

**THEMATIC GUIDANCE FICHE**

**COUNCIL RECOMMENDATION ON LONG TERM UNEMPLOYMENT: HOW THE ESF MAY  
CONTRIBUTE TO ITS IMPLEMENTATION**

**RELEVANT LEGAL FRAMEWORK UNDER THE 2014-2020 PROGRAMMING PERIOD**

Regulation	Article
<b>CPR (1303/2013)</b>	<p>Article 9 (8) - Thematic objective: promoting sustainable and quality employment and supporting labour mobility</p> <p>Article 9 (9)- thematic objective: promoting social inclusion, combating poverty and any discrimination</p> <p>Annex I CPR: sections 4.7, 5.3 and 5.5</p> <p>Annex XI Thematic ex-ante conditionalities: sections 8.1 ,8.3 and 9.1</p>
<b>ESF Regulation (1304/2013)</b>	<p>Article 3: Scope of support</p> <p><b>(a)</b> Promoting sustainable and quality employment and supporting labour mobility through:</p> <p>(i) access to employment for job-seekers and inactive people, including local employment initiatives and support for labour mobility</p> <p>(vii) modernisation and strengthening of labour market institutions, including actions</p> <p><b>(b)</b> Promoting social inclusion, combating poverty and any discrimination through:</p> <p>(i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability</p>

**1. POLICY BACKGROUND**

EU Labour markets are improving, but conditions remain difficult for those out of work for more than one year. The long-term unemployed count no less than 10.5 million in Q3 in 2015.

Nobody should be left behind. This is why increased registration and an assessment of individual potential and barriers to employment before 18 months of unemployment are important. For a group with complex needs, a strong coordination of support is essential.

This is why the Council Recommendation on the integration of the long-term unemployed into the labour market that was adopted on 15 February 2016<sup>1</sup>, puts forward a single point of contact, to simplify access to support and boost administrative delivery for this group. Each long-term unemployed would be offered a job integration agreement, which would mainstream individualised, tailored support combining active measures, employment services and social support.

The Recommendation is not prescriptive on the administrative arrangements needed to set up the SPOC, which would be very different in each country. Countries can set up the system differently, either with the PES in the lead, with social services, integrated job centres, private providers or consortia of organisations at local and regional level acting as single points of contact. A similar level of flexibility is available within countries, as long as our goal – to give each long-term unemployed jobseeker a single point of contact, is reached.

The implementation of the Recommendation is being monitored within the context of the European Semester, including through multilateral surveillance by the Employment Committee (EMCO) and will be underpinned by an Indicator Framework that will be developed by autumn 2016.

The Member States and the Commission are recommended **to cooperate to make best use of the European structural and investment funds, in particular the European Social Fund, the European Regional Development Fund and the European Agricultural Fund for Rural Development, in accordance with the relevant investment priorities for the 2014-2020 programmes.**

More information may be found in the Frequently Asked Questions published in relation to the Council Recommendation available at: <http://ec.europa.eu/social/main.jsp?catId=1205&langId=en>

*This thematic guidance fiche aims to set out the parameters of how the ESF could be mobilised to address some of the requirements of the Council Recommendation. It is meant to give indications and stimulate the necessary reflection and follow-up action within Member States. Some examples of past or ongoing projects are provided in annex as possible inspiration.*

## **2. ADDRESSING LONG-TERM UNEMPLOYMENT (LTU) UNDER THE ESF FRAMEWORK - REGULATORY SCOPE**

The LTU Council Recommendation aims to increase the rate of transitions from LTU to employment.

Achieving this objective means that Member States would devise actions that help to:

- A. Increase coverage with higher registration and active support for the long-term unemployed
- B. Ensure continuity and coordination between relevant services
- C. increase the effectiveness of interventions aimed at both long term unemployed and employers

Implementation of the actions provided for under the Recommendation can be supported by the European Social Fund (ESF). ESF support could be tapped into in order to achieve these objectives. The ESF Investment Priorities that are most relevant in this regard are:

- **IP 8i):** access to employment for job seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility

- **IP 8vii):** modernisation of labour market institutions, such as public employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders

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<sup>1</sup> [http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H0220\(01\)&from=EN](http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016H0220(01)&from=EN)

- **IP 9i)**: active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability

The table below provides an overview of the relevance of the IPs with the specific objectives of the LTU Council Recommendation as well as an indication of possible actions:

<b>A. Higher registration and active support to LTU</b>	<b>B. Continuity and coordination of services</b>	<b>C. Effectiveness of interventions aimed at LTU and employers</b>
<b>IP 9i)</b>	<b>IP 8i)</b>	<b>IP8 vii)</b>
<i>Improving employability through support for provision of basic skills/ up-skilling/job-search skills</i>	<i>Providing intensified targeted counselling and guidance during the job search and the transition to employment</i>	<i>Establishing partnerships with employers, local authorities, NGOs</i> /Increasing
<i>Assessing the needs and employment prospects of LTU</i>	<i>Establishing local level partnership schemes aimed at improving transitions to employment</i>	
	<b>IP 8vii)</b>	
	<i>Improving the capacity of LM institutions to provide individualised services to LTU</i>	
	<i>Shifting resources available from passive LM measures to ALM interventions for LTU</i>	
	<i>Strengthening requirements for data collection in order to strengthen the monitoring systems and evaluation strategies</i>	
	<i>Establishing single points of contact across employment and social services or other (one-stop-shops) for facilitating access to services, measures and benefits</i>	
	<b>IP 9i)</b>	
	<i>Providing services contributing to help LTU recover their capabilities and facilitate their entrance /re-entrance into the labour market</i>	
	<i>Establishing single points of contact (one-stop-shops) for facilitating access to services, measures and benefits</i>	

### 3. PROGRAMMING and RE-PROGRAMMING

Proactive programme management through existing mechanisms foreseen by the Common Provisions, European Social Fund and European Regional Development Fund Regulations (e.g. reallocating funds within a priority axis, aligning programming and project selection criteria) could support the efforts of Member States.

At the programming level, the Commission strongly encouraged Member States to select the investment priorities that are most appropriate to address the challenges identified by the CSRs, thereby establish a direct

policy link. This ensures that the Member State do allocate a critical mass of funding for the most relevant challenges, that the results do address the policy challenges identified in the CSRs, that the contribution of the ESI Funds to the implementation of the EU policies and that future strategic reporting is facilitated.

Furthermore, the selection of the relevant IP's for the implementation of the CSRs entails that the Member State has to fulfil the corresponding ex-ante conditionality, thus guaranteeing that the Member State will put in place the right policy framework, under the obligations of the and relevant ex-ante conditionalities 8.1, 8.3 and 9.1.

By selecting a CSR-relevant IP and allocating a critical mass of funding to it the MS guarantees that the performance framework does include output indicators that will contribute to the attainment of results.

**Member states can use resources available in the relevant Investment Priorities in the existing OPs. Should the allocation within the OPs require specific targets or adaptations, the Commission could consider favourably a reallocation and re-programming of funding to support the recommendation's implementation. Similarly, re- programming should be requested by a Member State in the case of a Member State receiving a new CSR related to the scope of the LTU recommendation.**

**It would be useful to recall that re-programming would be at the initiative of the Member State and would require a Commission decision. Where discussed and agreed beforehand, the Commission could facilitate such a request with a prompt adoption. Beyond this, the Commission will make sure that Programmes are aligned with the challenge identified in the CSRs on the issue and use the monitoring mechanisms of the programmes (in particular the Monitoring Committees) to verify that the interventions do tackle the LTU challenges.**

#### **4. IMPLEMENTATION**

The requirements of the Council Recommendation on LTU could also be considered in the process of the drafting of respective Calls for proposals within the existing ESF Operational Programmes.

As a general principle, calls for proposals should be drafted in line with the national eligibility rules for the 2014-2020 ESF Operational Programmes in compliance with the relevant provisions of the Regulatory framework. All projects must comply with eligibility rules. Failure to do so can lead to financial penalties of up to 100%. If the European Commission considers that there has been systemic failure on eligibility issues, they could enforce a flat rate correction to the whole of a Programme.

The provisions relevant to eligibility of expenditure for the ESF projects can be found in:

- Regulation (EU) No 1303/2013 (CPR) : Article 65 – Eligibility, Article 68- Flat rate financing for indirect costs and staff costs concerning grants and repayable assistance, Article 69 - Specific eligibility rules for grants and repayable assistance, Article 70 - Eligibility of operations depending on location,

- Regulation (EU) No 1304/2013 (ESF): Article 3 – Scope of support, Article 13 – Eligibility of expenditure, Article 14 – Simplified cost options.

**Whilst staying within the limits of the regulatory framework, Member States could however consider the possibility of proposing specific selection criteria that could help in addressing some of the requirements of the Council Recommendation.**

For instance, when a Member State issues calls for proposals under IPs 8i, 8ii and 9i they could devise the selection criteria in a manner that enables them to ensure that projects are fully embedded in organisational partnerships, such as employment and social services, but also with employers, social partners, and training providers. This embedding in organisational partnerships could also aim at already establishing a single point of contact for facilitating access to services, measures and benefits. Such a criterion would ensure, amongst others, that the services provided better meet the needs of enterprises and registered long-term unemployed persons, in line with the spirit of the Council Recommendation.

This is just one example. **The Commission is open to further discussions and exchange of ideas and experiences at meetings of the upcoming ESF Committee or national Monitoring Committees as appropriate.**

## 5. RELEVANT KEY FINDINGS FROM ESF 2007-2013 EX-POST EVALUATION

The scope of assistance under ESF during the period 2007-2013 aimed, inter alia, at enhancing access to employment and the sustainable inclusion in the labour market of job seekers and inactive people and preventing unemployment, in particular long-term and youth unemployment. These priorities were reflected into actions related to the modernisation and strengthening of labour market institutions and the implementation of active and preventive measures ensuring the early identification of needs with individual actions plans and personalised support.

ESF interventions falling under the above mentioned priority reached around 28.7 million participants out of which the group of unemployed accounts for 30% (the largest group of participants in ESF are the inactive with 36% of participants, followed by the employed at 33%) . BE, FR, SK, ES, HR, and LV are the MS that focussed ESF support more on the unemployed (more than 50% of the participants are unemployed).

A considerable EU Added Value was generated by ESF 2007-2013 in terms of the volume of investments provided. ESF 2007-2013 provided a significant share of funding for active labour market policies in comparison to national funding and proved to be able to offer more tailored and intensive services to specific target groups , including LTU .

With regard to lessons learnt, including on LTU, **it appears that there is a need to find a better balance between ESF support for preventive and reactive measures. Most ESF funding is currently spent on reactive measures for people that have become unemployed.** To this end, ESF should further support multilevel governance, as well as better match ESF support with skills mismatch policies, provide electronic services / online platforms within PES, increase flexibility of interventions, provide personalised support (guidance, counselling, job clubs etc.), focus on work based learning, combine wage incentives with other interventions (personalised support and training) and support start-ups and self-employment, especially when there is low demand for labour.

## 6. OTHER ONGOING SUPPORT

- A Thematic Network on employment was set up within the context of ESF Transnational Cooperation<sup>2</sup>. It is led by ESF Flanders (BE) and 23 MS have expressed interest in participating. Transitions from LTU to employment has been identified as a key priority for this Network which will develop transnational, joint projects, promote mutual learning and allow the identification and dissemination of good practices. In the coming months, Member States will be defining specific calls for proposals of a transnational nature that will address employment challenges, including LTU.

## 7. PROJECT EXAMPLES

Some of the below examples are collected with the help of ESF national authorities that identified practices/project examples in addressing LTU, including the impact and the results. For ease of reference, the different projects are indicatively grouped by the recurrent themes referred to above:

- A. Higher registration and active support of LTU
- B. Continuity and coordination of services
- C. Effectiveness of interventions aimed and LTU and employers

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<sup>2</sup> More information to be found under <http://ec.europa.eu/esf/main.jsp?catId=56&langId=en>

## A. Higher registration and active support to LTU

### 1. Cyprus - Improvement of the employability of the unemployed

Beneficiary:	Human Resource Development Authority (HRDA).
Target group:	Unemployed people (including long-term). It should be mentioned that according to the evaluation of the scheme done by the HRDA, a great part of the participants were between 40-54 years old.
Project period:	01-03-2009 till 31-12-2015
Outputs:	3300 unemployed persons participated in the training seminars and the work experience programmes.
Results:	<b>According to the evaluation of the scheme done by the HRDA, around 16% of the participants remained in the company in which they were employed under the scheme.</b>
Total costs:	EUR €7,034,911 (ESF and national co-financing)
Activities:	The aim of the project is to provide the unemployed with opportunities for participation in training programmes and work experience programmes in order to assist them to enter/re-enter employment. The training programmes offered are of 160 hours duration, in the following subjects: (a) Use of computers, (b) English language and (c) Secretarial skills. The work experience programmes are of 10 weeks duration and they are implemented in enterprises where participants gain practical knowledge and work experience in a specific job/position. The programmes are offered free of charge and an allowance is granted to participants.

### 2. Lithuania - Improvement of the employability of the unemployed

Beneficiary:	10 Territorial Labour Exchange offices (PES)
Target group:	Long-term unemployed and people unemployed for a long time period before registering with the Territorial Labour Exchange.
Project period:	01-08-2014 till 01-12-2015
Outputs:	Over 1940 LTU and 2720 persons who have not been working for 2 or more years before registering with the Territorial Labour Exchange will be involved in vocational education activities. 870 LTU and 630 persons who have not been working for 2 or more years before registering with the Territorial Labour Exchange will acquire the necessary skills. Somme 4000 persons will benefit from subsidised employment schemes: 1680 LTU and 2320 persons who have not been working for 2 or more years before registering with the Territorial Labour Exchange. 600 persons, out of which 250 long-term unemployed, 350 — persons who have not been working for 2 or more years before registering with the Territorial Labour Exchange will benefit from the opportunity

	to participate in the territorial mobility.
<b>Results:</b>	<b>10,760 of LTU registered with the Territorial Labour Exchanges will be involved in project activities.</b>
Total costs:	EUR 18 Million (ESF and national co-financing)
Activities:	The aim of the project is to help the long-term unemployed and people unemployed for a long time period before registering with the Territorial Labour Exchange to acquire or upgrade qualification, to acquire the necessary competences, missing skills directly in the workplace, with the final aim to integrate and to maintain them in the labour market.

### **3. Malta - ESF 3.64: Employment Aid Programme (EAP)**

Beneficiary:	Employment and Training Corporation
Target group:	Disadvantaged persons (including long-term unemployed) and disabled persons in the labour market.
Project period:	01-01-2009 till 01-12-2015
Results:	<b>Around 1,350 jobseekers will be employed through the assistance of the Aid Scheme of which 9.4% is LTU of the total number of participants</b>
Total costs:	EUR 14,162,500 (ESF and national co-financing)
Activities:	The Employment Aid Programme facilitates access to employment through financial assistance and upgrades the skills of those furthest away from the labour market through work experience. Employers will receive a grant equivalent to 50% of the wage costs in case of disadvantaged persons or 75% for the first and 60% for the subsequent second and third year (excluding NI) in the case of persons with disability, for a definite time period, depending on the target group. To contribute towards the integration, retention and progression of disadvantaged groups in the labour market, whilst addressing labour market distortions.

## **B. Continuity and coordination of services**

### **1. Bulgaria – Face to face services at Employment and Social Assistance Centres**

Beneficiary:	Ministry of Labour and Social Policy (MLSP) via the Legal and Administrative Services and Human Resources Directorate and the Finance and Property Management Directorate  Partners - the Employment Agency and the Social Assistance Agency
Target group:	Long term unemployed
Project period:	01-09-2015 till 01-12-2016
Outputs:	88.040 participants (in 2015)
<b>Expected results:</b>	<b>New or updated processes and models of planning and implementation of policies and labour marker services;</b>

	<b>Employment and social assistance centres set up and operating</b>
Total costs:	BGN 15,000,000 (around 7,5 million EUR) (ESF and national co-financing)
Activities:	<p>The project's main goal is to improve the coordination and interaction between the Social Assistance Agency (SAA) and the Employment Agency (EA) via a pilot model for joint comprehensive services for representatives of vulnerable groups and tailor-made services.</p> <p>Main activities:</p> <ol style="list-style-type: none"> <li>1. Study and analysis of working methods and processes;</li> <li>2. Development of a methodology for the work of the Employment and Social Assistance Centres in respect of administrative services provided, methods of work, etc. in relation to the individual service of representatives of vulnerable groups;</li> <li>3. Designation of premises for comprehensive service of citizens at the ESAC and their equipment</li> <li>4. Establishment of a new model of integrated service at the centres through a joint approach and interaction between the units of the social assistance system and the employment promotion system by way of information, consultation, guidance, etc. depending on the needs of vulnerable people seeking social inclusion opportunities and tailor-made provision of jobs.</li> </ol> <p>Inspection carried out by ESAC officials in respect of the centre's customers;</p> <ol style="list-style-type: none"> <li>5. Interim assessment of the efficiency of the pilot model through a comparative analysis of the ESAC activity and the other units providing services in the EA and SAA systems;</li> <li>6. Analysis of the efficiency and effectiveness of the new model and drafting of proposals for a change and reform in the system of providing employment and social assistance services to vulnerable groups;</li> <li>7. Information and publicity;</li> <li>8. Organisation and management.</li> </ol>

## **2. Netherlands - PES project: "UWV ESF 10-2010" 2010ESFN639**

Beneficiary:	NL PES: UWV
Target group:	Job seekers with a disability and older job seekers (55+)
Project period:	1-3-2011 till 31-8-2013
Outputs:	11,200 participants (only young people with a disability, Older workers have not been included in the final declaration)
Results:	<p><b>8,686 finished the pathway and placed on a job</b></p> <p><b>2,481 still receiving support</b></p> <p><b>33 did not finish the pathway</b></p>



Total costs:	EUR 55,453,524 (ESF and national co-financing)
Activities:	Funding of job coaches for young job seekers with a handicap. Job coaches are responsible for training, support and coaching related to job placements and on-the-job coaching.

### **3. Germany – Stronger support for long-term unemployed**

Beneficiary:	Strong cooperation with Job Centre in Bremen and Bremerhaven.
Target group:	Long term unemployed
Project period:	08-12-2014 till 30.6.2017 (with the option to extend)
<b>Outputs and results:</b>	<b>4.600 Participants, 37% Women, 39% People with migrant background, 5% severely disabled people</b>
Total costs:	EUR 28.25 Million (ESF and national co-financing )
Activities:	<p>Several measures are combined in this area of funding to tackle the special needs of long-term unemployed at several levels.</p> <p>Establishment of local support centres as innovative approach for the promotion of long-term unemployed.</p> <p>The aim is to address the multiple needs of long-term unemployed which hamper their long-term inclusion on the labour market. A combination of different targeted measures should enable to address activation, qualification, employment and social stabilisation measures.</p> <p>It is envisaged to establish in total 7 local support centres for the long-term unemployed in Bremen and Bremerhaven – 2 of them only for persons younger than 26 years. The concrete conceptualisation is done together with the Jobcentres and ideally with the cooperation of other service providers of labour market measures.</p> <p>Promotion of employment with mandatory social security contributions.</p> <p>Funding of staff and administrative costs for accompanying guidance and qualification in these employments, whereas the jobcentre is promoting part of the allowances of the employees.</p> <p>Follow up support 6 months after starting a traineeship or an employment in the "primary" labour market. <i>(not yet started and will be connected to the above-mentioned measures).</i></p> <p>Pilot projects (innovative projects) for special target groups with possibility for potential medium term transition to the labour market.</p>

## **Effectiveness of interventions aimed at LTU and employers**

### **1. Germany - Girl power for the craft sector in the Emsland**

Beneficiary:	Project leader "Bildungswerk des Meppener Handwerks e. V." under the FIFA-programme ("Förderung der Integration von Frauen in den Arbeitsmarkt" – "Promoting
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	the integration of women into the labour market") within the regional OP for Lower Saxony.
Target group:	Long-term unemployed single mothers (mainly 25 till 44 years old)
Project period:	01-09-2013 till 31-12-2014
Outputs:	18 places
<b>Results:</b>	<b>15 women have been placed in 12 full-time and 3 part-time jobs. 14 women started further measures and 8 a mini-job</b>
Total costs:	<a href="#">EUR 272.709.85 Million (ESF and national co-financing)</a>
Activities:	It aimed at integrating long-term unemployed single mothers (focus on 25 till 44 years old, 18 places) into a job subject to social security contributions and sufficient to make a living out of it in commercial and technical professions of the craft sector where there is a shortage of skilled workers. The participants were sensitised to professions in the fields of electronics, metal and welding while gaining officially recognised and certified qualifications. At the same time the participants took part in various events and factory tours in order to gain relevant skills and establish first contacts to local companies. Women who took part in a previous project period answered questions as a role-model during the kick-off event of the project. Other parts of the project were also welcome, such as advice on energy savings as well as on retirement issues. The results are: all places filled with participants and classes/modules implemented as planned.

## **2. Bulgaria – Development of the long-term unemployed**

Beneficiary:	Public Employment Service (Employment Agency)
Target group:	Long term unemployed
Project period:	05-03-2010 till 28-01-2015
Outputs:	The number of long-term unemployed who participated in the operation amounts to 15 270.
<b>Results:</b>	<b>Since the start of the project almost 59 000 people have been trained, of which 54 000 were included in employment. Of these 59 000 26% were LTU.</b>
Total costs:	289 835 685 BGN (about 145 Million EUR)
Activities:	The operation aims at increasing the professional qualifications of unemployed who are registered in the employment offices with the purpose of finding subsequent employment. The operation is implemented on the basis of priority inclusion of long term unemployed in the selection of employers. In case an employer raises the need of a work force with particular skills in the respective employment office, the unemployed are trained and included in subsidized employment for a period of 9 to 12 months.