2019 Discharge to the Commission

WRITTEN QUESTIONS TO COMMISSIONER SCHMIT

Hearing on 11 January 2021

Questions related to employment rates, employment policies, poverty etc.

1. The employment rate required by the EU is 75 % and there are structurally strong disparities between the Member States to reach this rate. Are complementary policies implemented towards countries with a lower rate to help them raise this rate, particularly policies targeting foreigners or people of foreign origin, women, disabled people and keeping people over 50 in the labour market?

The employment rate of 75% has been one of 5 headline targets of the Europe 2020 strategy. The general employment rate for the age group 20-64 increased constantly from 67.5% in 2013 to 73.3% in 2019 prior to the outbreak of the pandemic, which resulted in a decrease to 72% in the second quarter of 2020.

In spite of strong increases across the board in recent years, large differences among Member States point to the continuing need for upward convergence. In addition, employment rates differ significantly across different groups on the labour market with older workers, women and immigrants representing the largest potential for increases. As part of the European Semester, policy advice to increase the employment rate of these groups, by boosting both labour demand and supply and improving the functioning of labour markets, is an integrated part of the Guidelines for employment policies. Based on the Guidelines, policy advice is also given to Member States through country-specific recommendations where this is deemed a priority.

Over the years, active ageing policies have been introduced to increase the employment rate of older workers notably by providing specific labour market support and by reforming early retirement schemes. Member States have also taken action to promote labour market integration of persons with disabilities.

Gender equality policies have been implemented to increase the employment rate of women notably by promoting childcare facilities and by removing other barriers, including those enshrined in the tax and benefit systems, for women to enter the labour market. The Commission also refers to the work-life balance Directive which is amongst other things aimed at increasing labour market participation of women.

Specific policies have also been implemented to integrate immigrants in the labour market notably through language training, upskilling and reskilling as well as through provision of social services to help integration.

2. How do you assess the tools put in place to fight youth unemployment, which was still at 14 % in December 2019 and which we know has emerged very fragile from the health crisis?

Over recent years, the average EU youth unemployment rate (15-24) improved significantly. Before the COVID-19 crisis it was down to 14.9% on average compared to its peak of 24.4% in 2013. The Youth Guarantee coupled with significant European funding created opportunities for young people and triggered structural reforms in Public Employment Services and education systems in the Member States. The COVID-19 pandemic and its economic impact have jeopardised this positive development, but the structural reforms will hopefully limit this negative impact.

To act quickly and decisively, the Commission presented its Youth Employment Support (YES) package on 1 July 2020. It aims at helping young people who have been particularly impacted by the Covid-19 pandemic. The Commission urged Member States to prioritise investments in youth employment, with the aim that at least €22 billion should be spent on youth employment support.

Part of the package was the Commission proposal for a reinforced Youth Guarantee that Council adopted on 30 October 2020. While keeping the overall ambition to make an offer of employment, education, apprenticeship or training within four months for young NEETs (persons 'not in employment, education or training'), the reinforced Youth Guarantee steps up the outreach to young people across the EU, now covering people aged 15 – 29, and intensifying support to vulnerable groups, such as youth of ethnic minorities, young people with disabilities, or those living in rural, remote or disadvantaged urban areas. It will link in with the needs of companies, providing the skills required - in particular those for the green and digital transitions.

Overall, the Commission estimates that EUR 22 billion of European funds have been invested in youth employment and labour market integration measures over the 2014-2020 programming period.

In particular, the European Social Fund (ESF) and the Youth Employment Initiative (YEI) 2014-2020 both directly support young people's integration into the labour market. Beyond direct support, Member States have used the ESF to pursue policy reforms in the area of youth employment.

The YEI and the ESF have made a significant contribution to the implementation of the Youth Guarantee: ESF funding was used in at least 23 Member States to support the implementation of the national Youth Guarantee schemes, and YEI funding was used in at least 19 Member States. In 11 Member States, ESF was the main source of funding of the Youth Guarantee. The YEI was identified as the main source of funding of the Youth Guarantee in two countries.

By the end of 2019, there has been over 4.6 million participations in youth employment operations thanks to the YEI and ESF.

Indeed, a recent ESF and YEI evaluation has demonstrated that EU support has provided clear added value as it has increased the volume of youth employment operations and the range of young people receiving support.

The specific focus on youth employment has raised and maintained the profile of youth employment issues across the EU, and especially the situation of young NEET and the innovative measures brought in under the YEI and ESF youth operations are mainstreamed in national programmes.

In light of the persistently high levels of youth unemployment and inactivity in the EU, in the 2021-2027 programming period, Member States will be required to invest ESF+ resources to promote youth employment, including through the implementation of Youth Guarantee schemes.

Following the COVID-19 outbreak, the Commission revised its ESF+ proposal, increasing the percentage that Member States facing important challenges in this area will be required to dedicate to youth employment measures to at least 15% of their ESF+ resources. The ESF+ legal basis is currently still in inter-institutional negotiations.

An even higher overall ESF+ investment can be expected based on the 2019 European Semester country-specific recommendations which address challenges linked to youth employment in many more Member States.

In order to respond to the COVID-19 crisis and its effects on young people, Member States can use the additional REACT-EU resources to support youth employment under the YEI and the ESF 2021-2022.

Finally, the Recovery and Resilience Facility will offer a significant opportunity for Member States to support investments and reforms in the area of youth employment policies, among other areas essential for the European recovery.

3. What is the impact of the measures implemented to better redirect young people towards the stems and jobs related to it?

The Commission's actions taken in 2019 for higher education were in line with the Renewed EU Agenda for Higher Education. It focussed on launching an up-scaled EU STE(A)M coalition, bringing together different education sectors, business and public sector employers to promote the uptake of relevant STE(A)M subjects. With the 2019 Erasmus+ budget, the coalition expanded to 10 new national STEM platforms (BE, BG, DE, DK, EE, ES, FI and NL), 9 national lead partners and 7 European Partner organisations.

It also supported the modernisation of curricula with a STE(A)M approach to include more multi-disciplinary approaches in the programmes through closer cooperation between relevant faculties and higher education institutions.

The European Universities Initiative will act as a test bed of innovative teaching solutions. All alliances are applying interdisciplinary, challenged based approach for their pedagogies. Three alliances, CONEXUS, UNITE! and ARQUS are focussing specifically on STEM related topics and activities, with ARQUS developing methods for STEM teaching. In addition, under the 2019 Erasmus Work Programme, forward-looking cooperation projects also focus on STEAM education: Innovating STE(A)M in Higher Education with Transdisciplinary Talent Programs (https://www.steamtalent.eu/) and ArtIST Integrated Interdisciplinary Education Module on Art, Entrepreneurship, Innovation and Science. There are also several Erasmus+ Strategic Partnerships focussing on STEAM approach in STEM education.

Redirecting young people towards STEM and promoting STEM in Erasmus+ projects in the field of the vocational education and training contributed to the development and reinforcement of frameworks for skills needed in STEM and to address the skills' gap in the labour market. The examples of reinforced skills' frameworks may include: competences needed in sustainable buildings' constructions and services, technical proficiency, digital and environmental skills, etc. The programme strongly promotes work-based learning with special attention to apprenticeships thus enabling the successful school-to-work transitions which is beneficial for both companies and young people.

4. How has employment in rural areas evolved in 2019?

In 2019, the number of employed persons (aged 20-64) in rural areas of the EU28 decreased by 80,200 compared to 2018. This decline is related to a broader process of population decline in rural areas, where the total population in this age category decreased by 960,800 over the same period.

Among the population living in rural areas, the employment rate (age 20-64) in 2019 increased by nearly 1 percentage point compared to 2018 (from 72.9% to 73.8%). This increase was larger than that recorded in cities (from 73.2 to 73.8%) and similar to that in towns and suburbs (from 73.2 to 74.0%). On average in the EU28, the urban-rural gap in employment rates therefore narrowed in 2019.

Looking beyond the EU average, the levels and trends are quite diverse across Member States. Whereas in several Central and Eastern European Member States, rural areas have markedly lower employment rates compared to the country average (including Bulgaria and the Baltic States), the opposite applies in other countries (including Belgium, Greece and Austria).

The gender gap in employment rates is generally higher in rural areas, and on average in the EU28 increased slightly between 2018 and 2019 (from 12.8 to 12.9%). The gap further deteriorated in the rural areas of several countries that already had comparatively large gaps in 2018 (including Italy, Romania, Malta and Poland).

5. In 2019, unemployment has returned to its pre-crisis level, but remains high in a number of MS. What are the reasons for a high unemployment rate in these countries?

In 2019, the unemployment rate for the EU28 decreased to 6.3% of the active population aged 15-74. The highest rates were observed in Greece (17.3%), Spain (14.1%), Italy (10.0%) and France (8.5%).

Persistently high unemployment rates at country level can be linked to long-term unemployment, i.e. persons who have been unemployed for 12 months or more. These rates remain very high in Greece (70.1% of unemployed in 2019) and Italy (56.0%), while they are closer to the EU28 average (40.1%) in France (40.2%) and Spain (37.8%).

Unemployment typically contains a macro-economic component, linked to the economic cycle, as well as by structural components, notably those linked to matching between demand and supply for labour. While these factors are country-specific, major explanations include the match between supply and demand for skills and the labour market relevance of education and training; the effectiveness of policies to get people into work and individualised support to jobseekers; as well as labour market segmentation.

The Commission services analyse the country-specific challenges of the labour markets in each Member States in the country reports which are part of the European Semester process.[1]

[1] For the 2020 country reports, see https://ec.europa.eu/info/publications/2020-european-semester-country-reports_pl

6. The progress towards achieving the Europe 2020 strategy headline target of lifting at least 20 million people out of poverty compared to 2008 remains insufficient. What are the reasons for this development? How does the Commission want to ensure that they reach their target?

In 2019, approximately 107.5 million in the EU28 were at risk of poverty or social exclusion (AROPE), meaning households affected by one or more of the following: income poverty, severely materially deprived, or with very low work intensity. The number of persons AROPE in 2019 was 2.3 million lower compared to the previous year, and declined for the seventh consecutive year. Still, progress remained insufficient to reach the Europe 2020 target. This was partly a legacy of the financial crisis, which had let to a major increase in AROPE. In 2012, the number of persons AROPE in EU28 was 6.3 million higher than 2008. By 2019, there were 16.2 million fewer persons AROPE than at this peak of 2012, but still only 9.9 million fewer than in 2008.

Since 2012, severe material deprivation has been the component that improved most, linked to improvements in overall living standards in the less-developed Member States. The number of people living in households with very low work intensity also improved, due to the strong labour market performance up to 2019. The improvements in at-risk-of-poverty started later - in 2016.

The COVID-19 crisis, with the associated increase in unemployment and inactivity, makes the achievement of the Europe 2020 target of 20 million fewer people in poverty or social exclusion (compared to 2008) highly unlikely. The current situation poses challenges for social protection systems, in particular in relation to sustainably ensuring adequate incomes and the provision of quality services especially for all those who need them most. Poverty remained high for most vulnerable groups, in particular for families with children, people with disabilities and non-EU born, all disproportionally hit by the COVID-19 crisis.

Provision of social protection and social inclusion systems fall into the competence of Member States, but the Commission supports the Member States with policy guidance through various initiatives and monitors the national policy developments through the European Semester and the open method of coordination. Most prominently the European Pillar of Social Rights as a joint commitment of Member States and EU Institutions is key to ensure that the economic growth and the foreseen recovery is fair and inclusive.

The Pillar principles, along the three dimensions of equal opportunities and access to the labour market, fair working conditions and social protection, health and inclusion, need to guide the design of policy measures in support of workers and households. Early in 2021, the Commission will adopt an Action Plan for the implementation of the Pillar principles, which will include several initiatives relevant for poverty and specific indicators and targets. The Employment Guidelines, which give the legal base for EU level coordination in the social field and for addressing Member States with country-specific recommendations in the Semester process, integrate the Pillar's principles. They provide specific guidance on how to modernise labour market institutions, education and training as well as social protection and health systems, with a view to making them more inclusive and fair. They also incorporate new elements reflecting the Union's priorities and the UN Sustainable Development Goals, notably with regard to socially just green and digital transitions. Turning climate and environmental challenges into opportunities, and making the transition just and inclusive for all, is a key goal of the European Green Deal.

In addition, EU funds are available for supporting national reforms and investments. Most recently, the Recovery and Resilience Facility was adopted to provide additional financial assistance to the Cohesion policy instruments, such as the European Structural and Investment Funds, and in particular the European Social Fund. The Commission proposed that Member States will dedicated at least 25% of their 2021-2027 ESF+ resources to social inclusion, 2 % to food and material support for the most deprived and 5% to tackle child poverty.

7. What has the Commission done since 2018 to ensure they achieve their own set goal of a 'social triple A rating', achieving fair and balanced growth, decent jobs and social protection?

For a number of years, the Commission has put greater focus on social priorities and indicators in the annual cycle of EU economic governance – the European Semester, which was the EU's response to the weaknesses in the EU's economic governance revealed during the financial and economic crisis. Since 2017, the priorities of the European Pillar of Social Rights have been integrated and mainstreamed into the Semester, including by the adoption of the new Employment Guidelines. The Annual Sustainable Growth Strategy puts fairness at the core of its priorities for competitive sustainability.

Since the start of its mandate, the new Commission has placed social priorities at the core of its action and at the heart of the debate on the future of Europe. Already on 14 January 2020, the College adopted a Communication on "A Strong Europe for Just Transitions" outlining its roadmap for the present mandate (COM(2020)14 final). A comprehensive action plan to implement the European Pillar of Social Rights is planned to be adopted in the first quarter of 2021.

Also when the impact of the COVID-19 pandemic materialised, the Commission enacted policies and adopted measures to support Member States in cushioning the employment and social impact of the pandemic. In particular, it launched a new initiative to establish the European instrument for temporary support to mitigate unemployment risks in an emergency (SURE), helping to sustain employment and preserve jobs. Fostering the recovery from the current crisis and ensuring economic and social resilience requires strong emphasis on reforms and investments, which are supported by additional funding opportunities such as those provided by Next Generation EU.

At the same time, the world of work and our societies keep changing and there are as many new opportunities as there are challenges. The Commission has taken and continues to take action to modernise Europe' social market economy and achieve a 'social triple A' for Europe. On 28 October 2020, the Commission adopted a proposal for an EU Directive to ensure that the workers in the Union are protected by adequate minimum wages allowing for a decent living wherever they work. This initiative will contribute to ensure fair working and living conditions, as well as to support inclusive growth.

8. Given much of the design and implementation of employment, social, education and health policy remains with the Member States, how does the Commission see its role in improving support tailored to the needs of each state whilst driving a European approach?

Among the important principles, objectives and activities mentioned in the Treaty on the Functioning of the European Union (TFEU) is the promotion of a high level of employment through the development of a coordinated strategy, particularly with regard to the creation of a skilled, trained and adaptable workforce and labour markets responsive to economic change. Based on the provisions laid down in the TFEU relating to the fields of employment and social affairs, the Commission's role has been to continuously improve the support tailored to the needs of each state whilst driving a European approach. As such, the European Semester provides a framework for the coordination of economic policies across the European Union. Compared to the previous set-up this integrated system ensures that there are clearer rules, better coordination and follow-up, and improved implementation by Member States of the commonly agreed policies throughout the year. It also allows for regular monitoring, and the possibility of swifter response ahead or in case of problems and to take better account of common challenges. Each year in spring, the Commission analyses in detail the EU Member States' plans for macroeconomic, budgetary and structural reforms and issues recommendations for the next 12-18 months to be adopted by the Council. Over recent years, a large share (above 40%) of those recommendations has been devoted to employment, education and social policies. Since 2016, the recommendations to Member States reflect to a large extent the annual recommendations for the euro area which are adopted through a similar process at the beginning of the year. Within the Semester, benchmarking in selected policy areas (skills policies, unemployment benefits and activation, minimum income benefits and pensions adequacy) aims to support structural reforms. Benchmarking places the focus on policy levers, specific policy parameters that can lead to better outcomes, to support convergence towards best performers.

Questions related to the Annual Activity Report, the ESF, EGF and YEI etc.

9. It is indicated in the activity report that 78 % of the ESF priorities have been implemented. Can you tell us what are the remaining 22 %?

As part of the legal framework for the implementation of European Structural and Investment Funds, the Commission reviewed the performance of each of the operational programmes of the ESF. The purpose was to review progress in order to (re-)allocate the performance reserve of 5%.

The performance review demonstrated that 78% of the ESF priorities have achieved their milestones, and their performance reserve has been allocated. 22% of priorities have not achieved their milestones. The performance reserve of the priorities that have not achieved their milestones will have to be reallocated to more performing priorities.

The reasons behind non-achievement are specific to each programme and each priority. Member States have submitted their proposals for this reallocation end 2019 and during 2020. The Commission carefully assessed these proposals to ensure a reallocation to the most relevant policy areas taking into account the challenges identified in the European Semester process and, more recently, the impact of the COVID19 crisis, which imposes new challenges. The mechanism of the performance review thus contributes to further reinforcing good performance.

10. What measures are planned or implemented to increase the absorption rate of the ESF?

According to the latest data available, the expenditure incurred on the ground by final beneficiaries has reached 46% of the total funding (EU and national) and the project selection rate for ESF/YEI rate has reached 97% of the total funding. Nevertheless, the implementation is delayed when compared to the same year of the previous programming period. The Commission is actively engaging with Member States to increase absorption (please see also the answer to Questions 18 and 21).

Learning from past experience, the Commission also proposed a number of measures for the post-2020 period to accelerate ESF programming and implementation while ensuring stability and continuity:

- reducing the level of pre-financing;
- returning to the N+2 de-commitment rule, although we regret that this was not supported by the co-legislators;

- carrying over current programme authorities (no designation), thanks to which programmes can start selecting and sending payment claims at an earlier stage than in 2014-2020;
- furthermore, ex-ante conditionalities, now termed ‘enabling conditions’ under the Common Provisions Regulation (CPR), will be fewer, more streamlined, and will be monitored throughout the period for their implementation;
- all programming details and secondary rules previously set out in secondary legislation are included in the current legislative text to ensure predictability. Programming rules are known before 2021 to enable Member States to get on with implementation as early as possible.

In order to ensure a timely start of the new programming period, the concrete preparation and planning was launched with the Member States to design and negotiate programmes in parallel to the legislative process. The objective is to be ready to adopt programmes as soon as the legal framework is in place.

11. In terms of employment, what is the return on investment per euro spent?

Improvements in employability, a primary objective of the ESF, are difficult to measure because of their mostly intangible nature that can be particularly difficult to capture through the indicators of the ESF monitoring framework.

Result indicators focus on measurable labour market outcomes and cannot be easily attributable to the specific operations implemented through the ESF nor can capture ‘soft results’ in terms for example of increased self-confidence or increased cooperation among labour market stakeholders.

Soft results are particularly important for programmes targeted at the most disadvantaged where the objective is often to bring people a step closer to the labour market and achieving employment outcomes would still be a future goal.

Although increased employability should result, eventually, in increased employment chances and eventually employment, there is certainly a time lag and current monitoring arrangements might underestimate the actual benefits of participating.

Bearing in mind the limitations outlined, the latest evaluation of ESF investment in employment measures shows that in macroeconomic terms, according to the exploratory work carried out together with the Joint Research Centre through the general equilibrium model RHOMOLO, ESF investment in employment and mobility up to 2018 would translate into the creation of 47 000 jobs in the long term and an increase in GDP of 0.06% in the long term (2030).

12. You mention the Arachne program in your annual report. Which 4 countries do not use it for your programs? What are the reasons for this? And what are the consequences for your ability to work?

Five Member States decided not to integrate Arachne in the management verification processes (DE, SE, FI, DK, PL).

The following reasons were formulated:

- The data collection and upload process is time consuming and seen as administrative overhead work;
- Arachne does not correspond to the principle of proportionality since all beneficiaries and contractors are checked on a weekly basis;
- Arachne is perceived as being complex and difficult to use;
- One Member State reports an incompatibility with national legislation, as Arachne processes public data (names of projects, information on beneficiaries…) and the processing takes place outside the Member State.

The Commission takes the necessary steps to improve the uptake of Arachne, by providing presentations, workshops and on-the spot trainings. The Arachne tool has furthermore undergone important improvements over the past years which might lead Member States to re-examine the possibility of using it. One of the Member States who decided not to use Arachne requested already a new information session to be organised as soon as possible.

The fact that programme authorities do not use Arachne has indeed an influence on the work of the Commission since it does not allow to evaluate, in a simple and straightforward manner, the potential risks linked to an operation. Commission auditors however use other features included in Arachne, such as the Orbis database, to check e.g. whether conflicts of interest may occur between the beneficiar(y)(ies) and contractor(s). Evidently, deeper analysis of the beneficiary is carried out during and after the audit but, of course, this has an impact on human resources.

13. 16 warning letters were sent in 2019. What were the results?

Warning letters are sent when significant deficiencies in the management and control system have been identified for which there is evidence to suggest that the level of financial correction is unlikely to exceed 10% or for an irregularity with estimated risk to the budget below 10% of the OP financial allocation as the risk is therefore covered by the 10% retention applied to interim payments. If the risk is estimated to be above 10%, then an interruption letter is sent.

In 2019, DG EMPL issued 16 warning letters covering mainly the following key requirements (KR) of the Management and Control Systems:

- KR2 : lack of appropriate selection of operations,
- KR4 : lack of adequate management verifications,
- KR16 : lack of adequate audits of operations and,
- KR18 : lack of adequate procedures for providing a reliable audit opinion and for preparing the annual control report.

Warning letters are monitored on a regular basis by the audit and operational units. The ISFC Committee is also regularly informed about the issuance and lifting of warning letters.

The 16 warning letters issued in 2019 have all been lifted before the end of 2020, the relevant weaknesses having been addressed by the programme authorities concerned.

14. As in previous years, the ineligible expenditure and missing supporting information and documentation remains a significant source of errors (AAR 2019). What measures have been taken in improving the situation? Were these measures efficient and reduced errors in this respect over the years? What further actions could be taken in order to reduce errors related to above mentioned categories?

In 2019, the first source of errors detected and reported by audit authorities was ineligible expenditure (35%). This is linked to complex rules and human error, sometimes unclear grant letters provisions or ineffective management verifications which did not identify these errors. Typical errors concern ineligible participants or companies (SME status), ineligible taxes like VAT, lack of supporting documents to justify the expenditure. Issues detected in the area of public procurement (25%) may be explained by the complexity of the public contracting rules and/or lack of sufficient expertise at the level of public contracting and programme authorities. In addition, in 2019, specific systemic issues linked to public procurement or State aid in some countries were identified by the Commission due to wrongly transposed national legislation. Such errors could not be raised by audit authorities, bound by their national legislation.

The Commission would like to underline that the contribution of DG EMPL to the Cohesion error rate in Chapter 5 is very low, thanks largely to the fact that our programmes do not suffer from as many public procurement or state aid related errors as do larger ERDF projects. Furthermore, a high proportion of ESF expenditure is reimbursed through Simplified Cost Options (SCOs), which are less prone to error. There were only 10 ESF quantifiable errors reported in the 2019 Annual Report (out of the 67 audited transactions) and the reported errors were far below materiality level. There were no ESF errors detected related to the ineligibility of projects, or infringements of internal market rules, by far the greatest sources of error in chapter 5 this year.

The audit work carried out by the Commission, the audit authorities and the European Court of Auditors (ECA) points out to the same main categories of irregularities. In 2019, audit authorities reported 2.825 irregularities for ESF, YEI and FEAD identified in their audit of 4.500 operations or parts of operations to underpin their audit opinions (with system audits). This shows the robust audit work carried out by audit authorities. The Commission stresses that audit results from both audit authorities and the Commission concern the same main categories. The results are also in line with the errors identified by the ECA in the course of its audits for the Statement of Assurance.

Audit authorities recommended remedial measures to the managing authorities to better prevent and detect irregularities. This entails measures to perform better (not more) management verifications (improvement of methodological tools, recruitment of additional staff including experts), training activities on newly developed tools and on the correct interpretation of most frequent errors. This can include, for managing authorities and their intermediate bodies, to improve the quality of selection procedures or management verifications to filter out irregularities. Most audit authorities also reported to the Commission, which encourages them, that they also carry out specific sessions with managing authorities and their intermediate bodies to explain the irregularities detected in their audits and to assess jointly the root causes of these errors.

The following measures are taken at the Commission level to address the root causes of errors:

- Specific actions (preventive and corrective), are being taken including guidance, training, interruptions and suspensions of payments, and financial corrections, when necessary.
- The Commission will continue to work closely with the managing and audit authorities to follow up on the agreed conclusions, and to ensure overtime a residual level of error below 2 % for all programmes.
- To fundamentally improve the situation, we need to continue to pursue our simplification agenda, and encourage a greater use of Simplified Cost Options (SCOs).

For 2021-2027 programmes the Commission proposed that managing authorities put in place a genuine simplification of rules by applying systematically simplified cost options in their grants with beneficiaries to avoid errors and a more targeted approach, focusing management verifications based on a due risk-assessments, analysing and carrying out in-depth verifications of risk areas in declared expenditure based on all available verification and audit results.

15. DG EMPL stated in its 2019 Annual Activity Report that additional work may be done in subsequent years to assess the reliability of residual error rates. What actions is the Commission planning to take to fulfil this?

The Commission carries out the examination of the assurance documents by 31 May year N+1 to determine whether the accounts are complete, accurate and true and the accounts can be accepted. Subsequently, in line with the Single Audit Strategy, the Commission carries out conformity audits on the legality and regularity of the expenditure which will trigger net financial corrections in case of detection of irregularities demonstrating serious deficiency in the effective functioning of the management and control system not previously identified by the national authorities and subject to appropriate corrective measures. The programmes covered by these audits are selected based on a risk assessment. The risk factors include, among others, the results of the desk review and the assessment of the remaining risk elements in the expenditure of the accounting year under analysis. Priority is therefore given to on-the-spot legality and regularity audits. In particular, audits on programmes with a high risk score and that have a potential material impact (above 2%) on the Commission payments during the year are carried out as from April/May each year. This allows, if necessary, for the initiation of a financial correction procedure, including the contradictory process with the concerned Member State.

16. ECA in its Report on the performance of the EU budget 2019, noted that in the IAS in its 2019 audit on performance monitoring found that there were weaknesses in the reliability of performance data in DG REGIO and DG EMPL. In response, DG REGIO and DG EMPL prepared a joint action plan, which is currently under implementation. Do you agree with such conclusion of IAS? Could you comment on the implementation status and the achievements of this joint action plan so far?

DGs EMPL and REGIO have accepted the recommendations made by the IAS auditors. The prepared action plan is being implemented according to its timeline. At this stage, the actions described have been largely implemented such as the update of the Annual Implementation Report-quality checklist which allows more efficient monitoring of the performance of OPs including checks on the reliability of data. The Audit Authorities have been requested to specifically address performance data reliability in their Annual Control Reports. The Commission has also, based on its analysis of the 2019 Annual Implementation Reports, decided to audit the 10 most risky operational programmes and has requested

the Audit Authorities to verify the indicators showing discrepancies. The latter is currently ongoing and the first results are expected to be submitted in February 2021.

The Commission's audit of the 10 high risk programmes has been postponed due to the Covid19-crisis and is expected to start early 2021.

17. In its annual activity report DG EMPL states that it uses indirect management-third countries as a management mode that has strong similarities to the approach under the ESF. What are those similarities? How does the Commission want to ensure low error rates with this method?

This refers to the Instrument for Pre-Accession Assistance (IPA)-Human Resources Development (HRD) Component of the 2007-2013 programming period. It was managed in an indirect management mode but with strong similarities to the approach used for the ESF, as it was managed by national managing, certifying and audit authorities of the candidate countries. This helps preparing the candidate countries for the management of Cohesion programmes should they become Member States.

There is an inherent risk related to the ability of the candidate countries to set up and operate the systems and controls necessary for the sound management of the allocated appropriations. This risk, however, was mitigated by the fact that ex-ante verification was carried out by the Commission delegations in the candidate countries.

18. The Commission used five criteria of assessment to measure the performance of the programmes of DG EMPL. The main difficulties are linked to financial implementation where 48% of programmes were assessed as poor or critical concerning selected operations. How does the Commission want to ensure the financial implementation of the programmes?

Implementation challenges are addressed in close cooperation with DG EMPL. Tailored support is provided to Member States through written Questions & Answers, technical exchanges, discussions with national authorities and active presence in meetings such as annual review meetings and monitoring committee meetings.

Operational programmes are also adapted in order to better address new challenges or changes in the socio-economic context which may arise during the course of the programming period and which could not be foreseen from the start.

Moreover, implementation progress and challenges are closely followed up on and discussed in the ESF technical working groups and ESF Committee meetings, which take place five times a year and gather Commission officials, Member State representatives and representatives from the social partners.

More generally, the regulatory framework in place allows Member States to only report on fully or partially implemented operations. The fact that they report on fully implemented operations implies that implementation on the ground takes place, but data only appear at a later stage. From previous experience, it is expected that the rates will significantly increase as the end of operations and OPs approach.

19. The main implementation challenges of the programmes of DG EMPL relate to the programming requirements/features, such as complexity of programming and planning of the intervention, delays as a result of consulting different public administrations, administrative issues related to tender procedures, problems with the payment system. How does the Commission want to ensure that the bureaucratic obstacles for the programmes will be lowered?

Learning from past experience and the work of the High-level group on simplification, the Commission proposed a number of measures for the 2021-2027 period to simplify ESF programming and implementation:

- carrying over current programme authorities in order to avoid the heavy designation process that led to significant delays in the 2014-2020 period;
- continuing the use of simplified cost options (SCOs), which could save up to 20-25% of administrative costs for programme managers; the use of simplified cost options significantly reduces the administrative burden for both managing authorities and beneficiaries. It allows to shift the focus from collecting and verifying financial documents to achieving policy objectives, i.e. concentrating on achieving concrete outputs and results instead of verification and control of actually-incurred costs. Furthermore it simplifies the audit trail, thereby reducing the risks of errors. SCOs already set in the period 2014-2020 can easily be transferred to the new period by introducing them into the new OP;
- introducing a possibility to use financing not linked to costs as one of the forms of Union contribution;
- reducing the layers of bodies that can control and audit at the level of the beneficiaries by providing a simpler role for the former Certifying Authorities, now called 'Bodies implementing the accounting function';
- reducing unnecessary reporting burden by using electronic transmission of data instead;
- all programming details and secondary rules previously set out in secondary legislation are included in the current legislative text to streamline the legislation and to ensure predictability;
- the ‘enabling conditions’ (former ex-ante conditionalities) under the CPR, will be fewer and more streamlined.

20. In 2019, even though €166.7 BN was made available for payment appropriations, €20.5 BN were not paid out. There is a trend of outstanding commitment appropriations increasing, last from an equivalent of 2.3 years of outstanding payments in 2012 to 2.7 years in 2019, as commitment appropriations systematically exceed payment appropriations. What specific steps are put in place to aim to match commitment to payment appropriations, to ensure money is distributed to appropriate parts as committed?

The Commission notes that the figure of EUR 166.7 billion in the question from the European Parliament refers to the 2019 MFF payment ceiling, which shows the maximum possible level of payment appropriations for the given year. However, the final budget with its amendments authorized for the 2019 financial year by the Budgetary Authority amounted to EUR 148.5 billion. The implemented payments appropriations (EUR 146.2 billion) shows the actual payments made in 2019. As the carry overs from 2019 to 2020 amounted EUR 1.615 billion, only EUR 675 million was not paid out in comparison with the final budget of 2019.

Moreover, as clarified in the replies to the written questions in the context of Commissioner Hahn 2019 discharge hearing, the increase in the nominal value of the 'reste à liquider' (RAL) in recent years is a natural consequence of the implementation of the EU budget with differentiated appropriations, where the volume of new commitments increases nominally over the years above the authorised payments.

The RAL, however, does not in itself indicate lack of implementation of the budget. The level of the RAL depends on when payments from the EU fall due and its management rests on two main factors:

- The implementation speed of multiannual programmes, and in particular cohesion policy which accounts for more than 60% of the existing RAL; The current level of the RAL for cohesion policy is in line with the natural implementation cycle of the policy and the effect of a generalized 'N+3' automatic de-commitment rule;
- The payment ceiling of the Multiannual Financial Framework and its sufficiency to cover all needs arising in a given year.

For the 2021-2027 period the Commission proposed a series of simplification measures to facilitate and accelerate the implementation of cohesion policy – the main investment policy of the EU. While most of those have been retained in the political agreement reached between the co-legislators, the Commission regrets that the return to the N+2 decommitment rule, which would have additionally accelerated implementation, has not been approved.

As regards the overall financial framework, the payment ceilings for the 2021-2027 long-term budget have been agreed at a level compatible with the expected payment needs for honoring the commitments made in the past.
The Commission actively monitors the implementation of the budget and the evolution of the RAL and is regularly informing the European Parliament and the Council of the forecast needs potential risks for the future.

21. Are there programmes under ESF and FEAD affected by decommitment rule in 2019? What is the forecast for decommitment level at the end of the programming period and what measures does the Commission undertake to assist Member States to avoid it?

2020 is the fourth year in the 2014-2020 programming period when MS are facing automatic de-commitment risks.

By end 2019, the total ESF/YEI amount of automatic de-commitments (N+3 rule) was 136 million EUR. Member States concerned were FR (30.9 million EUR), IT (26.1 million EUR), SE (0.3 million EUR) and the UK (78.7 million EUR).

Under FEAD, the only automatic de-commitments by end 2019 relates to the UK FEAD OP (1.2 million EUR).

At end 2020, the total ESF/YEI automatic decommitment risk is estimated at 25 million EUR concerning a UK programme.

Under FEAD the risk of automatic de-commitments at end 2020 is estimated at 0.6 million EUR, also concerning the UK programme, as the UK did not implement FEAD.

The level of decommitment at the end of the programming period is difficult to estimate at this stage since there are still several years for implementing the funds and also new measures undertaken as part of Member States' response to the post pandemic crisis. The Commission will continue to provide support to Member States to increase their capacity to use the funds and avoid decommitments.

Regarding the measures undertaken by the Commission for the support of the implementation:

- The Commission continues to provide assistance and organise events for Member States in relation to the implementation of the current programming period.
- Additional support is provided through the Technical Assistance and Information Exchange Instrument (TAIEX).

- The Commission also supported the process of simplifying implementation, by encouraging a wider use of Simplified Cost Options (SCOs) such as flat rates, standard scales of unit costs and lump sums. More and more Member States are opting for using these possibilities, which in turn facilitates faster and simpler implementation on the ground.
- With the Coronavirus Response Initiative and the Coronavirus Response Initiative Plus, the Commission took a further step in simplifying implementation of EU Funds by introducing numerous flexibilities to alleviate the negative impact of the outbreak. Specifically for the CF, ERDF and ESF these include:
  - Transfers between priorities of a given programme of up to 8% of the allocation without the need of formal amendment;
  - Transfers without limitations of the 2020 allocation between funds and between categories of regions;
  - Possibility of 100% co-financing for the accounting year ending on 30 June 2021.

22. Does the Commission DG EMPL provide assistance to Member States in order to improve their absorption and performance rate? Is there any information about the success of such assistance and to what extend has it contributed to increase the absorption and performance?

DG EMPL’s geographical units provide day-to-day support to ESF Managing Authorities in order to help implementation and performance, including in the context of the Annual Implementation Reports where the OPs’ performance is assessed and later discussed in the Annual Review meetings.

In addition, DG EMPL regularly organises meetings and seminars aimed at helping ESF Managing Authorities to improve the absorption and performance rate of their OPs in the context of the ESF Committee and Technical Working Group as well as the Expert group on European Structural and Investment Funds (EGESIF).

23. For the 2014-2020 programming period DG EMPL participate in the implementation of a Single Audit Strategy for the funds managed by DG REGIO, DG EMPL and DG MARE. In this context, what are the observations of DG EMPL regarding the single audit implemented in cases of simplified cost options and in cases of other types of reimbursements? In which cases the single audit is more successful and are there lessons learned which will be used for the next period?

The implementation of (parts of) Operational Programmes using simplified cost options (SCOs) has shown, over the years that the risk of error and misuse of the ESF decreases considerably and reduces, in an important manner, the administration and verification of the expenditure declared. DG EMPL's experience is that the level of error is marginal where operations are implemented using SCOs. The Commission auditors can therefore confirm, in most cases, the audit authorities assessment of the costs declared and have an increased reliance on their work when SCOs are used. As a consequence, this allows to fully implement the single audit principle for those programmes where the audit results obtained by the audit authorities are confirmed.

For the future, DG EMPL continues to convince programme authorities to implement operations using SCOs given the benefits, across the board, in respect of reducing the administrative burden and the decrease of error rates.

24. Estimated most likely level of error for spending on competitiveness for growth and jobs has risen from 2 % in 2018 to 4 % in 2019. Further, you state that eight erroneous cases could have been prevented, adding 1.1 percentage points to the error rate, if available information had been used correctly. What measures have you put in place to ensure effective prevention of errors?

Chapter 4 of the Annual Report of the Court of Auditors covers research & innovation and a range of other expenditure of the sub-heading 1a of the Multiannual Financial Framework. The error reported by the Court of Auditors for the DAS 2019 is 4.0% which, although higher than last year's 2%, remains consistent with those reported in previous years (4.2% in 2017, 4.1% in 2016, 4.4% in 2015 and 5.6% in 2014). As the Court explained, the error rate of 2018 was due to the weights applied to the various expenditures sampled in sub-heading 1a of the Multiannual Financial Framework.
Regarding the possibility for early detection of errors by the Commission, the issue is closely related to the quality of the so-called Certificates on Financial Statements (CFS) produced by external independent auditors contracted directly by the beneficiaries. Two thirds of the detectable errors are linked to known weaknesses of these certificates which, despite these issues, do contribute to lower error rates (50% lower where such a certificate has been attributed compared to non-audited cases). Despite existing communication initiatives towards the providers of CFS, the Commission continues to observe weaknesses in the quality of these documents and has thus decided to launch a series of actions aimed at improving ex-ante controls in general.

The Common Implementation Centre (CIC) of DG Research & Innovation is currently developing a strategy to reduce the error rates. The main actions will be twofold. On one hand, the CIC will intensify communication and better target specific error-prone profiles via outreach online events in the form of webinars. On the other hand, the CIC has launched an internal exercise involving all R&I services of the European Commission to discuss, plan and develop enhanced ex-ante controls. The outcome of this exercise is expected to provide common good practices, guidance, training and documentation for both the participants and the Commission staff involved in the implementation of the programme(s).

Finally, the Commission has established a number of automatic controls related to the handling of the financial management of the projects. However, the cases reported by the Court could be detected – in the vast majority of the cases - only with an on-the-spot audit and not by a desk-review. These cases were not included in the samples of the on-the-spot audits carried out by the Commission in 2019.

25. Could you please provide results regarding use of European Globalization Fund in 2019? What was the reintegration rate for workers under EGF programme (country by country)?

In 2019, the Commission received eight final reports for EGF co-financed cases implemented by five Member States. These reports showed that on average 65% of workers who benefitted from EGF assistance have taken up new employment at the end of the implementation period. The integration rate varied by Member State from 40% in Italy, 48% in Spain, 50% in the Netherlands, 58% in Estonia to 83% in Finland.

MS	**Workers assisted**	**Workers reintegrated**	**Reintegration rate**	**EGF cost per assisted worker (€)**
Estonia	492	285	58%	1,669.76
Spain	332	160	48%	2,422.74
Finland	3,127	2,585	83%	2,289.81
Italy	1,423	563	40%	571.10
Netherlands	754	380	50%	1,132.46
Total	**6128**	**3973**	**65%**	**1,705.72**

26. What success measures and challenges can be provided on the Youth Employment Initiative (YEI) that aims to target regions with a high level of youth unemployment?

Successes:

- A recent YEI evaluation has demonstrated that EU support has provided clear added value as it has increased the number and the range of young people receiving support.
- The specific focus on youth employment has raised and maintained the profile of youth employment issues across the EU, and especially the situation of young NEET.
- Although not an explicit objective of the YEI, the latter contributed to structural changes - changes to the way public employment services and other

bodies involved in employment policy work approach youth employment issues (e.g. bringing together partners and stakeholders; reaching out to a broader, more diverse target group; introducing individualised approaches).

- Participation is well balanced from a gender perspective, with a broadly equal share of men and women (51% against 49%) reached by YEI operations
- Cooperation with youth organisations as part of partnership helped to identify NEETs who are not registered with the public employment service or in education.

Challenges:

- According to the latest YEI evaluations, a common challenge across YEI programmes has been reaching young people not in employment, education or training. Since many of these young people are often not registered as unemployed, identifying the target group often required active canvassing and encouraging individuals to register.
- The most vulnerable young people are often under-represented, and potentially under-reported, for example vulnerable young people in rural areas, young people with disabilities, ex-offenders, young people at risk of poverty and homeless young people.
- Some Member States encountered data collection problems due to the additional list of common indicators for the YEI.
- Structural problems (such as the lack of jobs and the low education level of participants) hindered the achievement of YEI objectives.

Questions related to AI and digitalization

27. With AI on the rise, what does the Commission do to ensure general good public mental health to cope with the ongoing and drastic change, while ensuring high accessibility to employment for the EU citizens, to prevent redundancy in the job market and to provide transparency across Europe of what to expect in the immediate-, mid- and long-term?

The Commission is currently preparing a regulatory framework for AI, which will aim to promote an ecosystem of trust and excellence in the EU. The AI White Paper[2], upon which the upcoming AI framework will build, puts forward a risk-based approach, whereby certain AI applications should be considered as high-risk and therefore subject to strict(er) ex-ante regulation. These should include for example recruitment or situations affecting workers’ rights.

[2] https://ec.europa.eu/info/publications/white-paper-artificial-intelligence-european-approach-excellence-and-trust_en

The AI regulatory framework is expected to lead to improved transparency and trust in AI-enabled systems, which will support job creation. A focus on safeguarding EU fundamental values should make AI more accessible and inclusive also for underrepresented groups, such as people with disabilities for example.

To support EU citizens in a labour market increasingly shaped by digitalisation and AI, the Commission has re-launched the EU Skills Agenda[3]. It aims to achieve a real paradigm shift in skills to take advantage of the green and digital transitions and support a prompt recovery from the COVID-19 crisis.

28. How do you see the evolution of digitalization in your DG?

In its 2020 State of the Union, President von der Leyen has pledged that the Commission will drive a sustainable and transformational recovery from the COVID-19 pandemic that will give the EU a global platform to lead economically, environmentally and geopolitically. According to the Commission's President, Next Generation EU represents a 'once in a lifetime' opportunity to make change happen by design and to enable the EU to become green, digital and more resilient.

Spurred by digitalisation, the world of work is changing at an ever increasing speed. The pandemic only reinforces this trend. DG Employment, Social Affairs & Inclusion therefore needs to redouble its policy efforts to ensure that the digital transformation is a success for all. The overall framework guiding our response to this challenge is the European Pillar of Social Rights.

As digital technologies continue to change the nature of our jobs, many people will be faced with labour market transitions. To support these transitions, we need to adapt our labour market and skill policies. This need is clearly reflected in the EU Skills Agenda, which the Commission re-launched in mid-2020 (see also answer to previous question).

Questions related to agencies under the remit of DG EMPL

29. How will the Commission ensure coherence between ELA and the other agencies under the remit of DG EMPL? In the recent external evaluation from 2018 there has been already some overlaps identified. According to the Commission final replies on the ECA Special Report on the Future of EU Agencies, the Commissions says that the agencies (CEDEFOP, Eurofound, EU-OSHA and ETF) ensure regular coordination and collaboration which allows creating synergies. How is the Commission monitoring this collaboration and what synergies have

[3] https://ec.europa.eu/social/main.jsp?catId=1223&langId=en

been explored in the recent years? What are according to the Commission the challenges for better collaboration of agencies?

It is important to note that the external evaluation only identified some limited overlap in the mandates, but not in the activities of the agencies under the remit of DG EMPL.

The Commission monitors the collaboration between the agencies by ensuring that their work programmes are complementary, by reviewing the cooperation agreements between the agencies and by highlighting opportunities for further cooperation.

Cooperation and coordination take place at several levels. At the strategic level, the Founding Regulations provide for representation in each other's Management Board where relevant – EU-OSHA participates, for example, in the work of Eurofound and ELA's Management Boards. Early exchange of multi-annual and annual work programmes is another mechanism which contributes to cooperation and coordination at the strategic level. It should also be mentioned that EU-OSHA has participated in workshops organised by ELA on labour mobility and risk assessment, and on capacity building.

At the practical level, cooperation takes place in many areas through various mechanisms depending on the topic.

A multitude of synergies have been explored. It covers the generation of joint data, for example the cooperation between Eurofound and Cedefop on the European Company Survey, and expert exchanges regarding methodologies and experiences in the area of research and administration, such as sharing the services of the budget officer between Eurofound and ELA.
Within the broader EU Agency Network (EUAN), and notably within the "social and employment cluster", the EMPL agencies also seek further synergies, for instance on aligning performance indicators, risk management and internal control activities. Some initiatives go beyond the EMPL remit: the EUAN has developed a shared services catalogue; and on a bilateral basis, Cedefop and ENISA have signed a service level agreement on cooperation in IT services and procurement, facilities, and as from 2021, they share the Data Protection Officer's function.

Agencies are encouraged to continue and reinforce this cooperation in line with the findings of the external evaluation.

As regards the ELA, the Commission wishes to recall what is stipulated in article 14 "Cooperation with agencies and specialised bodies" of the ELA founding regulation 2019/1149 of 20 June 2019: The Authority shall aim in all its activities at ensuring cooperation, avoiding overlaps, promoting synergies and complementarity with other decentralised Union agencies and specialised bodies, such as the Administrative Commission. To that end, the Authority may conclude cooperation agreements with

relevant Union agencies, such as Cedefop, Eurofound, EU- OSHA, ETF, Europol and Eurojust.
The ELA, which is still at an early stage of its set-up process, has initiated a dialogue with other EU agencies, networks and services active in the area of employment and social policy with a view to the above-mentioned objectives. To this end, the Commission has attended the first ELA intra-agency workshop which took place in November 2020 on the topic of labour market analysis and risk assessment where the ELA conducted a mapping exercise to identify and further explore potential avenues of cooperation in the future. It will also attend a second intra-agency workshop that will be centered on the topic of capacity building, scheduled for January 2021. The ongoing discussions aim at preparing the grounds for the conclusion of cooperation agreements with other EU agencies (as recalled in Art. 14 of the ELA founding Regulation) in the medium-term.

30. In the Special Report on Future of EU Agencies, the ECA concludes that the size of their management boards; and boards and discrepancies in the understanding of the role of management board members may hamper efficient decision-making. Does the Commission plan to review the size of management board of agencies under the remit of DG EMPL (especially in case of CEDEFOP, Eurofound and EU-OSHA which has “tripartite” management board) to improve the efficiency of the decision-making process? How and how often does the Commission evaluate the governance of those agencies?

The recent external evaluation of the four agencies concludes that ‘there is no evidence to support proposing at present a change in the current tripartite structure, which is also strongly supported by all stakeholders, including the Parliament and the European Social and Economic Committee’ .

It should also be noted that the Executive Board, which is composed of only 8 members, meets extensively and regularly, around 4 to 5 times a year, to prepare decisions for the Management Board and to monitor the work of the agency. Due to this specific role of the Executive Board, the Management Boards of the tripartite agencies usually only meet once a year.

The Commission evaluates the agencies’ performance in relation to its objectives, mandate and tasks every 5 years since the entry into force of the agencies’ new Founding Regulation.

Based on this, the Commission does not plan to propose a review of the size of Management Boards of tripartite agencies. The current composition of such Management Boards reflects well the tripartite nature of these agencies, which is a key feature particularly important for their right functioning.

31. In the Special Report on Future of EU Agencies, the ECA recommends the Commission to increase the use of cross-cutting evaluations of agencies in the context of the Commission's fitness checks of the different policy areas. It should be used to identify synergies and possible changes, including mergers, and, where appropriate, to prepare legislative proposals in response to changing needs. What is the Commission's position towards these recommendations in connection to the agencies under the remit of DG EMPL? Does the Commission plan to introduce any new measures or initiatives to ensure relevance, coherence and flexibility of agencies?

In 2018, the Commission completed the first crosscutting evaluation of the EU Agencies under the remit of DG EMPL (EUROFOUND, CEDEFOP, ETF and EU-OSHA). This evaluation assessed the individual performance of the Agencies, and the possible synergies and efficiency gains that could be achieved within the boundaries of the current regulatory framework. Different merger scenarios were analysed. The SWD concludes that the Agencies have been overall successful in fulfilling the tasks stemming from their mandates. They have provided high value for money and their work has been relevant and useful for their stakeholders. It also concluded that there would be no straightforward added value from mergers, the costs outweighing the benefits.

The evaluation did conclude that reinforced cooperation, including the sharing of services, should be encouraged. Such cooperation is being pursued by the agencies concerned, who adopted related action plans as follow-up of the recommendations made in Commission Staff Working Document SWD (2019)160. The Commission will be closely monitoring the implementation of the action plans and will continue to foster synergies and cooperation between the agencies.

32. How does the Commission monitor that the technical expertise and other potential of agencies under the remit of DG EMPL are consistently used to support policy preparation and implementation? Does the Commission plan to introduce any new measures of initiatives to monitor this? What are the main challenges?

As member of the Management Boards of the agencies concerned, the Commission, in close cooperation with the representatives of governments and social partners, elaborates and adopts their multi-annual objectives and annual work programmes and when doing so ensures that these are fully aligned to EU policy priorities. In addition, the Commission encourages and organises bilateral exchanges between the agencies and the Commission.
As set out in the Founding Regulations of tripartite Agencies, the Commission adopts each year opinions on the Agencies' draft programming documents containing their respective multiannual and an annual work programmes. The Management Boards shall then adopt the programming documents, taking into account the Commission's

opinion, in which usually bilateral exchanges between the agencies and the Commission on relevant matters are encouraged. This is also a very useful instrument to ensure that the initiatives carried out by the Agencies are well aligned with EU policy priorities and effectively support policy preparation and implementation.

Moreover, in the case of Eurofound and EU-OSHA, an ad hoc request can be asked for, to address an urgent need for the agency's expertise in a specific area. EU-OSHA has also provided relevant contributions in the areas under its remit.

Some numbers illustrate the Eurofound's support to EU policy preparation and implementation: Eurofound made 185 contributions to EU policy documents in 2019; Cedefop made 68 contributions to EU-level documents and its work was referenced 454 times in 167 EU-level policy documents.

33. The founding regulations of CEDEFOP, EUROFOUND and EU-OSHA were recently recast, according to ECA Special Report of Future of EU Agencies, in all cases the Commission submitted the recast proposal before receiving the final report of a joint evaluation. What were the reasons behind this?

The Commission did not wait until the completion of the cross-cutting evaluation before submitting its proposals for the revision of the Founding Regulations of Eurofound, Cedefop and EU-OSHA because:

- The revisions are based on the Inter-institutional Agreement, also called Common Approach, signed back in 2012. As a high number of provisions of the former Regulations were not in line with this agreement, the Commission proposed their revision already back in 2016.
- Waiting for the findings of the evaluation would have meant a further important delay of this overdue revision, which was essentially technical in nature.
- Moreover, whereas the evaluation suggests a number of recommendations for each of the agencies concerned, none of them would have required changes to the legislative proposals of the Commission.