EUROPEAN COMMISSION

Brussels, 22.7.2014
C(2014) 5267 final

Dear Chairman,

The Commission would like to thank the House of Lords for its Report "Youth unemployment in the EU: a scarred generation".

The Commission is pleased to note that the House of Lords acknowledges the importance and the appropriateness of the Union's role in providing funding and other forms of support to reduce youth unemployment. Similarly, the Commission welcomes the House of Lords' appreciation of the pertinence of the Youth Guarantee in providing Member States with a clear benchmark in order to avoid long-term youth unemployment.

The Commission notes the House of Lords' call for structural changes to the job market in Europe and appreciates the House of Lords' support of the Commission's focus on increasing the provision of vocational opportunities, both of which are integral aspects of implementing comprehensive Youth Guarantee schemes. The Commission is also pleased to note the House of Lords' support for the Commission's proposal for a Council Recommendation for a Quality Framework for Traineeships (QFT). The Council adopted the QFT on 10 March 2014.

The Commission shares the House of Lords' view that ultimately, the youth unemployment crisis can only be addressed through the combined efforts of the EU institutions, Member States, businesses and the young people of Europe.

The Commission would like to respond to the specific paragraphs brought to the Commission's attention as follows:

Paragraph 52

More specifically, Annex I to the Regulation (EU) No 1304/2013 on the European Social Fund (ESF Regulation) sets out common output, as well as immediate and longer-term result indicators. In addition, Annex II to the Regulation sets out the common result indicators to be reported by Member States and regions which benefit from the Youth Employment Initiative (YEI). The Regulation requires that Member States report on all Annex I and – where applicable – all Annex II indicators, broken down by investment priority and gender. The indicators are supported by definitions set out in the ESF guidance on monitoring and evaluation. Member States are required to submit the data for these indicators as part of their Annual Implementation Report in 2016 or in 2015 for the YEI. This means that for the

Lord Boswell
Chairman of the
European Union Select Committee
House of Lords
Palace of Westminster
UK – LONDON SW1A 0PW

first time, a coherent set of data on results achieved with ESF support and collected through the monitoring systems of the Member States would be available at EU level.

Paragraph 103

In order to address the insufficient supply of Information and Communications Technology (ICT) professionals, the Commission launched in March 2013 the Grand Coalition for Digital Jobs, which supplements support in this area from the European Regional Development Fund (ERDF) and the ESF. The Coalition offers a multi-stakeholder partnership aiming to address skills shortages in ICT professionals, forecast to reach up to 900 000 unfilled profiles by 2020. It should be noted, however, that support is not limited to the ICT sector. In 2014, the Commission will launch targeted mobility schemes to provide support for intra-EU mobility to young jobseekers, which will also cover other areas where there is unmet demand in national labour markets.

Paragraph 133

The Commission is in the process of modernising the EURES-network (job search network of 32 employment services in Europe), to help firms and job seekers by facilitating the exchange of vacancies, improving on-line service tools and optimising matching practices. A central part of the proposal for a new EURES Regulation, which the Commission adopted in January 2014, is to enhance mobility services to facilitate recruitment and integration in jobs abroad.

These actions may be complemented by the ESF to enhance transnational labour mobility, promote mobility schemes and improve the coordination between institutions and stakeholders.

The ERDF under the European cross-border cooperation programmes, may also support activities in view of both supporting labour mobility by integrating cross-border labour markets, and developing and implementing joint education, vocational training and training schemes.

In 2014, the Commission launched a public consultation in preparation of the European Area for Skills and Qualifications. The consultation aimed to review the European policies and tools on recognition and transparency of skills and qualifications.

Paragraph 136

Article 3 of the ESF Regulation provides that the fund shall promote employment and support labour mobility through self-employment, entrepreneurship and business creation, under a dedicated investment priority. In addition, Article 5 (8) of the Regulation (EC) no 1080/2006 on the European Regional Development Fund (ERDF Regulation) provides that the ERDF shall also promote sustainable and quality employment and labour mobility, namely through the development of business incubators and investment support for self-employment, micro-enterprises and business creation. Accordingly, further use of both the ESF and the ERDF could play a central role in supporting self-employment and entrepreneurship programmes throughout the EU. In that respect, four key areas require particular attention: entrepreneurship skills, access to finance, regulatory and institutional frameworks, effective

and efficient outreach and policy implementation. Effective outreach has particular relevance for the labour market and the social integration of young people not in education, employment, or training. *The ESF can also be used to support formal entrepreneurial education throughout the school system. A Community of practice on inclusive entrepreneurship already existed in the 2007-2013 programming period, funded by the ESF. It developed a number of tools and documents aimed at exchanging good practices between Member States in that area, including entrepreneurship, education and access to finance. Those tools and documents are publicly available in order to guide Member States*[1].

Paragraph 145

Within the framework of transnational cooperation under the ESF for the 2014-2020 programming period, the Commission will support networks and platforms in order to enhance the exchange of experience and good practices between ESF managing authorities and other relevant stakeholders and in order to support future synergies between Member States and regions on issues of common interest. One of those platforms will be dedicated to youth employment.

Furthermore, the Commission-led Mutual Learning Programme (MLP)[2]*has been supporting Member States since 2005 to exchange good practice and learn from each other. In the specific field of youth employment, the MLP regularly organises seminars, workshops and learning exchanges where experts and officials from national administrations analyse in detail how to transfer good practice and how to improve national measures to combat youth unemployment.*

For example, under the MLP, the Commission organised a working and learning seminar in October 2013 on practical support for the design and implementation of Youth Guarantee Schemes for national authorities[3].

In addition, the ERDF gives support to exchange of experience among partners across the Union on topics deriving from the Union strategy for smart, sustainable and inclusive growth.

Paragraphs 155 and 163

The consultation and involvement of young people and their representatives in the development of EU policies to fight youth unemployment has been and remains a priority for the Commission.

This is also reflected in the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, which includes building up partnership-based approaches as one of the six axes, and which calls upon the Member States to "ensure the consultation or involvement of

[1] http://www.cop-ie.eu/copie-tools.

[2] http://ec.europa.eu/social/main.jsp?catId=1047

[3] http://ec.europa.eu/social/main.jsp?langId=en&catId=1079&eventsId=931&furtherEvents=yes

young people and/or youth organisations in designing and further developing the Youth Guarantee scheme to tailor services to the needs of beneficiaries and to have them act as multipliers in awareness-raising activities". In addition, the Council Recommendation calls on Member States to "strengthen partnerships between employers and relevant labour market players (employment services, various levels of government, trade unions and youth services)", "develop partnerships between public and private employment services, education and training institutions, career guidance services and with other specialised youth services (non-governmental organisations, youth centres and associations)" and "ensure the active involvement of social partners at all levels in designing and implementing policies targeted at young people".

The Commission has strongly promoted these principles also through the session dedicated to building partnerships at the working and learning seminar on practical support for the design and implementation of Youth Guarantee Schemes for national authorities in October 2013.

In the Commission's high-level conference of 8 April 2014 taking stock of the implementation of the Youth Guarantee[4], several speakers from youth organisations participated, and a special session was dedicated to "Youth organisations at the heart of implementing the Youth Guarantee". More than 30 representatives of youth organisations from across the EU participated in the conference.

In its assessment of Member State Youth Guarantee Implementation Plans, the Commission assessed the involvement of young people and youth organisations, as well as other key players such as the social partners, in the design and implementation of schemes, and provided this feedback to Member States.

In regard to the ESF and the YEI, the ESF Regulation states that "Youth organisations should be involved in the monitoring committees' discussions on the preparation and implementation, including evaluation, of the Youth Employment initiative" (recital 12). Furthermore, Article 19(5) stipulates that the European Parliament should be regularly informed on programmes of the implementation of YEI and should hold debates on progress reports.

The Commission hopes that these clarifications address the points raised by the House of Lords and looks forward to continuing our political dialogue in the future.

Yours faithfully,

Maroš Šefčovič
Vice-President

[4] http://ec.europa.eu/social/main.jsp?langId=en&catId=1079&eventsId=978&furtherEvents=yes