

Opinion of the Committee of the Regions on 'Proposal for a regulation on the European Social Fund'

(2012/C 225/09)

THE COMMITTEE OF THE REGIONS

- is pleased that the ESF is to keep its particular character of a structural fund, continuing to be a firmly entrenched element of EU cohesion policy, rather than becoming a sectoral policy;
- has reservations about the extent to which the timid increase in the ESF budget will be adequate to support the ambitious goals set for the fund;
- requests that a more appropriate legal basis than the ESF be found immediately for the matter of food support for the most deprived;
- is concerned that the 'full alignment' of the ESF with the objectives of the Europe 2020 strategy may constrain the mission of the Fund in relation to cohesion policy, as set out in the Treaty (cf. rural regions, regions undergoing industrial change, island, cross-border and mountain regions);
- regrets that there is no reference to promoting flexicurity in the labour market, and notes that flexicurity is covered by one of the Europe 2020 Integrated Guidelines (Guideline 7);
- approves the allocation of at least 20 % of total ESF resources in each Member State to the thematic objective 'promoting social inclusion and combating poverty';
- while welcoming the aim of thematic concentration, is against the Commission's chosen method and procedure for pursuing this goal and would advocate more flexibility;
- is disappointed that Article 6 of the proposal for a Regulation, 'Involvement of partners', as well as recital (9), make no mention at all of local authorities, referring only to the social partners and non-governmental organisations;
- is surprised that the Commission proposal does not provide for cross-border and interregional cooperation alongside transnational cooperation;
- welcomes the reference to the need for 'mobilisation of regional and local stakeholders' to deliver the Europe 2020 strategy and to the option of using territorial pacts to achieve this goal but would favour expanding its use to other funds;

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Reference document	Proposal for a Regulation of the European Parliament and of the Council on the European Social Fund and repealing Council Regulation (EC) No 1081/2006 COM(2011) 607 final - 2011/0268 (COD)

I. POLICY RECOMMENDATIONS

THE COMMITTEE OF THE REGIONS

A. General comments

1. is pleased that the ESF, which is an indispensable tool for supporting employment, promoting social inclusion and fighting poverty, is to keep its particular character of a structural fund, even after 2013, continuing to be a firmly entrenched element of EU cohesion policy, rather than becoming a sectoral policy;

2. endorses the retention, redeployment and reinforcement of the basic thematic objectives of ESF measures, which are divided between four categories, each with a number of investment priorities;

3. welcomes in particular the greater emphasis placed on 'promoting social inclusion and combating poverty' by making this a basic thematic objective, given that social protection is now considered to be absolutely crucial in a situation of severe economic crisis affecting a large number of Europe's citizens;

4. welcomes the proposed modest increase in the amount earmarked for the ESF, which comes to EUR 84 billion, representing 25 % of the total budget allocated to cohesion policy for 2014-2020 (compared with around EUR 75 billion and 23 % for the current programming period);

5. has reservations, however, about the extent to which this timid increase in the ESF budget (which in effect is less than it appears since the minimum ESF allocation also includes EUR 2.5 billion transferred from the CAP for food support for the most deprived persons) will be adequate to support the ambitious goals set for the fund;

6. expresses doubt as to whether the food aid for the most deprived persons, which the CoR in principle strongly supports, is covered by the objectives defined in the relevant Article 162 TFEU. Notes in addition that food support for the most deprived persons is not mentioned in the corpus of the draft ESF regulation and intervention areas (in particular Article 3 on the scope of support). Requests therefore that a more appropriate legal basis than the ESF be found immediately for the matter of food support for the most deprived;

7. wonders whether more ambitious goals should not be set for the financing of cohesion policy in general and the ESF in particular during a period of severe economic crisis in Europe with dramatic social repercussions;

8. regrets that the Commission once again has not had the courage to take on board the positions of the CoR on measuring progress using criteria beyond GDP that capture economic, social and environmental parameters;

9. calls on the European Commission and the other competent EU bodies to step up their efforts to permit use of the most recent national statistical data, from the period 2009-2011, and regional data, from the period 2008-2010 (rather than those for 2007-2009 and 2006-2008, respectively), so as to document as accurately as possible the extremely adverse economic climate with a view to allowing use of the ESF to address the greater needs in this situation; for reasons of equality before the law, calls for the methodology for the distribution of funds to ensure that regions still covered by the convergence objective are in all cases definitely eligible for more funding than those in the transition category;

10. opposes any notion of adopting macro-economic conditionality clauses, especially in relation to the ESF, as this would penalise regional authorities and ultimately the beneficiaries of the Fund - which according to Article 2(3) of the proposal for a Regulation are 'people, including disadvantaged groups such as long-term unemployed, people with disabilities, migrants, ethnic minorities, marginalised communities and people facing social exclusion', as well as businesses - for delays on the part of central governments in promoting reforms to which they have committed themselves in the framework of the National Reform Programmes;

11. is concerned about a number of points in the Commission proposal, such as for instance those relating to thematic concentration, because they will limit scope to tailor ESF support to the needs and particularities of individual regions, which raise issues of conflict with the subsidiarity and proportionality principles;

12. points out that the Commission is bound under the Treaties to respect the subsidiarity principle and that this is a matter of particular interest to the CoR, since Article 2 of the *Protocol on the application of the principles of subsidiarity and proportionality* stipulates that consultations conducted during the process of enacting legislation should 'take into account the regional and local dimension of the action envisaged'; furthermore, Article 5 of the same protocol specifies that justification must be provided for Commission proposals. Since the present proposal simply invokes in the usual general and vague terms the need for ESF interventions to be effective, it can hardly be said to meet this specification;

13. points out that providing for compulsory minimum amounts and shares, and restrictions on thematic concentration and transnational cooperation, creates a risk of transforming the role of the Commission from a strategic partner and adviser to an oversight body that is required only to verify and approve the compliance of the programmes drawn up by Member States and regions with criteria set in advance at EU level that may be quite inappropriate to their needs;

14. endorses the creation of a new, 'transition', category of region whose GDP is between 75 % and 90 % of EU GDP, but also espouses the right for all EU regions to benefit from ESF funding, including those that are not lagging in terms of statistical averages but nevertheless often face problems of social cohesion owing to pockets of poverty and underdevelopment in their territory;

15. considers, at any rate, that the new method of classifying regions should not lead to an exceptionally steep fall in the amount of assistance received by the regions compared with the current programming period, and asks that a safeguard be provided for to ensure that the regions do not receive assistance during the 2014-2020 period that would be less than two thirds of the assistance received during 2007-2013;

16. welcomes the initiative to prioritise ESF shares, but calls for them to be reduced in order to make them more proportionate and give Member States and regions the flexibility they need in planning, which should take place as close as possible to the source of local opportunities and problems;

17. believes that the planned minimum ESF shares by category of region should be made indicative, as this would allow them to be tailored to each individual region during negotiation of the partnership contract;

18. welcomes as a positive step the aim of coordinating the operations of the various EU structural funds and making them coherent, especially the complementarity of ERDF and ESF operations in the context of cohesion policy and the Europe 2020 strategy, which could produce significant synergies;

19. on the one hand endorses the concern to promote the involvement of the social partners and NGOs in the processes of planning and implementing ESF operations;

20. on the other hand points with displeasure to the general mistrust on the part of the Commission towards local and regional authorities, which are and must continue to be key actors in planning and implementing the operational programmes;

B. Mission and scope of ESF assistance

21. commends the basic guiding principle of linking ESF tasks and actions to the Europe 2020 strategy for smart, sustainable and inclusive growth;

22. is concerned, however, that the 'full alignment' of the ESF with the objectives of the Europe 2020 strategy may constrain the mission of the Fund in relation to cohesion policy, as set out in the Treaty, in particular the mission to support the most comprehensive and integrated programming

approaches while paying due attention to the territorial dimension;

23. considers that the ESF's key mission, in the context of its alignment with the objectives of the Europe 2020 strategy, is to narrow the development gap for the most disadvantaged regions, as defined in Article 174 of the Treaty on the Functioning of the European Union (rural regions, regions undergoing industrial change, the northernmost regions, which are extremely sparsely populated, and island, cross-border and mountain regions); the CoR reiterates its concerns about the risk of transforming the ESF from a key lever of cohesion policy into an instrument exclusively serving the Europe 2020 strategy;

24. also regrets that in aligning the ESF with the objectives of the Europe 2020 strategy, due consideration has not been given to the specific, unique situation of the outermost regions, recognised in Article 349 TFEU.

25. appreciates and welcomes the Commission's comprehensive and coherent approach to framing the scope of application of ESF assistance, which is required to support four thematic objectives directly and a further four indirectly of the total of eleven set out in Article 9 of the general regulation on the funds covered by the Common Strategic Framework for smart, sustainable and inclusive growth; these thematic objectives in turn are broken down into 18 investment priorities;

26. draws attention to the fact that in this way the ESF will both continue to fulfil its basic mission under the Treaty, which is to 'improve employment opportunities for workers', and be able to meet the social needs resulting from an exceptionally adverse economic climate by 'promoting social inclusion and combating poverty', a goal that is upgraded from an investment priority to a specific thematic objective;

27. regrets that there is no reference to promoting flexicurity in the labour market, and notes that flexicurity is covered by one of the Integrated Guidelines of the Europe 2020 strategy (Guideline 7);

28. welcomes the specific use of the ESF to promote education, research and technological development at a time when public investment in these areas is on a downward trend, and is in favour of opening the ESF for investment in physical capital that corresponds to ESF objectives, such as education infrastructure;

29. requests a reference in the ESF regulation to areas with natural and demographic handicaps similar to the one foreseen in Article 10 of the draft regulation on the European Fund for Regional Development;

30. considers it necessary that this area be treated as an investment priority in view of the massive demographic changes in many Member States requiring considerable adaptation of educational structures. The Committee operates on the assumption that its call for investment in securing sustainable educational structures and skilled labour in light of these demographic changes is in keeping with Article 3(1)(b)(iii);

31. is particularly pleased to note that a considerable number of the policy areas representing investment priorities are directly relevant to the competences of local and regional authorities and will therefore help them in performing their tasks; however, there is also an urgent need for those authorities to be positively involved in planning and implementing the relevant operational programmes;

32. urges the Commission to clarify the scope of certain investment priorities where unclear and to place more emphasis on others, and indeed create new ones where necessary, for example in relation to promoting the territorial dimension of ESF operations;

C. Consistency and thematic concentration

33. welcomes the intention to require the Member States to ensure that their strategies and actions as set out in the operational programmes are consistent in addressing the challenges identified in the National Reform Programmes, so that they contribute to achieving the headline targets of the Europe 2020 strategy on employment, education and poverty reduction, since a healthy macroeconomic environment is needed in order to maximise the results of cohesion policy;

34. points to another instance where the wording chosen ('Member States shall ensure that the strategy and actions set out in the Operational Programmes are consistent and *focused*', whereas the expression 'contribute to' is used in the current Regulation), confirms the risk of diverting the ESF from its role as a lever of cohesion policy to a tool used exclusively for the Europe 2020 strategy (see points 21-24 above);

35. as regards concentrating funding, approves the allocation of at least 20 % of total ESF resources in each Member State to the thematic objective 'promoting social inclusion and combating poverty';

36. wonders whether the envisaged minimum of 20 % (or EUR 16.8 billion over the whole period) will be effective, when the European Commission itself concedes in its proposal that around one quarter of Europe's citizens (over 113 million people) are threatened by poverty and social exclusion;

37. while welcoming the aim of thematic concentration, is against the Commission's chosen method and procedure for pursuing this goal, as set out in Article 4(3) of the proposal for a Regulation: prescribing very high rates of concentration for allocations to each operational programme, ranging from 80 % to 60 % depending on the category of region, in up to four of the total 18 investment priorities, is incompatible with the principles of subsidiarity and proportionality, as this may not prove adequate to cover the particular needs and priorities of each region;

38. would advocate, instead, a process for concentrating funding with (i) lower allocation concentration percentages for each operational programme than those proposed by the

Commission and (ii) the four investment priorities as an indicative figure that would represent an EU threshold and could be increased to six priorities when the operational programmes are negotiated in the interests of meeting the concentration objective while also serving the specific needs and priorities of each region;

D. Monitoring and evaluation system

39. in principle endorses the introduction of a system of common output and result indicators for the programmes, which initiates a long-overdue effort to harmonise at EU level the rules for evaluating the results of ESF measures and will help considerably to improve the reliability, quality and visibility of monitoring procedures;

40. believes, however, since harmonisation of indicators of the programme performance indicators is still at an early stage and the Commission's preferred common indicators have not been tested, and considering that it is certainly more difficult to measure the impact of measures funded through the ESF than those funded through other types of intervention, these indicators should be indicative rather than compulsory and that above all they should not be associated with 'performance-based conditionality';

41. maintains, on the contrary, that the need to improve the reliability, quality and visibility of monitoring procedures can be met by having *internal specific output/result indicators at programme level* negotiated between national and subnational authorities that should be modelled (fully or partly) on the common output and result indicators proposed by the Commission, while allowing for the necessary flexibility when these are adopted;

E. Involvement of partners

42. is disappointed that Article 6 of the proposal for a Regulation, 'Involvement of partners', as well as recital (9), make no mention at all of local authorities, referring only to the social partners and non-governmental organisations; this demonstrates the mistrust towards local and regional authorities mentioned above;

43. in relation to partnership, regards as unfair the subsuming of local and regional authorities under the category of social partners, since as representatives of the general interests of every community they administer, local and regional authorities, taking into consideration the institutional framework of the Member State, co-manage and co-finance cohesion policy projects;

44. regrets that this provision does not explicitly refer to all partners listed in Article 5 of the proposal for a Regulation laying down Common Provisions (CPR). Indeed, Article 5 of the CPR recognises the competent local and regional authorities as key partners of the national authorities in implementing the programmes of the EU Structural Funds, including the ESF, together with the social partners and non-governmental organisations. Therefore, this lack of reference must be rectified;

45. welcomes the fact that social partners and non-governmental organisations are encouraged to participate by ensuring that an adequate amount of ESF funding is allocated for their capacity-building activities in relation to programme planning and implementation;

46. however, likewise advocates promoting the ability of smaller local authorities (e.g. small rural municipalities) to take part in and access measures supported by the ESF through appropriate capacity-building activities, as well as support from the ESF for networking activities enabling local authorities to compare at EU level their experiences on matters of joint interest (e.g. youth unemployment, population ageing, integration of the Roma);

F. Gender equality and non-discrimination

47. endorses the provisions of the proposal for a Regulation that relate to promoting gender equality and equal opportunities, including accessibility for people with disabilities, through mainstreaming the principle of non-discrimination, in so far as they demonstrate a renewed effort to eliminate all forms of discrimination, as provided for in Article 19 of the Treaty on the Functioning of the European Union. A particularly positive provision here, which reflects progress made, is the requirement that the Member States not only ensure that their operational programmes include 'a description of how gender equality and equal opportunities are promoted' (current Regulation) but that gender equality and equal opportunities are also mainstreamed in legislation;

G. Social innovation and transnational cooperation

48. commends the proposal's support for 'social innovation', since it has already mounted major initiatives on promoting social innovation (e.g. the forum on social innovation held in May 2011), but would suggest that specific mention of local and regional authorities would be appropriate here, since they should be given the opportunity to be involved, together with the Member States, in identifying themes for social innovation;

49. endorses the continuation and strengthening of transnational cooperation with the aim of promoting mutual learning and thereby increasing the effectiveness of policies supported by the ESF;

50. is surprised that the Commission proposal does not provide for interregional cooperation alongside transnational cooperation, which the existing Regulation does, in particular considering that since the expiry of the EQUAL initiative (2000-2006) transnational cooperation has dwindled and in certain Member States disappeared altogether;

51. rejects as excessive the restriction whereby Member States may select themes for transnational co-operation only from a list proposed by the Commission and endorsed by the ESF Committee, and asks that this provision be removed;

H. Specific provisions on the treatment of particular territorial features

52. in particular welcomes the support to be provided for community-led local development strategies, territorial pacts, local initiatives for employment, education and social inclusion and Integrated Territorial Investments (ITI), which are important ways of taking specific territorial features into account, and calls for these approaches to be extended to the other Structural Funds and other policy spheres;

53. welcomes the reference to the need for 'mobilisation of regional and local stakeholders' to deliver the Europe 2020 strategy and to the option of using territorial pacts to achieve this goal;

54. points here to previous CoR positions in favour of expanding the use of territorial pacts to implement the Europe 2020 strategy and/or in the context of cohesion policy as '*an option available to formalise partnership arrangements at a level beneath the partnership contracts*';

55. wholeheartedly endorses the reference to the need for complementarity between ESF and ERDF interventions where the ESF is used to support sustainable urban development strategies. For many local authorities it has often been very difficult, if not impossible, to fund integrated urban development measures combining ESF and ERDF funding, because the two funds applied very different administrative rules, with different managing authorities and no coordination of timetables;

56. at the same time calls for this measure to be extended to strategies for the integrated development of rural regions. It would actually be very useful to combine ESF and ERDF funding in addressing problems associated with extreme poverty in rural regions (e.g. Roma camps in central and eastern Europe);

I. Simplification measures and innovative financial instruments

57. welcomes the simplification measures put forward by the Commission, specifically the restriction on the number of eligibility rules so as to facilitate access for smaller beneficiaries and operations to ESF funding, the eligibility of contributions in kind, wider use of global grants, and simplified cost options, such as lump sums, including making their use obligatory for smaller operations (up to EUR 50 000). These measures, together with those proposed in connection with the review of the EU Financial Regulation, will effectively reduce the administrative burden for beneficiaries and managing authorities, and are particularly welcome in dealing with the plethora of small operations in the spheres of employment and social affairs (intangible rather than tangible investments). The administrative burden can now be so disproportionate that it outweighs the potential benefits for local authorities and discourages them from submitting applications for ESF projects;

58. believes, however, that there is further scope for simplification through adopting other measures, such as those discussed by the ad hoc group of the ESF Committee on the future of the European Social Fund. Such measures included adapting the rules on co-financing for certain priority axes, in particular smaller projects, and introducing a more efficient system for disbursements (more systematic use of pre-financing);

59. is in favour of the innovative financial instruments proposed to support ESF projects (risk-sharing schemes, equity

and debt, guarantee funds, holding funds and loan funds), and welcomes the specific reference to 'policy-based guarantees' to improve access for public and private bodies to capital markets at national and regional level;

60. asks the Commission to add the following to this list: revolving funds for microcredit operations, 'social bonds', an innovative measure that was discussed at the CoR forum on social innovation, and 'citizen bonds', a proposal made when drawing up the CoR opinions on the EU budget review and the new MFF post-2013.

II. RECOMMENDATIONS FOR AMENDMENTS

Amendment 1

Recital (9)

Text proposed by the Commission	CoR amendment
(9) Efficient and effective implementation of actions supported by the ESF depends on good governance and partnership between all relevant territorial and socio-economic actors, in particular the social partners and non-governmental organisations. It is therefore necessary that Member States encourage the participation of social partners and non-governmental organisations in the implementation of the ESF.	(9) Efficient and effective implementation of actions supported by the ESF depends on good governance and partnership between all relevant territorial and socio-economic actors, in particular <u>local and regional authorities</u> , the social partners and non-governmental organisations. It is therefore necessary that Member States encourage the participation of social partners and non-governmental organisations, <u>as well as local and regional authorities, which are at present lack this possibility</u> , in the implementation of the ESF.

Reason

See points 42 and 43 of the 'Policy recommendations' above.

Amendment 2

Article 1

Text proposed by the Commission	CoR amendment
<p><i>Article 1</i></p> <p>Subject matter</p> <p>This Regulation establishes the mission of the European Social Fund (ESF), the scope of its assistance, specific provisions and the types of expenditure eligible for assistance.</p>	<p><i>Article 1</i></p> <p>Subject matter</p> <p>This Regulation establishes the mission <u>tasks</u> of the European Social Fund (ESF), the scope of its assistance, specific provisions and the types of expenditure eligible for assistance.</p>

Reason

The mission of the ESF is enshrined in the Treaties (Articles 162 and 174-175 TFEU). The Committee therefore proposes that the wording be changed to that of the current Regulation (No 1081/2006), which refers to 'tasks' rather than 'mission'. This would make the wording of the proposal for a Regulation fully consistent with that of the Treaties: thus under Article 177 TFEU 'the European Parliament and the Council, acting by means of regulations in accordance with the ordinary legislative procedure and consulting the Economic and Social Committee and the Committee of the Regions, shall define the tasks, priority objectives and the organisation of the Structural Funds ...'

Amendment 3

Article 2

Text proposed by the Commission	CoR amendment
<p><i>Article 2</i></p> <p>Mission</p> <p>1. The ESF shall promote high levels of employment and job quality, support the geographical and occupational mobility of workers, facilitate their adaptation to change, encourage a high level of education and training, promote gender equality, equal opportunities and non-discrimination, enhance social inclusion and combat poverty, thereby contributing to the priorities of the European Union as regards strengthening economic, social and territorial cohesion.</p> <p>2. It shall do so by supporting Member States in pursuing the priorities and headline targets of the Europe 2020 strategy for smart, sustainable and inclusive growth. The ESF shall support the design and implementation of policies and actions, taking account of the integrated guidelines for the economic and employment policies of Member States and the Council Recommendations on the National Reform Programmes.</p> <p>3. The ESF shall benefit people, including disadvantaged groups such as the long-term unemployed, people with disabilities, migrants, ethnic minorities, marginalised communities and people facing social exclusion. The ESF shall also provide support to enterprises, systems and structures with a view to facilitating their adaptation to new challenges and promoting good governance and the implementation of reforms, in particular in the fields of employment, education and social policies.</p>	<p><i>Article 2</i></p> <p>Mission</p> <p>Tasks</p> <p>1. The ESF shall promote high levels of employment and job quality, support the geographical and occupational mobility of workers, facilitate their adaptation to change, encourage a high level of education and training, promote gender equality, equal opportunities and non-discrimination, enhance social inclusion and combat poverty, thereby contributing to the priorities of the European Union as regards strengthening economic, social and territorial cohesion.</p> <p>2. It shall do so by supporting Member States in pursuing the priorities and headline targets of the Europe 2020 strategy for smart, sustainable and inclusive growth. The ESF shall support the design and implementation of policies and actions, inter alia taking account of the integrated guidelines for the economic and employment policies of Member States and the Council Recommendations on the National Reform Programmes.</p> <p>3. The ESF shall benefit people, including disadvantaged groups such as the long-term unemployed, people with disabilities, migrants, ethnic minorities, marginalised communities and people facing social exclusion. The ESF shall also provide support to enterprises, systems and structures with a view to facilitating their adaptation to new challenges and promoting good governance and the implementation of reforms, in particular in the fields of employment, education and social policies.</p>

Reason

1. See comment on Article 1 as regards the title of this article.
2. In order to highlight the inherent territorial dimension of cohesion policy and correct the correlation between regional problems and disparities and the Europe 2020 strategy, it is proposed that 'inter alia' be added to soften the impact of the guidelines and recommendations on the ESF OPs.
3. It is surprising to include 'ethnic minorities' among the beneficiary groups. Identifying ethnic minorities as a separate category could raise serious issues of international and national law in many Member States.

Amendment 4

Article 3

Text proposed by the Commission	CoR amendment
<p><i>Article 3</i></p> <p>Scope of support</p> <p>1. Under the thematic objectives listed below, and in accordance with Article 9 of Regulation (EU) No [...], the ESF shall support the following investment priorities:</p>	<p><i>Article 3</i></p> <p>Scope of support</p> <p>1. Under the thematic objectives listed below, and in accordance with Article 9 of Regulation (EU) No [...], the ESF shall support the following investment priorities:</p>

Text proposed by the Commission	CoR amendment
<p>(a) Promoting employment and supporting labour mobility through:</p> <ul style="list-style-type: none"> (i) Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility; (ii) Sustainable integration of young people not in employment, education or training into the labour market; (iii) Self-employment, entrepreneurship and business creation; (iv) Equality between men and women and reconciliation between work and private life; (v) Adaptation of workers, enterprises and entrepreneurs to change; (vi) Active and healthy ageing; (vii) Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility; <p>(b) Investing in education, skills and life-long learning through:</p> <ul style="list-style-type: none"> (i) Reducing early school-leaving and promoting equal access to good-quality early-childhood, primary and secondary education; (ii) Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels; (iii) Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems; <p>(c) Promoting social inclusion and combating poverty through:</p> <ul style="list-style-type: none"> (i) Active inclusion; (ii) Integration of marginalised communities such as the Roma; (iii) Combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation; (iv) Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest; (v) Promoting the social economy and social enterprises; 	<p>(a) Promoting employment and supporting labour mobility through:</p> <ul style="list-style-type: none"> (i) Access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility, <u>especially in the northernmost regions, which are especially sparsely populated, island and upland regions and the outermost regions;</u> (ii) Sustainable integration of young people not in employment, education or training into the labour market; (iii) Self-employment, entrepreneurship and business creation; (iv) Equality between men and women and reconciliation between work and private life; (v) Adaptation of workers, enterprises and entrepreneurs to change, <u>especially in regions in industrial transition;</u> (vi) Active and healthy ageing; (vii) Modernisation and strengthening of labour market institutions, including actions to enhance transnational labour mobility; <p>(b) Investing in education, skills and life-long learning through:</p> <ul style="list-style-type: none"> (i) Reducing early school-leaving and promoting equal access to good-quality early-childhood, primary and secondary education; (ii) Improving the quality, efficiency and openness of tertiary and equivalent education with a view to increasing participation and attainment levels; (iii) Enhancing access to lifelong learning, upgrading the skills and competences of the workforce and increasing the labour market relevance of education and training systems; <p>(c) Promoting social inclusion and combating poverty through:</p> <ul style="list-style-type: none"> (i) Active inclusion <u>of people excluded from the labour market;</u> (ii) Integration of marginalised communities such as the Roma; (iii) Combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation; (iv) Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest; (v) Promoting the social economy and social enterprises;

Text proposed by the Commission	CoR amendment
<p>(vi) Community-led local development strategies;</p> <p>(d) Enhancing institutional capacity and efficient public administration through:</p> <p>(i) Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance;</p> <p>this investment priority is only applicable throughout the territory of the Member States which have at least one NUTS level 2 region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support.</p> <p>(ii) Capacity building for stakeholders delivering employment, education and social policies and sectoral and territorial pacts to mobilise for reform at national, regional and local level.</p>	<p>(vi) Community-led local development strategies;</p> <p>(d) Enhancing institutional capacity and efficient public administration through:</p> <p>(i) Investment in institutional capacity and in the efficiency of public administrations and public services with a view to reforms, better regulation and good governance;</p> <p>this investment priority is only applicable throughout the territory of the Member States which have at least one NUTS level 2 region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support.</p> <p>(ii) Capacity building for stakeholders delivering employment, education and social policies; and sectoral and territorial pacts to mobilise for reform at national, regional and local level.</p> <p><u>(iii) Capacity building for territorial pacts and local initiatives with the aim of promoting the territorial dimension of the ESF.</u></p>
<p>2. Through the investment priorities listed in paragraph 1, the ESF shall also contribute to the other thematic objectives listed in Article 9 of Regulation (EU) No [...], primarily by:</p> <p>(a) Supporting the shift towards a low-carbon, climate-resilient, resource-efficient and environmentally sustainable economy, through reform of education and training systems, adaptation of skills and qualifications, up-skilling of the labour force, and the creation of new jobs in sectors related to the environment and energy;</p> <p>(b) Enhancing the accessibility, use and quality of information and communication technologies, through the development of digital literacy, investment in e-inclusion, e-skills and related entrepreneurial skills;</p> <p>(c) Strengthening research, technological development and innovation, through the development of post-graduate studies, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises;</p> <p>(d) Enhancing the competitiveness of small and medium-sized enterprises, through promoting the adaptability of enterprises and workers and increased investment in human capital.</p>	<p>2. Through the investment priorities listed in paragraph 1, the ESF shall also contribute to the other thematic objectives listed in Article 9 of Regulation (EU) No [...], primarily by:</p> <p>(a) Supporting the shift towards a low-carbon, climate-resilient, resource-efficient and environmentally sustainable economy, through reform of education and training systems, adaptation of skills and qualifications, up-skilling of the labour force, and the creation of new jobs in sectors related to the environment and energy;</p> <p>(b) Enhancing the accessibility, use and quality of information and communication technologies, through the development of digital literacy, investment in e-inclusion, e-skills and related entrepreneurial skills;</p> <p>(c) Strengthening research, technological development and innovation, through the development of post-graduate studies, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises;</p> <p>(d) Enhancing the competitiveness of small and medium-sized enterprises, through promoting the adaptability of enterprises and workers and increased investment in human capital.</p>

Reason

These amendments refer to regions referred to in Articles 174 and 349 of the Treaty on the Functioning of the European Union. They are also intended to clarify and enhance an otherwise effective provision, while better promoting and strengthening the territorial pacts as an instrument.

Amendment 5

Article 4

Text proposed by the Commission	CoR amendment
<p><i>Article 4</i></p> <p>Consistency and thematic concentration</p> <p>1. Member States shall ensure that the strategy and actions set out in the Operational Programmes are consistent and focused on addressing the challenges identified in the National Reform Programmes and the relevant Council Recommendations made under Article 148(4) of the Treaty, in order to contribute to achieving the headline targets of the Europe 2020 strategy on employment, education and poverty reduction.</p> <p>2. At least 20 % of the total ESF resources in each Member State shall be allocated to the thematic objective 'promoting social inclusion and combating poverty' set out in Article 9(9) of Regulation (EU) No [...].</p> <p>3. Member States shall pursue thematic concentration according to the following modalities:</p> <p>(a) For more developed regions, Member States shall concentrate 80 % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p> <p>(b) For transition regions, Member States shall concentrate 70 % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p> <p>(c) For less developed regions, Member States shall concentrate 60 % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p>	<p><i>Article 4</i></p> <p>Consistency and thematic concentration</p> <p>1. Member States shall ensure that the strategy and actions set out in the Operational Programmes are consistent and focused on that they contribute to addressing the challenges identified in the National Reform Programmes and the relevant Council Recommendations made under Article 148(4) of the Treaty, in order to contribute to achieving the headline targets of the Europe 2020 strategy on employment, education and poverty reduction.</p> <p>2. At least 20 % of the total ESF resources in each Member State shall be allocated to the thematic objective 'promoting social inclusion and combating poverty' set out in Article 9(9) of Regulation (EU) No [...].</p> <p>3. Member States shall pursue thematic concentration according to the following modalities:</p> <p>(a) For more developed regions, Member States shall concentrate 80 <u>70</u> % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p> <p>(b) For transition regions, Member States shall concentrate 70 <u>60</u> % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p> <p>(c) For less developed regions, Member States shall concentrate 60 <u>50</u> % of the allocation to each operational programme on up to four of the investment priorities set out in Article 3(1).</p> <p><u>(d) the figure of four investment priorities mentioned above can be increased to up to six of the priorities mentioned in Article 3(1), if this is specifically warranted to serve and meet more fully the particular needs and priorities of each region.</u></p>

Reason

See points 37 and 38 of the 'Policy recommendations' above.

Amendment 6

Article 5

Text proposed by the Commission	CoR amendment
<p><i>Article 5</i></p> <p>Indicators</p> <p>1. Common indicators as set out in the Annex to this Regulation and programme specific indicators shall be used in accordance with Article 24(3) and 87(2)(b)(ii) of Regulation (EU) No [...]. All indicators shall be expressed in absolute numbers.</p>	<p><i>Article 5</i></p> <p>Indicators</p> <p>1. Common indicators as set out in the Annex to this Regulation and programme specific indicators shall be used in accordance with Article 24(3) and 87(2)(b)(ii) of Regulation (EU) No [...]. All indicators shall be expressed in absolute numbers.</p>

Text proposed by the Commission	CoR amendment
<p>Common and programme specific output indicators relate to partially or fully implemented operations. Where relevant to the nature of the operations supported, cumulative quantified target values shall be fixed for 2022. Baseline indicators shall be set at zero.</p> <p>Common and programme specific result indicators relate to the priority axes or the sub-priorities established under a priority axis. Baseline indicators shall use the latest available data. Cumulative quantified target values shall be fixed for 2022.</p> <p>2. At the same time as the annual implementation reports, the managing authority shall transmit electronically structured data for each investment priority. The data shall cover the categorisation and the output and result indicators.</p>	<p>Common and programme specific output indicators relate to partially or fully implemented operations. Where relevant to the nature of the operations supported, cumulative quantified target values shall be fixed for 2022. Baseline indicators shall be set at zero.</p> <p>Common and programme specific result indicators relate to the priority axes or the sub-priorities established under a priority axis. Baseline indicators shall use the latest available data. Cumulative quantified target values shall be fixed for 2022.</p> <p>2. At the same time as the annual implementation reports, the managing authority shall transmit electronically structured data for each investment priority. The data shall cover the categorisation and the output and result indicators.</p> <p><u>1. The operational programmes shall set out, after agreement between the Member States and partners concerned, the output and result indicators applied in accordance with Article 24(3) and Article 87(2)(b)(ii) of Regulation (EU) No [...]. All indicators shall be expressed in absolute numbers.</u></p> <p><u>2. As defined in the Annex to the present Regulation, the common indicators shall be indicative in nature and serve as a guide for the authorities of the Member States and the participating partners when setting output and result indicators for each programme.</u></p> <p><u>3. The indicators agreed on for each programme shall be approved and validated by the Commission in accordance with Article 87(5) of Regulation (EU) No [...].</u></p>

Reason

The CoR proposes a radical amendment to Article 5 in accordance with its comments in points 39 to 41 of the 'Policy recommendations' above.

Amendment 7

Article 6

Text proposed by the Commission	CoR amendment
<p><i>Article 6</i></p> <p>Involvement of partners</p> <p>1. The involvement of the social partners and other stakeholders, in particular non-governmental organisations, in the implementation of operational programmes, as referred to in Article 5 of Regulation (EU) No [...], may take the form of global grants as defined in Article 112(7) of Regulation (EU) No [...]. In such a case, the operational programme shall identify the part of the programme concerned by the global grant, including an indicative financial allocation from each priority axis to it.</p> <p>2. To encourage adequate participation of the social partners in actions supported by the ESF, managing authorities of an operational programme in a region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support shall ensure that an appropriate amount of ESF resources is allocated to capacity-building activities, in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners.</p>	<p><i>Article 6</i></p> <p>Involvement of partners</p> <p>1. The involvement of <u>local and regional authorities</u>, the social partners and other stakeholders, in particular non-governmental organisations, in the implementation of operational programmes, as referred to in Article 5 of Regulation (EU) No [...], may take the form of global grants as defined in Article 112(7) of Regulation (EU) No [...]. In such a case, the operational programme shall identify the part of the programme concerned by the global grant, including an indicative financial allocation from each priority axis to it.</p> <p>2. To encourage adequate participation of the social partners in actions supported by the ESF, managing authorities of an operational programme in a region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support shall ensure that an appropriate amount of ESF resources is allocated to capacity-building activities, in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners.</p>

Text proposed by the Commission	CoR amendment
<p>3. To encourage adequate participation of and access by non-governmental organisations to actions supported by the ESF, notably in the fields of social inclusion, gender equality and equal opportunities, the managing authorities of an operational programme in a region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support shall ensure that an appropriate amount of ESF resources is allocated to capacity-building for non-governmental organisations.</p>	<p>3. To encourage adequate participation of and access by non-governmental organisations to actions supported by the ESF, notably in the fields of social inclusion, gender equality and equal opportunities, the managing authorities of an operational programme in a region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support shall ensure that an appropriate amount of ESF resources is allocated to capacity-building for non-governmental organisations.</p> <p><u>4. To encourage adequate participation by smaller local authorities in actions supported by the ESF, the managing authorities of an operational programme in a region as defined in Article 82(2)(a) of Regulation (EU) No [...] or in Member States eligible for Cohesion Fund support shall ensure that an appropriate amount of ESF resources is allocated to capacity-building for smaller local authorities.</u></p>

Reason

See points 42 to 46 of the 'Policy recommendations' above.

Amendment 8

Article 9

Text proposed by the Commission	CoR amendment
<p><i>Article 9</i></p> <p>Social innovation</p> <p>1. The ESF shall promote social innovation within all areas falling under the scope of the ESF, as defined in Article 3 of this Regulation, in particular with the aim of testing and scaling up innovative solutions to address social needs.</p> <p>2. Member States shall identify themes for social innovation, corresponding to their specific needs in their operational programmes.</p> <p>3. The Commission shall facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating good practices and methodologies.</p>	<p><i>Article 9</i></p> <p>Social innovation</p> <p>1. The ESF shall promote social innovation within all areas falling under the scope of the ESF, as defined in Article 3 of this Regulation, in particular with the aim of testing and scaling up innovative solutions to address social needs.</p> <p>2. Member States shall identify themes for social innovation <u>jointly with their partners at local and regional level. These themes shall reflect specific regional needs and shall be defined</u> corresponding to their specific needs in their operational programmes.</p> <p>3. The Commission shall facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating good practices and methodologies. <u>It will also ensure consistency and complementarity between social innovation measures implemented under the ESF and under the EU Programme for Social Change and Innovation.</u></p>

Reason

- See point 48 of the 'Policy recommendations' above.
- This is a cross-reference to Article 8 of the Proposal for a Regulation on a European Union Programme for Social Change and Innovation, which is the subject of another CoR opinion (CdR 335/2011, rapporteur: Enrico Rossi (IT/PES)), adopted on 3 May 2012.

Amendment 9

Article 10

Text proposed by the Commission	CoR amendment
<p><i>Article 10</i></p> <p>Transnational cooperation</p> <p>1. Member States shall support transnational cooperation with the aim of promoting mutual learning and thereby increasing the effectiveness of policies supported by the ESF. Transnational cooperation shall involve partners from at least two Member States.</p> <p>2. Member States may select themes for transnational co-operation from a list proposed by the Commission and endorsed by the ESF Committee.</p> <p>3. The Commission shall facilitate transnational cooperation on the themes referred to in paragraph 2 through mutual learning and coordinated or joint action. In particular, the Commission shall operate an EU-level platform to facilitate the exchange of experience, capacity building and networking, as well as dissemination of the relevant outcomes. In addition, the Commission shall develop a coordinated implementation framework, including common eligibility criteria, types and timing of actions, and common methodological approaches for monitoring and evaluation, with a view to facilitating transnational cooperation.</p>	<p><i>Article 10</i></p> <p><u>Cross-border, transnational and interregional cooperation</u></p> <p>1. Member States shall support <u>cross-border, transnational and interregional</u> cooperation with the aim of promoting mutual learning and thereby increasing the effectiveness of policies supported by the ESF. Transnational cooperation shall involve partners from at least two Member States.</p> <p>2. Member States may select themes for <u>cross-border, transnational and interregional</u> co-operation from a list proposed by the Commission and endorsed by the ESF Committee.</p> <p>3. The Commission shall facilitate <u>cross-border, transnational and interregional</u> cooperation on the themes referred to in paragraph 2 through mutual learning and coordinated or joint action. In particular, the Commission shall operate an EU-level platform to facilitate the exchange of experience, capacity building and networking, as well as dissemination of the relevant outcomes. In addition, the Commission shall develop a coordinated implementation framework, including common eligibility criteria, types and timing of actions, and common methodological approaches for monitoring and evaluation, with a view to facilitating <u>cross-border, transnational and interregional</u> cooperation. <u>Cross-border, transnational and interregional cooperation within the ESF should be aligned with the ETC Regulation in order to ensure coordination between the funds as provided for in that Regulation.</u></p>

Reason

1. See points 49 to 51 of the 'Policy recommendations' above.
2. The original wording did not ensure consistency of transnational cooperation under the ESF with transnational cooperation under European Territorial Cooperation.
3. There are three distinct dimensions to territorial cooperation: cross-border, transnational and inter-regional cooperation.

Amendment 10

Article 12

Text proposed by the Commission	CoR amendment
<p><i>Article 12</i></p> <p>Specific provisions on the treatment of particular territorial features</p> <p>1. The ESF may support community-led local development strategies, as referred to in Article 28 of Regulation (EU) No [...], territorial pacts and local initiatives for employment, education and social inclusion, as well as Integrated Territorial Investments (ITI) as referred to in Article 99 of Regulation (EU) No [...].</p>	<p><i>Article 12</i></p> <p>Specific provisions on the treatment of particular territorial features</p> <p>1. The ESF may support community-led local development strategies, as referred to in Article 28 of Regulation (EU) No [...], territorial pacts and local initiatives for employment, education and social inclusion, as well as Integrated Territorial Investments (ITI) as referred to in Article 99 of Regulation (EU) No [...].</p>

Text proposed by the Commission	CoR amendment
<p>2. Complementing ERDF interventions as referred to in Article 7 of Regulation (EU) No [ERDF], the ESF may support sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental and social challenges affecting urban areas of cities which are listed in the partnership contract.</p>	<p>2. Complementing ERDF interventions as referred to in Article 7 of Regulation (EU) No [ERDF], the ESF may support sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental and social challenges affecting urban areas of cities which are listed in the partnership contract.</p> <p>3. <u>Complementing ERDF interventions as referred to in Article 7 of Regulation (EU) No [ERDF], the ESF may support strategies for integrated development of rural areas to tackle the economic, environmental and social challenges affecting the rural areas which are listed in the partnership contract.</u></p> <p>4. <u>Operational programmes co-financed by the ESF covering areas with severe and permanent natural or demographic handicaps referred to in Article 111(4) of Regulation (EU) No [...] /2012 [CPR] shall pay particular attention to addressing the specific difficulties of those areas.</u></p>

Reason

See point 29 and 56 of the 'Policy recommendations' above.

Amendment 11

Article 14

Text proposed by the Commission	CoR amendment
<p><i>Article 14</i></p> <p>Simplified cost options</p> <p>1. In addition to the methods referred to in Article 57 of Regulation (EU) No [...], the Commission may reimburse expenditure paid by Member States on the basis of standard scales of unit costs and lump sums defined by the Commission. The amounts calculated on this basis shall be regarded as public support paid to beneficiaries and as eligible expenditure for the purpose of applying Regulation (EU) No [...].</p> <p>For this purpose the Commission shall be empowered to adopt delegated acts in accordance with Article 16 concerning the type of operations covered, the definitions of the standard scales of unit costs and lump sums and their maximum amounts, which may be adjusted according to the applicable commonly agreed methods.</p> <p>Financial audit shall exclusively aim at verifying that the conditions for reimbursements by the Commission on the basis of standard scales of unit costs and lump sums have been fulfilled.</p> <p>Where these forms of funding are used, the Member State may apply its accounting practices to support operations. For the purpose of this regulation and Regulation (EU) No [...] these accounting practices and the resulting amounts shall not be subject to audit by the audit authority or by the Commission.</p>	<p><i>Article 14</i></p> <p>Simplified cost options</p> <p>1. In addition to the methods referred to in Article 57 of Regulation (EU) No [...], the Commission may reimburse expenditure paid by Member States on the basis of standard scales of unit costs and lump sums defined by the Commission. The amounts calculated on this basis shall be regarded as public support paid to beneficiaries and as eligible expenditure for the purpose of applying Regulation (EU) No [...].</p> <p>For this purpose the Commission shall be empowered to adopt delegated acts in accordance with Article 16 concerning the type of operations covered, the definitions of the standard scales of unit costs and lump sums and their maximum amounts, which may be adjusted according to the applicable commonly agreed methods, <u>taking due account of the experience already gained, including in the previous programming period.</u></p> <p>Financial audit shall exclusively aim at verifying that the conditions for reimbursements by the Commission on the basis of standard scales of unit costs and lump sums have been fulfilled.</p> <p>Where these forms of funding are used, the Member State may apply its accounting practices to support operations. For the purpose of this regulation and Regulation (EU) No [...] these accounting practices and the resulting amounts shall not be subject to audit by the audit authority or by the Commission.</p>

Text proposed by the Commission	CoR amendment
<p>2. In accordance with Article 57(1)(d) and (4)(d) of Regulation (EU) No [...], a flat rate of up to 40 % of the eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation.</p> <p>3. Grants reimbursed on the basis of the eligible cost of operations, determined in the way of flat-rate financing, standard scales of unit costs and lump sums as referred to in Article 57(1) of Regulation (EU) No [...] may be calculated on a case-by-case basis by reference to a draft budget agreed ex ante by the Managing Authority, where the public support does not exceed EUR 100 000.</p> <p>4. Grants for which the public support does not exceed EUR 50 000 shall take the form of lump sums or standard scales of unit costs, except for operations receiving support within the framework of a state aid scheme.</p>	<p>2. In accordance with Article 57(1)(d) and (4)(d) of Regulation (EU) No [...], a flat rate of up to 40 % of the eligible direct staff costs may be used in order to cover the remaining eligible costs of an operation.</p> <p>3. Grants reimbursed on the basis of the eligible cost of operations, determined in the way of flat-rate financing, standard scales of unit costs and lump sums as referred to in Article 57(1) of Regulation (EU) No [...] may be calculated on a case-by-case basis by reference to a draft budget agreed ex ante by the Managing Authority, where the public support does not exceed EUR 100 000.</p> <p>4. Grants for which the public support does not exceed EUR 50 000 shall <u>may</u> take the form of lump sums or standard scales of unit costs, except for operations receiving support within the framework of a state aid scheme.</p> <p><u>5. When planning operations, a proportion of appropriations may be reserved in the form of global grants for local and/or regional operations, with special access arrangements for non-governmental organisations and local partnerships, such as a higher level of co-financing or advance payment of contractors.</u></p>

Reason

1. See point 57 of the 'Policy recommendations' above.
2. The new wording is designed to ensure that ESF funds are distributed in a flexible manner.

Amendment 12

Article 15

Text proposed by the Commission	CoR amendment
<p><i>Article 15</i></p> <p>Financial instruments</p> <p>1. Pursuant to Article 32 of Regulation (EU) No [...], the ESF may support actions and policies falling within its scope through financial instruments, such as risk-sharing schemes, equity and debt, guarantee funds, holding funds, and loan funds.</p> <p>2. ESF may be used to enhance access to capital markets for public and private bodies at national and regional levels implementing actions and policies falling within the scope of the ESF and the operational programme through 'ESF policy-based guarantees' subject to Commission approval.</p> <p>The Commission shall be empowered to adopt delegated acts in accordance with Article 16 to define the specific rules and conditions for the applications of Member States, including ceilings, for policy-based guarantees, ensuring in particular that their use does not lead to excessive levels of debt of public bodies.</p>	<p><i>Article 15</i></p> <p>Financial instruments</p> <p>1. Pursuant to Article 32 of Regulation (EU) No [...], the ESF may support actions and policies falling within its scope through financial instruments, such as risk-sharing schemes, equity and debt, guarantee funds, holding funds, and loan funds, <u>as well as revolving funds for microcredit operations, 'social bonds' and 'citizen bonds'.</u></p> <p>2. ESF may be used to enhance access to capital markets for public and private bodies at national and regional levels implementing actions and policies falling within the scope of the ESF and the operational programme through 'ESF policy-based guarantees' subject to Commission approval.</p> <p>The Commission shall be empowered to adopt delegated acts in accordance with Article 16 to define the specific rules and conditions for the applications of Member States, including ceilings, for policy-based guarantees, ensuring in particular that their use does not lead to excessive levels of debt of public bodies.</p>

Text proposed by the Commission	CoR amendment
Each application shall be assessed by the Commission and the Commission shall approve each 'ESF policy-based guarantee' provided it falls within the remit of the Operational Programme referred to in Article 87 of Regulation (EU) No [...] and provided it is in accordance with the established specific rules and conditions.	Each application shall be assessed by the Commission and the Commission shall approve each 'ESF policy-based guarantee' provided it falls within the remit of the Operational Programme referred to in Article 87 of Regulation (EU) No [...] and provided it is in accordance with the established specific rules and conditions.

Reason

See point 60 of the 'Policy recommendations' above.

Brussels, 3 May 2012.

*The President
of the Committee of the Regions*
Mercedes BRESSO
