

# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	1998/0115(COD) Procedure completed
Agenda 2000: European Social Fund ESF Repealed by <a href="#">2004/0165(COD)</a>	
Subject 4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD) 8.20.20 Enlargement's employment and social point of view	

Key players			
European Parliament	Former committee for opinion		
	<b>BUDG</b> Budgets		03/06/1998
		PPE <a href="#">KELLETT-BOWMAN Edward T.</a>	
	<b>BUDG</b> Budgets		03/06/1998
		PPE <a href="#">KELLETT-BOWMAN Edward T.</a>	
	<b>REGI</b> Regional Policy		25/06/1998
		PSE <a href="#">BONTEMPI Rinaldo</a>	
	<b>CONT</b> Budgetary Control	The committee decided not to give an opinion.	
<b>PECH</b> Fisheries	The committee decided not to give an opinion.		
<b>FEMM</b> Women's Rights		25/06/1998	
	PSE <a href="#">VAN LANCKER Anne</a>		
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">General Affairs</a>	<a href="#">2192</a>	21/06/1999

Key events			
18/03/1998	Legislative proposal published	COM(1998)0131	Summary
15/06/1998	Committee referral announced in Parliament, 1st reading		
27/10/1998	Vote in committee, 1st reading		Summary
27/10/1998	Committee report tabled for plenary, 1st reading	<a href="#">A4-0398/1998</a>	

18/11/1998	Debate in Parliament		
19/11/1998	Decision by Parliament, 1st reading	T4-0677/1998	Summary
01/02/1999	Modified legislative proposal published	COM(1999)0044	Summary
14/04/1999	Council position published	<a href="#">06406/1/1999</a>	Summary
15/04/1999	Committee referral announced in Parliament, 2nd reading		
22/04/1999	Vote in committee, 1st reading		
22/04/1999	Committee report tabled for plenary confirming Parliament's position	<a href="#">A4-0257/1999</a>	
22/04/1999	Vote in committee, 2nd reading		Summary
22/04/1999	Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0250/1999</a>	
04/05/1999	Debate in Parliament		
04/05/1999	Decision by Parliament, 1st reading	T4-0356/1999	Summary
05/05/1999	Debate in Parliament		
06/05/1999	Decision by Parliament, 2nd reading	T4-0429/1999	Summary
21/06/1999	Act approved by Council, 2nd reading		
12/07/1999	Final act signed		
12/07/1999	End of procedure in Parliament		
13/08/1999	Final act published in Official Journal		

### Technical information

Procedure reference	1998/0115(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealed by <a href="#">2004/0165(COD)</a>
Legal basis	Rules of Procedure EP 050; EC Treaty (after Amsterdam) EC 148
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/4/10888

### Documentation gateway

Legislative proposal	COM(1998)0131	18/03/1998	EC	Summary
Document attached to the procedure	COM(1998)0182	18/03/1998	EC	
Economic and Social Committee: opinion, report	<a href="#">CES1130/1998</a> <a href="#">OJ C 407 28.12.1998, p. 0074</a>	10/09/1998	ESC	
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A4-0398/1998</a> <a href="#">OJ C 379 07.12.1998, p. 0005</a>	27/10/1998	EP	

Committee of the Regions: opinion	<a href="#">CDR0155/1998</a> <a href="#">OJ C 051 22.02.1999, p. 0048</a>	18/11/1998	CofR	
Text adopted by Parliament, 1st reading/single reading	T4-0677/1998 <a href="#">OJ C 379 07.12.1998, p. 0123-0202</a>	19/11/1998	EP	Summary
Modified legislative proposal	COM(1999)0044 <a href="#">OJ C 074 18.03.1999, p. 0007</a>	01/02/1999	EC	Summary
Council position	<a href="#">06406/1/1999</a> <a href="#">OJ C 134 14.05.1999, p. 0009</a>	14/04/1999	CSL	Summary
Commission communication on Council's position	SEC(1999)0515	15/04/1999	EC	Summary
Committee final report tabled for plenary, 1st reading/single reading	<a href="#">A4-0257/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0009</a>	22/04/1999	EP	
Committee recommendation tabled for plenary, 2nd reading	<a href="#">A4-0250/1999</a> <a href="#">OJ C 279 01.10.1999, p. 0009</a>	22/04/1999	EP	
Reconsultation	SEC(1999)0581	28/04/1999	EC	
Text adopted by Parliament confirming position adopted at 1st reading	T4-0356/1999 <a href="#">OJ C 279 01.10.1999, p. 0021-0056</a>	04/05/1999	EP	Summary
Text adopted by Parliament, 2nd reading	T4-0429/1999 <a href="#">OJ C 279 01.10.1999, p. 0254-0294</a>	06/05/1999	EP	Summary
Commission opinion on Parliament's position at 2nd reading	COM(1999)0242	21/05/1999	EC	Summary
Committee of the Regions: opinion	<a href="#">CDR0209/1999</a> <a href="#">OJ C 293 13.10.1999, p. 0022</a>	02/06/1999	CofR	

#### Additional information

European Commission

[EUR-Lex](#)

#### Final act

[Regulation 1999/1784](#)

[OJ L 213 13.08.1999, p. 0005-0008](#) Summary

## Agenda 2000: European Social Fund ESF

OBJECTIVE: in connection with the revision of the Structural Funds, to present the specific Regulation governing the ESF for the period 2000-2006, taking account of the implications of AGENDA 2000 (COS0590). SUBSTANCE: the proposal only concerns the scope of the ESF, the overall logic being described in depth in the general proposal on the Structural Funds (AVC98090). The role of the ESF in the context of the new Structural Funds is based on the new title on employment in the Amsterdam Treaty, the European Employment Strategy adopted at Essen and the Guidelines on Employment. It is of a horizontal nature, providing a common framework for all measures falling under Objectives 1, 2 and 3. However, the ESF will function as a separate objective, providing support for measures to develop human resources funded outside Objective 1 and 2 regions. The main provisions of the proposal concern: - the implementation of the Fund: the ESF must be sufficiently flexible to take account of the considerable diversity of policies, practices and needs in the field of employment in the Member States. The measures which may be funded are therefore defined relatively broadly at this stage, in order to facilitate an effective link-up with the annual Guidelines on Employment; - the scope of the ESF: unlike the other Funds, the ESF is horizontal and operates throughout the territory of the Union; - the measures: ESF measures relate to five fields grouped under the new Objective 3: (a) active labour market policies to combat unemployment and prevent long-term unemployment by facilitating the occupational reintegration of this category of the unemployed, and integration of the young and of people returning to the labour market after a period of absence; (b) promoting social inclusion; (c) lifelong learning and education and training systems to enhance employability and mobility on the labour market; (d) measures to anticipate and facilitate economic and social change; (e) improving the participation of women in the labour market. To improve the effectiveness of ESF aid, the proposal guarantees a certain minimum participation by the aid in each of the five fields of action. Special importance is to be attached to the last two fields (each of which should receive at least 15% of resources). However, Member States may set their own priorities for ESF investment. The proposal stipulates that every ESF measure must devote at least 1% of its funds to distributing small grants to local groups.?

## Agenda 2000: European Social Fund ESF

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The report by Karin JÖNS (PES, D) (cooperation procedure, first reading) makes a number of amendments to the European Social Fund Regulation. The committee's aim is to spell out the ESF's tasks so as to prevent any limitation of its field of activity. According to MEPs, the ESF should include measures to prevent and combat unemployment and promote social protection, full employment, sustainable development and economic and social cohesion. In addition, the principle of equal opportunities between women and men and the needs of disadvantaged groups should be taken into account in all the Fund's activities and it should also contribute to measures to combat discrimination in the labour market. The rapporteur stressed that the ESF should not only support the EU's employment strategy and the development of active labour market policies but also their practical implementation. She was in favour of providing funding for local employment initiatives and territorial employment pacts and for the development of the third system (the social economy). NGOs and local partnerships involving NGOs should have access to ESF funds. The rapporteur argued that eligible activities must facilitate integration into the labour market. The ESF could assist the modernisation of public and other non-profit-making employment services and the development of links between the world of work and organisations whose aim is to combat exclusion from the labour market. The committee recommended that ESF support should be concentrated on the most important objectives and the most effective operations. At least 15 % of the appropriations should be used for improving systems which promote a skilled and adaptable workforce, foster innovation, support entrepreneurship and help boost job creation. The same proportion of funds should be allocated to measures which encourage greater participation of women in the labour market. The committee was in favour of appointing a representative for equal opportunity issues to the ESF monitoring committees. It believes organisations receiving ESF funding should provide details about their equal opportunities policies so that meaningful assessments can be made of the extent to which mainstreaming has become a reality. ?

## Agenda 2000: European Social Fund ESF

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In adopting the report by Mrs Karin JÖNS (PSE, D), Parliament sought to define the tasks of the European Social Fund (ESF) in order to avoid any restrictions on the scope of its activities. Parliament considered that the ESF should support measures seeking to prevent and combat unemployment and also those intended to promote social protection, full employment, sustainable development and economic and social cohesion. Consideration must be given to the principle of equality of opportunity between men and women and the needs of disadvantaged groups (long-term unemployed, disabled persons, older workers and young people). The ESF should also contribute to measures to combat discrimination of all types in the labour market (sex, race, ethnic origin, religion, disability, age or sexual orientation). Parliament considered that the ESF should: - operate throughout the whole European area; - support not only the European employment strategy and the development of active labour market policies but also their practical implementation; - support local employment initiatives and territorial pacts and the development of the 'third system' (social economy). The NGOs and local partnerships involving NGOs should have access to ESF funding. It also stressed that the activities eligible for funding should facilitate integration into the labour market. The ESF could in particular be involved in the modernisation of public employment services or other non-profit-making job placement services and the development of links between the world of work and bodies whose aim is to combat social exclusion from the world of work. It could also support initiatives seeking to enhance the compatibility of family and working life or to facilitate the transition from working life to retirement. Parliament recommended that this support should be concentrated on the main objectives and the most effective activities. Not less than 15% of appropriations should be allocated to improving systems for training a skilled and adaptable workforce, fostering innovation, supporting entrepreneurship and employment creation. The same percentage of appropriations should be used for measures to encourage greater participation of women in the labour market. Parliament called for the appointment of a representative with responsibility for equal opportunity issues on the ESF monitoring committees. Organisations receiving support from the Fund should be required to provide details of their equal opportunities policy in order to ensure effective evaluation of the implementation of 'mainstreaming'. Equality of opportunity and a preventive labour market policy should be included in the list of innovative measures eligible for direct financing from the Commission. However, the Commission and the Member States should ensure that there is no overlap between interventions under the ESF and other Community measures relating to training and the labour market. ?

## Agenda 2000: European Social Fund ESF

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The European Commission's amended proposal incorporates around 20 of the amendments adopted by the European Parliament at first reading. It fully supports the Parliament's proposal to use the ESF as a primary instrument for preventing and combatting unemployment. It should hence be designed to: - promote active labour market policies in order to prevent unemployment; - develop and improve systems of professional training and education in order to facilitate access to the labour market; - improve and maintain employability; - promote professional mobility and improve labour market integration; The ESF should furthermore be designed to: - promote a competent workforce; - encourage innovation; - improve women's participation in the labour market; - reduce work segregation according to gender; With regard to eligible measures, the Commission has incorporated those amendments which ensure financial support to: - apprenticeship and the promotion of employability as well as continuing training; - the development of new areas of employment, particularly in the realm of social business actions; - the development of work formulae which reconcile family life with professional life and allow flexible transition from working life to retirement; - socio-educational measures which help to enable labour market integration. Equally, the Commission has incorporated an amendment designed to favour local projects, giving priority to NGO projects and providing these with special eligibility conditions. Among the amendments not retained are, most notably, those related to the following areas: - taking account of the needs of disadvantaged groups (the long-term unemployed, disabled people, young and senior workers) and measures designed to make the ESF an instrument for combatting all forms of discrimination in the labour market (race, ethnic origin, religion, age, disablement...); - providing for measures for the non-profit-making modernisation of public services or other employment agencies as well as measures to combat social exclusion in the labour market; - setting intervention thresholds for the ESF, such as a 15% credit threshold for the improvement of workforce training systems, stimulation of innovation, support for entrepreneurship and job creation, or even a 15% threshold for measures to promote the increased presence of women on the workforce. Finally, the Commission is much less insistent than the Parliament as regards the equality of opportunities between men and women within the framework of the ESF. ?

## Agenda 2000: European Social Fund ESF

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The Council common position on the ESF has taken up the general approach of the draft regulation proposed by the Commission. The Council text incorporates a majority of the amendments adopted by the European Parliament and incorporated in the amended proposal (7 amendments, relating in particular to eligible measures under the fund, tackling segregation on the basis of gender, new sources of employment in the sector of the social economy reconciling family and professional life, accompanying socio-educational measures...) with the exception of 4 amendments, some of which were considered fundamental, particularly those amendments relating to the following: - synergies to be created between the ESF and the other funds in the context of efforts to concentrate interventions; - the priority to be given to the promotion of a qualified and adaptable workforce or to specific measures aimed at improving women's access to the labour market; - granting a fixed percentage of 1% of the overall allocation under the ESF to finance actions via NGOs involved in this area. Elsewhere, the common position redefines the field of application of the ESF according to 5 clear policy priorities: - developing and promoting active labour-market policies to combat unemployment; - promoting equal opportunities for all in gaining access to the labour market; - promoting and improving education and vocational training; - promoting a skilled, trained and adaptable labour force; - improving women's access to and position in the labour market. The Council adds that the priorities of the national employment action plans will be taken into account within the framework of funding interventions.?

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## Agenda 2000: European Social Fund ESF

In its opinion concerning the Council common position on the ESF, the European Commission considers that the Council text is acceptable to the extent that it has taken up the general approach of the draft regulation as proposed by the Commission. Nevertheless, even taking account of the fact that this text commands the support of the Member States, the Commission is unable to support the common position for two reasons concerning the concentration of interventions: 1) with regard to the priority to be given to adaptability of the workforce and equality of opportunity between men and women, the Commission considered that these 2 areas deserved particular attention without reserving a specific proportion of the ESF for activities under these headings (as was suggested by the European Parliament). On these points, the Council has failed to include explicit references, instead undertaking that efforts should be concentrated on the "important needs and the most effective operations"; 2) with regard to the specific allocation (1%) of the ESF for actions undertaken by NGOs, the Commission considered that this was a clear and effective mechanism which would guarantee the competent organisations easy and certain access to the Fund. For its part, the Council has used a vague formulation providing for a "reasonable amount" of ESF funding for the distribution of small grants to NGOs without setting a minimum financial quota.

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## Agenda 2000: European Social Fund ESF

The Committee approved the Council's common position on new European Social Fund legislation, which forms part of the Agenda 2000 reform package. The planned reforms to the Social Fund redefine its scope to support the European employment strategy and the national action plans for employment which are linked to it. Keen to speed the passage of the legislation through Parliament, the committee adopted the recommendation by Karin JÖNS (PES, D) to approve the common position, subject to her five amendments which focus on equal opportunities for all and the need for a skilled, trained and adaptable workforce, as well as flexible work organisation, with the Third System included as a source of new jobs. To combat discrimination, Mrs Jöns is calling for intervention under the Social Fund to be geared to mainstreaming, or integrating equal opportunities into all policies areas. ?

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## Agenda 2000: European Social Fund ESF

Following the entry into force of the Treaty of Amsterdam on 01/05/99, the European Parliament confirmed (without debate) as its first reading under codecision procedure its vote of 19/11/98 on the proposal for a European Parliament and Council regulation on the European Social Fund. The Parliament's rapporteur is Karin Jöns (DE,PSE).?

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## Agenda 2000: European Social Fund ESF

Under codecision procedure, the European Parliament adopted the recommendation by Karin Jöns (PSE,DE) for second reading of the proposal for a Council regulation on the European Social Fund (ESF). The Parliament approves the Council's common position, subject to amendments, notably in the following areas: - extending the field of application of the Fund to include social integration into the labour market; - requiring particular attention to be given to promoting a skilled, trained and adaptable workforce and specific measures to improve women's access to and participation in the labour market. ?

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## Agenda 2000: European Social Fund ESF

In its opinion regarding the European Parliament's second reading, the Commission incorporated the 4 amendments adopted by the EP. These relate to: - the inclusion of 'social integration into the labour market' as part of the tasks of the ESF; - clarification that the development of new sources of employment includes the social economy (third system); - requiring that the strategy set out by Member States takes account of ESF policy fields pays particular attention to adaptability and specific measures for women; - requiring that Member States provide small grants with special access arrangements for non-governmental organisations and local partnerships under the ESF only under Objectives 1 and 3 rather than under all ESF programmes. Member States would have the option of implementing the small grants with up to 100% financing from the ESF. ?

## Agenda 2000: European Social Fund ESF

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**OBJECTIVE** : to redefine the framework and political priorities of the European Social Fund (ESF) for the period of 2000-2006. **COMMUNITY MEASURES** : Regulation 1262/1999/EC of the European Parliament and of the Council on the European Social Fund. **CONTENT** : this Regulation falls within the overall framework set up under Council Regulation 1260/99/EC laying down general provisions on the Structural Funds (AVC980090). The role of the European Social Fund within the new framework is based on the implementation of the European employment strategy and the annual guidelines on employment. This Regulation contains specific provisions applicable to the ESF to the effect that the Fund must provide assistance throughout the European Union in line with the new Objectives 1, 2 and 3 set up under the General Regulation. The ESF's remit is to support measures which aim to prevent and combat unemployment, develop human resources and foster social integration in the labour market, so as to promote a high level of employment, equal opportunities for men and women, sustainable development and economic and social cohesion. In particular, as has been stated before, the Fund shall contribute to the actions undertaken in pursuance of the European Employment Strategy and the Annual Guidelines on Employment. The ESF provides assistance and it is imperative that it is based on the national priorities set out in National Action Plans for employment which are drawn up by Member States. The forms of assistance covered by the ESF include : a) development of active labour market policies to combat and prevent unemployment, to avoid long-term unemployment, to facilitate the reintegration of the long-term unemployed and to support integration into the labour market of young people and persons returning to work after a period of absence; b) promotion of equal opportunities for all in terms of access to the labour market, with particular attention to persons at risk of social exclusion; c) promotion and improvement of vocational training, education and counselling in the context of a lifelong learning policy; d) promotion of a skilled, well-trained and flexible workforce, innovative and adaptable forms of work organisation and entrepreneurship; e) specific measures to improve access and active participation of women in the labour market (career prospects, access to new job opportunities, setting up businesses, etc.). In addition, the ESF helps to implement the Community initiative to combat all forms of discrimination and inequality in the labour market (EQUAL). Social and occupational integration of asylum seekers is also to be taken into account in the EQUAL initiative. To make ESF measures more effective, assistance must be concentrated on a limited number of areas or themes and have to be directed towards the most important needs and the most effective operations, having due regard to the ex-ante evaluations and to covering relevant areas of policy. In general, 3 forms of assistance are eligible for ESF funding : assistance for individuals, which should represent the main form of aid, covering areas such as vocational training or education and careers guidance, etc.; assistance for structures and systems to make support activities for the individuals more effective; and accompanying measures (provisions of services and equipment for the care of dependent persons, promotion of social skills training and public awareness and information campaigns). Furthermore, the ESF also finances preparation, follow-up and assessment activities in the Member States or at the Community level for innovative and pilot projects, studies or technical assistance. Moreover, the Regulation also establishes small subsidy schemes under Objectives 1 and 3 with special provisions governing access for NGO's and local partners. It also provides for ESF financing of up to 100% of eligible costs for implementation of these schemes. **ENTRY INTO FORCE** : 29.06.1999.?