Member States have introduced a definition of what constitutes a good quality offer. An earlier Court of Auditors report recommended that the Commission, together with EMCO, should draw up standards for a good quality offer. This in itself implies that at present the quality of YG offers (partly) financed under YEI cannot be ascertained.

In 2015, the ILO estimated the cost of implementing the YG throughout the EU-28 at approximately EUR 45 billion per year. It must be noted that the objective of the YEI, which has been allocated a budget of EUR 6.4 billion for the 2014-2020 programming period, is to complement national funding, not to replace it. Nonetheless, on the basis of implementation

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1 COM(2016)0646.
data the Court of Auditors signals the risk of YEI financing substituting national funding, pointing out for instance that in its sample a majority of the measures in receipt of YEI funding already existed before the introduction of YG/YEI. The Court furthermore observes that the existence of operational programmes (OPs) only partially substantiating the allocation of the funds available further adds to the difficulties in assessing the added value of YEI funding.

The question as to whether EU YEI funding is well spent and whether young people detached from the labour market are indeed being helped into sustainable employment can only be answered if operations are closely monitored and the collection of reliable data is ensured. Being linked to the ESF, YEI expenditure is subject to detailed requirements for monitoring of operations and reporting by Member States, including the requirement to draw up immediate and long-term result indicators. The Commission has issued additional practical guidance in order to ensure consistent and effective reporting. The Court of Auditors, basing itself on its sample, voices concern about the (timely) availability and quality of data, in whose absence it is not possible to properly assess the reliability of reporting.

**Views of the rapporteur**

The YEI was established to help unemployed young people by providing financial support to regions that are struggling with exceptionally high rates of youth unemployment and inactivity. By doing so, the problem of youth unemployment has become a shared EU policy priority, and so it should remain in the future.

There are huge differences in youth unemployment between Member States. Therefore youth unemployment still remains a great challenge in the EU. The rapporteur believes that efforts of an ongoing nature are needed as a matter of the utmost importance.

Notwithstanding the fact that tackling youth unemployment is an urgent priority and that considerable EU and national funds are being spent on the matter, it needs to be emphasised that the first implementation assessments are based only on the limited information available so far.

Given the uneven implementation of the YEI across the Member States, the monitoring and evaluation process proves to be a great challenge. There is a lack of transparency when it comes to proven results and outcomes of the YEI. The rapporteur regrets the inconsistency in monitoring, which leads to a lack of visible results.

When it comes to the cost-effectiveness of the YEI, it is difficult to measure its success. It is therefore suggested that within the monitoring and reporting system, transparency as to how the money is being spent should be emphasised and improved. Specifically, the rapporteur calls on the Member States to ensure the provision of follow-up data to assess the long-term sustainability of outcomes. Furthermore, the rapporteur proposes that reporting requirements should be implemented in such a way that each Member State can deliver comparable, detailed and substantiated reports.

Nevertheless the rapporteur is of the opinion that the YEI is starting to have many positive impacts when it comes to fighting youth unemployment, by functioning as a driver for policy change. And so it must remain. The YEI has also been able to push public authorities to be more innovative and to put the focus increasingly on ensuring individualised approaches as
regards youth employment measures. The rapporteur feels there is still ample space for the YEI to reach its full potential.

The rapporteur suggests that the YEI should focus on long-term youth unemployment, since it can lead to isolation and can weaken young people’s sense of belonging. The rapporteur is concerned about youth unemployment causing very substantial losses in terms of public and private investment, by reason of the unused potential of young unemployed people’s human capital.

The available information on coverage of the YEI in general shows that only a low percentage of the NEET population is being reached. The rapporteur suggests that Member States should put more effort into finding ways to identify inactive and administratively excluded NEETs and to establish appropriate outreach strategies. The YEI should be more accessible for all young people, especially the low-skilled and those affected by long-term unemployment. The rapporteur calls for a stronger outreach to those young people who are furthest removed from the labour market, for example young people with disabilities. In this context the rapporteur highlights the importance of exchanging best practices among Member States. Cross-border and cross-cultural exchanges of experiences can lead to mutual learning, which can go on to influence and improve the effectiveness of the activation of vulnerable groups in the labour market. All measures under the YEI should be in compliance with national social welfare support systems.

The first implementation data available reflect the circumstance that under YEI/YG the quality of job offers is often debatable. Also, labour markets are constantly changing, causing a lack of stable, permanent jobs. Minimum standards on what constitutes a quality offer need to be established. As the Court of Auditors recommends, offers that are considered to be of good quality should always match both the participant’s profile and labour market demand. Only then can sustainable integration in the labour market be achieved.

The rapporteur suggests that in order to continue the trend of lowering youth unemployment, the funding provided should be better targeted. The rapporteur therefore further suggests that it should be investigated whether a change of the measurement of unemployed from current NUTS2 to smaller NUTS3 regions, would lead to a more precise and useful distribution of funding.

The rapporteur also suggests that multiplicity is key for funding, meaning that the issue should be addressed holistically by local, regional and national funding channels. One level should not exclude the others, as decentralisation is crucial in order to reach and affect more young people directly. With such a structure in place, funding should be more accessible.

The YEI should remain targeted at helping all young people in eligible regions in acquiring first employment experience, since finding the first employment is usually the most difficult task. The YEI should continue to be aimed at actively providing transitions into permanent employment.

The rapporteur notes that the YEI is one of the instruments designed to be utilised when EU economies are not performing well, and this kind of instrument should therefore be seen as helping make an extra push towards achieving a positive impact on job creation. The YEI should not in any way replace national funding and already existing national measures, nor
should it undermine the fact that only sound economic policies can create employment growth. The YEI should stay closely linked to basic economic principles and to the spirit of labour market activation, and must therefore comply with the needs of labour markets.

The rapporteur suggests that when it comes to national and EU funding in the area of youth unemployment, expectations should be more realistic and objectives and targets should be achievable. The rapporteur believes and recommends that the ongoing measures and the implementation period should be extended beyond 2020.
OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Employment and Social Affairs

on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI))

Rapporteur: Andrey Novakov

SUGGESTIONS

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas 16 million NEETs (Not in Education, Employment, or Training) have entered Youth Guarantee schemes, and the Youth Employment Initiative (YEI) has provided direct support to over 1.6 million young people in the EU; notes that an unacceptably high number (16.6 % in the EU28 and 18.7 % in the euro area) of young people are still unemployed;

B. whereas youth unemployment in the EU dropped from 23.7 % in 2014 to under 17 % in the second quarter of 2017, with over 1.8 million fewer young people unemployed and over 1 million fewer NEETs;

C. whereas YEI has led to Member States adopting more than 132 labour market measures targeting young people;

D. whereas 75 % of the total YEI budget has been committed and 19 % has already been invested by the Member States, making the YEI budget implementation rate the highest among the European Structural and Investment Funds (ESI Funds);

E. whereas several reports on YEI implementation show that despite the concerns about the adequacy of the funding and the estimates of the total investment required, the available resources are successfully focused on regional demand by targeting specific regions and groups of beneficiaries;

1. Recognises that EU budget investments through the YEI have achieved an impact and have accelerated the expansion of the labour market for young people; considers that
YEI represents a clear EU added value as many youth employment schemes could not have been implemented without an EU commitment;

2. Notes that the original financial allocation for the YEI in the 2014-2020 multiannual financial framework (MFF) was EUR 6.4 billion, of which EUR 3.2 billion came from a dedicated budget line, matched with the same amount from the European Social Fund (ESF); recalls that owing to the urgency of tackling youth unemployment, it was decided to frontload the entire amount in the years 2014-2015;

3. Underlines that, in the context of the mid-term revision of the MFF, an additional allocation of EUR 1.2 billion for the YEI was politically endorsed for the period 2017-2020, to be matched by the same amount from the ESF; stresses, however, that the final allocation for this programme will be determined in the upcoming annual budgetary procedures;

4. Welcomes the fact that, at the strong request of the European Parliament, the result of the conciliation on the 2018 EU budget was to increase the originally proposed specific allocation for the YEI by EUR 116.7 million of fresh appropriations, bringing its total amount to EUR 350 million in 2018; notes a unilateral commitment by the Commission to propose a further increase of the YEI funding through an amending budget should the absorption capacity of the YEI allow for an increase;

5. Considers that the overall YEI budget falls short of the actual demand and the resources needed to ensure that the programme reaches its targets; recalls that on average only 42 % of NEETs have been reached, with the figure dropping below 20 % in a number of Member States; calls, therefore, for a significant increase in the YEI allocation under the next MFF and for the Member States to make provision for youth employment schemes in their national budgets; considers the YEI to be a complementary measure to national schemes and believes that it should be complemented with growth-supporting measures and specific activities in the Member States;

6. Considers that in order to develop a European Framework for Quality and Effective Apprenticeship as a way to boost the fight against youth unemployment, the Structural Funds could be deployed in a more targeted manner for the financing of vocational education and training (VET) centres as well as any relevant action undertaken to support apprenticeships; considers, depending on the regional level of development, that this support should be more saliently reflected in the investment priorities of the ESF (for the apprentice’s work compensation and social security coverage) as well as of the European Regional Development Fund as regards the provision of infrastructure and equipment for the VET centres;

7. Calls on the Commission to ensure consistency in youth employment investments by encouraging synergies between available sources and creating homogeneous rules presented in a holistic guide, with the aim of ensuring a greater impact, synergies, effectiveness and simplification on the ground; recalls the priority to reduce the administrative burden for managing authorities; points to the importance of country-specific reports on the financing of Youth Guarantee schemes that also monitor the synergies between national budgets and the EU budget, as well as to the need for better coordination and closer cooperation among key stakeholders in the process;
8. Calls on the Commission to improve the planning of the post-2020 youth employment investments by fully applying the approach used in programming the ESI Funds, where funding is subject to comprehensive preliminary planning and ex-ante evaluation followed by partnership agreements; considers that such an approach increases the impact of the EU budget; notes the successful implementation of the YEI in Member States with dedicated operational programmes and with significant contributions from national and regional budgets;

9. Considers that youth employment funding should be delivered by maintaining the right balance between financial instruments and non-refundable contributions;

10. Calls, moreover, on the Commission to redesign the current evaluation mechanism by focusing on unified outcome criteria and performance audits in the process of annual and final reporting in order to monitor the EU budget impact in a ameliorative perspective; calls for EU-wide application of indicators, such as share of YEI participants who enter the primary labour market as a result of EU-funded interventions;

11. Stresses, however, that reformed planning and reporting should not delay the implementation of the budget and should not generate an excessive administrative burden for the managing authorities and especially not for the final beneficiaries;

12. Recognises that the existing administrative burden undermines the investment capacity of the EU budget, especially in the case of instruments with shorter implementation periods such as the YEI; calls, therefore, for streamlined tendering procedures with focus on faster preparation of tenders and shorter appeals of decisions procedures; notes the positive effect of the usage of simplified cost options (SCOs) in YEI expenditure; calls for the EU-wide introduction of SCOs in YEI projects in order to significantly cut red tape and to accelerate budgetary implementation.
### INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| **Substitutes present for the final vote** | Jean-Paul Denanot, Andrey Novakov |
| **Substitutes under Rule 200(2) present for the final vote** | Jonathan Bullock, Javi López |
## FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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Key to symbols:
+ : in favour
- : against
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OPINION OF THE COMMITTEE ON BUDGETARY CONTROL

for the Committee on Employment and Social Affairs

on implementation of the Youth Employment Initiative in the Member States (2017/2039(INI))

Rapporteur: Derek Vaughan

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas since the introduction of the European employment strategy in 1997, the Commission has supported a number of measures designed to improve young people’s employment and education prospects; whereas, since the crisis, the EU’s efforts have placed particular emphasis on the Youth Guarantee (YG) and the Youth Employment Initiative (YEI);

B. whereas the YEI is an initiative to support young people who are not in education, employment or training (NEETs), long-term unemployed youngsters and those not registered as job-seekers living in regions where youth unemployment was higher than 25% in 2012;

C. whereas the YG and YEI cover different actions, with the YG intended to encourage structural reform in education while the YEI is a funding instrument, serving as a short-term measure to combat youth unemployment; whereas the YG is financed through the ESF, national budgets and the YEI, while the YEI can finance the direct provision of jobs, apprenticeships, traineeships or continued education for the YEI target group in the eligible regions; whereas while the YG applies to all 28 Member States, only 20 Member States are eligible for YEI support; whereas, finally, YEI intervention has no predefined duration, while the YG requires an offer to be made within four months; notes that it has not been possible, in any country, to guarantee that all young people not in employment, education or training have an opportunity to take up an offer within the four-month period,

1 Other measures include the ‘Youth on the Move’ initiative launched in September 2010, the ‘Youth Opportunities Initiative’ launched in December 2011 and the ‘Youth Action Teams’ launched in January 2012.
basically owing to budget deficits;

D. whereas the YG has led to the implementation of structural reforms in the Member States, with a view to, notably, aligning their education and training models with the labour market so as to achieve its objectives;

E. whereas in 2015, in order to speed up the mobilisation of YEI actions, a decision was taken to increase the resources made available to pre-finance the initiative by EUR 1 billion, which represented a rise from the initial 1-1.5 % to 30 % for eligible Member States;

F. whereas external factors, such as the particular economic situation or the production model of each region, influence the achievement of the goals set out in the YG;

G. whereas the implementation of the YG has not so far delivered uniform results, and in some circumstances it has been difficult to identify and assess the contribution it has made;

1. Notes that the youth unemployment rate and in particular the share of young people neither in employment nor in education and training remains unacceptably high in some Member States; welcomes, therefore, the extension of the YEI until 2020; is of the opinion that youth unemployment should be taken into account in the next multiannual financial framework (MFF) in order to ensure continuity and a cost-effectiveness analysis of the scheme;

2. Underlines the fact that the main objectives of the YEI are to boost job creation for young people and to assist Member States to establish proper systems for identifying young peoples’ needs and corresponding support; stresses, therefore, that the effectiveness of the YG and the YEI should, in future, be assessed on the basis of achievements towards creating or improving Member States’ systems for supporting young people in the school-to-work transition; takes the view that, for the YG to function properly, local public employment services must also function effectively;

3. Welcomes the fact that the YEI was frontloaded in the years 2014 and 2015 as well as the increase in the initial pre-financing designed to ensure a swift mobilisation of resources; underlines that as of now YEI is the best performing among all European Structural and Investment (ESI) Funds in terms of financial implementation;

4. Welcomes the fact that YEI measures have provided support to more than 1.4 million young people and led to Member States consolidating operations amounting to over EUR 4 billion;

5. Notes the existence of delays in the implementation of the YEI in the Member States caused by procedural reasons and by the late adoption of the current MFF, the legislative framework and the consequent delayed appointment of the relevant authorities; considers this a shortcoming of the legal basis of the YEI and that it should be overcome by the Member States through speedy implementation of frontloaded financing;

6. Notes that it would be desirable for Member States that have not yet done so to establish a definition of a ‘quality offer’; urges the Member States and the Commission to use the
existing networks to work on the development of commonly agreed characteristics for this concept, taking into consideration the various existing sources and in cooperation with relevant stakeholders\(^1\), based on characteristics such as an offer that matches participants’ qualification level, profile and labour market needs, offering opportunities for work that enable them to earn a living income, to enjoy social protections and to be offered prospects for development, leading to sustainable, well-matched integration in the labour market;

7. Notes that the mismatch between the skills available and labour-market demands continues to be a challenge in many Member States; asks the Commission, within the framework of the Employment Committee of the European Union (EMCO), to promote the exchange of best practices between the Member States and the relevant stakeholders in order to address this issue, and to focus on initiatives that will facilitate young people’s transition into work;

8. Calls for specific expertise and capacity to be developed in the Member States within public employment services (PES) in order to support people that cannot find a job within four months of becoming unemployed or leaving formal education;

9. Notes that a lack of information on the potential cost of implementing a scheme in a Member State can result in inadequate funding for implementing the scheme and achieving its objectives; stresses, therefore, the need to set up a system of indicators and measures to assess and monitor the effectiveness of both public employment schemes and the YG, since even though provision was made for such a system from the start, there are still many shortcomings; calls on the Member States to make an ex-ante analysis and to establish an overview of the cost of implementing the YG;

10. Is concerned that data on the beneficiaries, outputs and results of the YEI are sparse and often inconsistent; calls on the Commission and the Member States to take the necessary measures to set up less administratively burdensome and more up-to-date monitoring systems for the remaining YEI funding;

11. Calls for a focus on results achieved by the YEI programme, through the definition of concrete indicators in the form of new services and support measures on the labour market in the Member States, obtained from the programme, and the number of permanent contracts offered;

12. Believes that, in order to assess the scheme’s effectiveness, all aspects need to be evaluated, including the value for money of the scheme; takes note of previous estimates provided by the International Labour Organisation and Eurofound and asks the Commission to confirm or update these projections;

13. Observes that most reforms at Member-State level have not yet been fully implemented and that considerable efforts and national and European financial resources are needed in the long term to achieve the YG objectives;

\(^1\) Such as the European Quality Framework for Traineeships, the joint statement of the European social partners entitled ‘Towards a Shared Vision of Apprenticeships’ and Court of Justice case law on precarious employment.
14. Calls for funding to be ensured for the post 2020 period in the framework of the next MFF;

15. Calls on the Commission and Member States to set realistic and achievable goals, to assess disparities, to analyse the market before implementing schemes, to improve supervision and notification systems, and to improve the quality of data so that the results can be measured effectively.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| Substitutes present for the final vote | Caterina Chinnici, Julia Pitera, Miroslav Poche |
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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**Key to symbols:**

+ : in favour
- : against
0 : abstention
23.11.2017

OPINION OF THE COMMITTEE ON CULTURE AND EDUCATION

for the Committee on Employment and Social Affairs

on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI))

Rapporteur: Momchil Nekov

SUGGESTIONS

The Committee on Culture and Education calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Highlights the crucial role of the Youth Employment Initiative (YEI) in facilitating the implementation of the Youth Guarantee (YG), and thus in tackling, on a Union-wide basis, the phenomenon of youth unemployment, which is reported to stand at around twice the average overall unemployment rate; welcomes, in this regard, the fact that despite the slow take-up of YEI, by October 2016 the number of unemployed young persons had significantly decreased;

2. Recalls that the main objective of YEI is to reach out to all young people who are not in employment, education or training (NEETs), and therefore urges the Member States to invest more efforts in improving measures within education systems to help young persons at risk to remain protected, as well as to identify and target, through specific and effective measures, all the NEET population, especially the most disadvantaged young people such as those with disabilities, taking account of their specific needs; calls on the Member States to provide personalised support in order to reach all NEETs with the objective of registering them; underlines, furthermore, the need to assess the specific needs and obstacles of each target group in order to adopt tailored measures;

3. Underlines, in this respect, the important role of youth organisations in reaching out to the most vulnerable young people and their ability to act as intermediaries between young people and the public employment services;

4. Reiterates the need to launch comprehensive communication strategies such as awareness-raising campaigns by using both traditional and modern media channels such as social networks;
5. Notes with concern that the most recent assessment reports\(^1\) point out that the first implementation phase of YEI tended to focus mostly on highly educated NEETs, rather than those who are low-skilled, inactive and not registered by the public employment services; notes that, according to the European Court of Auditors, the number of unemployed NEETs has decreased, whereas the number of inactive ones has remained stable; recalls, therefore, the need for cooperation with local stakeholders such as youth organisations, NGOs and the social partners with a view to developing specific effective measures by better targeting and reaching out to inactive NEETs;

6. Stresses, in this regard, the importance of synergies with the European Social Fund (ESF) for the provision of high-level postgraduate training courses, which will enable the effective implementation of YEI in all Member States;

7. Underlines the difficulties of properly assessing the results of the implementation of YEI in view of the lack of well-functioning monitoring and reporting systems, and therefore calls on Member States to address this substantial shortcoming by developing, inter alia, specific follow-up measures with a view to implementing more evidence-based, effective and sustained youth policies; encourages the Member States, in this context, at national, regional and local level, to work closely with youth organisations and grass-roots NGOs;

8. Calls on the Commission to identify and disseminate good practices in monitoring and reporting based on its overview of the existing systems across Member States;

9. Asks the Member States to establish an overview of the cost of implementing the YG in order to secure adequate funding and to better achieve the objectives of the scheme;

10. Calls on Member States to establish effective and easily accessible ‘one-stop shops’ with the aim of providing high-quality services and guidance for young people at a single location; reiterates the necessity of making all measures and tools accessible to all, through all possible means of communication;

11. Calls on the Member States to make sure their legislation allows all young people within the identified age group to register and participate effectively in the YEI\(^2\);

12. Recalls the importance of improving the quality of offers; stresses, furthermore, the need to address quality in terms of mentoring and coaching, the quality and adequacy of the actual individual training, traineeship or job, as well as the quality of the outcome according to the fixed objectives; underlines, in this respect, the necessity of ensuring the application of the already existing quality frameworks, such as the European Quality Framework, under YEI; is of the opinion that young people should also be involved in the monitoring of the quality of the offers; recalls the need to extend the eligible age limit from 25 to 29 in order to better reflect the reality that many young graduates and

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\(^1\) European Court of Auditors: Special report No 5/2017 on the implementation of the Youth Guarantee and the Youth Employment Initiative; first results of the Youth Employment Initiative - Final Report; European Commission: Youth Employment Initiative: European Implementation Assessment, October 2016; EPRS In-Depth Analysis, Jan Tymowski, June 2017.

\(^2\) The legislative framework of some countries considers some young people, in particular those with severe disabilities, to be ‘unable to work’. They are not able to register with public employment services and are therefore unable to participate in YEI.
labour market entrants are in their late ’twenties;

13. Stresses that it is essential to introduce better mechanisms to ensure that young people receive offers of a high quality; draws attention to the lack of regulation of traineeship offers on the open market in relation to the transparency of hiring, duration and recognition and points out that only a few Member States have set up minimum quality criteria, including for the purpose of monitoring the YG and YEI;

14. Stresses the need to extend the YEI beyond 2020 and to secure adequate and sustained funding for the next MFF, taking into account the real needs and resources needed to deliver the objectives of the initiative with a view to achieving sustainable results;

15. Stresses also the need to ensure adequate funding of the European Social Fund (ESF) under the next MFF.
INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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| **Members present for the final vote** | Isabella Adinolfi, Dominique Bilde, Andrea Bocskor, Nikolaos Chountis, Silvia Costa, Mircea Diaconu, Jill Evans, María Teresa Giménez Barbat, Giorgos Grammatikakis, Petra Kammerevert, Svetoslav Hristov Malinov, Curzio Maltese, Rupert Matthews, Morten Messerschmidt, Luigi Morgano, Monchil Nekov, John Procter, Michaela Šojdrová, Yana Toom, Julie Ward, Bogdan Brunon Wenta, Theodoros Zagorakis, Bogdan Andrzej Zdrojewski, Milan Zver, Krystyna Łybacka  |
| **Substitutes present for the final vote** | Ian Hudghton, Monika Smolková  |
### FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

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**Key to symbols:**
- **+** : in favour
- **-** : against
- **0** : abstention

RR\1142664EN.docx 39/47 PE606.092v02-00
9.11.2017

OPINION OF THE COMMITTEE ON WOMEN’S RIGHTS AND GENDER EQUALITY

for the Committee on Employment and Social Affairs

on the implementation of the Youth Employment Initiative in the Member States (2017/2039(INI))

Rapporteur: Vilija Blinkevičiūtė

SUGGESTIONS

The Committee on Women’s Rights and Gender Equality calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

A. whereas young people, and young women in particular, were hit the hardest during the recent financial and economic crisis, which had a severe impact not only on young women’s economic empowerment and young people’s employment, but also on their mental and physical well-being, as well as, in general, on their working environment, demographic situation, living conditions and access to education or training;

B. whereas, across the EU, women remain considerably under-represented on the labour market and in management, with the overall employment rate of women still being almost 12 % lower than that of men;

C. whereas ‘reducing the gender pay, earnings and pension gaps and thus fighting poverty among women’ is one of the priorities defined by the Commission in its document entitled ‘Strategic engagement for gender equality 2016-2019’;

D. whereas 31.5 % of working women work part-time compared with 8.2 % of working men, and whereas just over 50 % of women work full-time, compared with 71.2 % of men, representing a full-time employment rate gap of 25.5 %;

E. whereas, gender balance is an indicator, which is not properly addressed within the objectives of the Youth Employment Initiative (YEI);

F. whereas Articles 9 and 10 of the TFEU stipulate that, in defining and implementing its policies and activities, the Union has to ensure an inclusive and integrated labour market that is able to address the severe impact of unemployment and secure a high level of
employment; whereas the EU must ensure decent working conditions across the Union, including adequate wages, and must guarantee adequate social protection in accordance with labour regulations, collective bargaining and in line with the principle of subsidiarity, as well as a high level of education and training and must combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;

G. whereas the situation of young women and men and the reasons why they are not in employment, education or training (NEET) vary;

H. whereas difficulties in balancing work and life because of inadequate support for care and family responsibilities as well as the paternity leave gap and the gender bias in the labour market as a consequence thereof still restrict women’s opportunities as regards education, inhibit their participation in the labour market and affect their career choices and economic activity; whereas, in this connection, in many Member States women represent the vast majority of workers employed in precarious, part-time or mini jobs; whereas all of the above has a negative future impact on their wages and pension-related income;

I. whereas, for young women in rural areas, irregular employment arrangements or the failure to register as unemployed renders statistical data imprecise and creates disparities in their pensions; whereas this practice negatively influences society as a whole and, in particular, women’s well-being, other forms of social insurance and opportunities for career changes or future employment possibilities;

J. whereas NEET rates are decreasing, although the YEI cannot take full credit for this;

K. whereas NEETS are a heterogeneous group with diverse needs and it is therefore of the utmost importance to take measures in order to make women, young girls and the gender aspect visible throughout an up-to-date YEI;

L. whereas, according to national evaluations of the YEI, there are difficulties in involving vulnerable young people in some Member States; whereas, in the first phase of implementation, the YEI most frequently reached the younger age cohort of 15-24 year olds (77 %), young men (51 %), those with at least upper secondary school level qualifications (75 %) and the unemployed (77 %) rather than the inactive, according to a survey of Managing Authorities in late 2015;

1. Welcomes the decrease in the numbers of unemployed young people and of young NEETs in the EU since 2013; underlines, however, the fact that youth unemployment remains a key concern in many Member States;

2. Highlights the need for a dual strategy approach and methodology based on gender mainstreaming with horizontal implementation across all EU initiatives, policies and measures in the context of the YEI, with special attention for young women and girls;

3. Stresses that setting and ensuring minimum standards on the quality of employment offered within the framework of the YEI is of the utmost importance, should be safeguarded for all young people (re-)entering the labour market and should not only take account of their professional/occupational profile and labour market demand, but should also include: contract-based employment, decent working and living conditions, decent salaries, social security and pension rights, access to child care facilities, periods of leave,
holidays, and permanent employment;

4. Recognises the success of the YEI in reducing youth unemployment rates and in ensuring the gender balance in particular, with the result that the YEI has reached around 48% of men and 52% of women;

5. Calls for the full implementation of both Directive 2000/78/EC on equal treatment in employment and occupation and Directive 2010/41/EU on the application of the principle of equal treatment between men and women engaged in an activity in a self-employed capacity within the YEI;

6. Considers it necessary that the Commission and the Member States come forward with positive measures in order to ensure that young women and girls receive good quality offers of employment and are not employed or trapped in precarious, underpaid and temporary jobs with limited or no rights as workers;

7. Commends the well-focused, targeted approach and the stronger focus on individualised assistance, which contributed to the general success of the YEI and, in particular, to the success in ensuring gender balance, which has a bigger impact on women’s participation in the labour market; encourages the promotion of gender awareness in guidance and lifelong learning with public employment services being made available to sustain women’s participation in the labour force and their return to the labour market after career breaks;

8. Calls on the Member States to compile gender-disaggregated statistical data in order for the Commission to launch an impact assessment of the YEI and its influence on gender balance to allow for a thorough evaluation and analysis of its implementation;

9. Calls on the Member States, while also underlining the importance of non-governmental organisations and other relevant actors in this regard, to develop new, innovative and more personalised ways to reach inactive NEETs, who are facing barriers such as poverty, social exclusion, disability or multiple discrimination; as well as to significantly improve communication, which could be easily adapted to different target groups, and to find ways to support young women’s re-entry into the labour market, education or training through ensuring gender equality in access to employment, career progression, the reconciliation of work and private life, the provision of childcare and adult care, and through promoting equal pay for female and male workers for equal work or work of equal value;

10. Recalls that effectively challenging gender stereotypes is crucial to increase women’s participation in all segments of the labour market; calls on the Union to be a champion in challenging gender stereotypes, especially in the area of education, work, and further training;

11. Stresses the need to focus on the quality and sustainability of offers; encourages initiatives aiming at tackling gender segregation in education, training and on the labour market; points out the importance of supporting, on the basis of targeted policies, the inclusion of girls and young women in all sectors of the economy, including science, technology, engineering and mathematics (STEM) and entrepreneurship; calls on the Member States to provide programmes, training courses and education that would boost young people’s e-capacity and digital skills, especially among women and those living in rural or remote areas.
areas in order to help them to achieve long-term, sustainable economic independence and to become active creators of employment opportunities;

12. Underlines the fact that programmes such as the Youth Guarantee (YG) and the YEI arose as a reaction to particularly adverse circumstances; notes, however, that such programmes cannot be considered as substitutes for systemic solutions to address high levels of youth unemployment in the Member States;

13. Calls on the Member States to continue implementing the YEI, while remedying its weaknesses, and to ensure the continuation of financing YEI during the period of the next multiannual financial framework (MFF);

14. Stresses the need for gender quotas to be introduced by the Member States when implementing the YEI, given that this positive measure has been proven to be one of the most effective tools in addressing inequalities, discrimination and gender imbalances;

15. Calls on the Member States to share best practices among themselves in order to learn from each other to ensure that the YEI achieves the best effect;

16. Calls on the Member States and the Commission to thoroughly evaluate and consider the future funding of the YG and the YEI in the light of their added value in terms of the long-term sustainable increase in youth employment;

17. Calls on the Member States to promote tailor-made solutions depending on the specific regions concerned and to avoid unproductive ‘one-size-fits-all’ solutions;

18. Urges the Commission to come forward with an updated proposal for an increased budget for the YEI and the YG tools, given the ongoing European and economic crises and the consequent economic slowdown mean that Member States are still struggling with high unemployment levels, public debt, low growth and insufficient investments, as well as cuts in public expenditure;

19. Calls on the Member States to engage in awareness-raising campaigns that would target all interest groups, especially those living in remote or rural areas, who are less likely to be properly trained and informed.
## INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

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<td><strong>Substitutes under Rule 200(2) present for the final vote</strong></td>
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<td>Georges Bach, Krzysztof Hetman, Jérôme Lavrilleux, Jeroen Lenaers, Verónica Lope Fontagné, Elisabeth Morin-Chartier, Claude Rolin, Anne Sander, Sven Schulze, Romana Tomc, Tom Vandenkendelaere</td>
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<td>S&amp;D</td>
<td>Guillaume Balas, Brando Benifei, Ole Christensen, Agnes Jongerius, Jan Keller, Javi López, Olle Ludvigsson, Edouard Martin, Rory Palmer, Georgi Pirinski, Jutta Steinruck, Tibor Szanyi, Claudiu Ciprian Tănăsescu, Marita Ulvskog</td>
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<tr>
<td>ECR</td>
<td>Arne Gericke, Ulrike Trebesius</td>
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</tbody>
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**Key to symbols:**
- + : in favour
- - : against
- 0 : abstention