



The Employment Committee

Public consultation on the Conclusions of the 5th Cohesion Report Contribution of the Employment Committee¹

COHESION POLICY, EUROPEAN SOCIAL FUND (ESF) AND EUROPE 2020 STRATEGY

- As laid down in Art.174 TFEU Cohesion Policy aims at "*reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions*".
- While fulfilling this objective, cohesion policy instruments should contribute more and better to the achievement of Europe 2020 objectives and targets. The Committee therefore welcomes the Commission proposal to concentrate cohesion resources to address key bottlenecks which prevent Europe from reaching the commonly agreed headline targets.

EMCO underlines that employment is at the core centre of the Europe 2020 strategy. Structural Funds, and in particular the ESF, should be used to secure the achievement of Europe 2020 employment rate target of 75% by 2020 and of employment related objectives enshrined in the Employment Guidelines, contributing to reinforce social cohesion.

- The Committee stresses that ESF is first and foremost a financial instrument to "*render the employment of workers easier and to increase their geographical and occupational mobility within the Union, and to facilitate their adaptation to industrial changes and changes in production systems, in particular through vocational training and retraining*" as enshrined in Article 162 TFEU. All national policies co-financed with the ESF should therefore aim to raise employability, adaptability and lifelong learning. In this respect, ESF can also contribute to promote equal opportunities and to fight social exclusion by

supporting measures that facilitate the active inclusion of those furthest away from the labour market.

- The Committee recalls that ESF is in the current programming period strictly aligned with the European Employment Strategy and the Employment Guidelines. Based on this successful experience, the Committee urges the Commission to make a proposal for the future ESF regulation where the link with the Employment Guidelines remains explicit.
- Nonetheless, the Committee considers that a stronger alignment of Cohesion Policy, and notably of ESF, with Europe 2020 objectives can be achieved through three main mechanisms:
 1. **Thematic concentration** is necessary to ensure proper channelling of resources and to achieve critical mass so that an impact on the economy and on employment is effectively produced. In this vein, a list of priorities for use of available funds should be defined at EU level. This list should be closely linked to Europe 2020 objectives and in particular to the Integrated Guidelines. Taking into account specific national, regional and local needs and different starting positions of individual countries, each Member State (and/or each region, depending on the institutional and territorial context) could thereafter define its own priorities for each operational programme and allocate cohesion resources to a limited number of political priorities, ensuring sufficient concentration of expenditure and high political visibility. This should be done in cooperation with the European Commission, fully respecting the subsidiarity and proportionality principles and in line with the National Reform Programme. While defining the operational programmes, Member States should retain sufficient flexibility to draw up appropriate policy mixes.
 2. A **result-based approach** paves the way towards a more visible EU value added of Cohesion Policy. A monitoring system agreed at EU level, constituted by

¹ The views of the Committee are offered without prejudice to the positions of Member States in Council and without prejudice to the negotiations on the next financial framework

quantitative and qualitative indicators which respect a number of quality criteria², can prove to be a useful analytical tool to support Member States' and the Commission's evaluation of results reached with cohesion resources. In this context, the Committee recalls that the indicators commonly agreed in the framework of the European Employment Strategy could prove valuable to nourish the new Cohesion monitoring system when results to be measured have significant interdependencies with employment objectives. A common impact evaluation framework agreed at EU level could make an additional contribution.

Positive incentives, based on results achieved in policy areas supported by Structural Funds and respecting the principle of proportionality, could help a Member State reinforce its action towards national priorities set in the framework of Europe 2020 and in particular those identified by the Council country specific recommendations as established in Art.148TFEU.

3. **Reporting obligations** set under Europe 2020 with the National Reform Programmes and those to be defined under Cohesion policy could be aligned in time. This would allow cohesion resources to be possibly re-allocated to reform areas where investment is deemed more urgently needed.
- The Committee looks forward to receiving any further details on the European Employment Initiative called for by the Commission's proposal on the Budget Review. EMCO stands ready, within its area of competence, to work closely with the Commission to examine how the ESF could better serve the European Employment Strategy.

² On quality criteria agreed at EU level see <http://ec.europa.eu/social/BlobServlet?docId=3882&langId=en>