**Follow up to the European Parliament non-legislative resolution of 24 October 2017 on
control of spending and monitoring of EU Youth Guarantee schemes’
cost-effectiveness**

**2016/2242 (INI)**

**1. Rapporteur:** Derek VAUGHAN (S&D/UK)

**2. EP Reference number:** [A8-0296/2017](http://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&mode=XML&reference=A8-2017-0296&language=EN) / P8\_TA-PROV(2017)0390

**3. Date of adoption of resolution:** 24 October 2017

**4. Subject:** Control of spending and monitoring of EU Youth Guarantee schemes cost-effectiveness

**5.** **Competent Parliamentary Committee:** Committee on Budgetary Control (CONT)

**6. Brief analysis/ assessment of the resolution and of requests made in it:**

The resolution notes that the youth unemployment rate remains unacceptably high and combating youth unemployment remains an EU political priority. Youth unemployment has a detrimental effect on society and affects young people disproportionately across Member States and, in particular, young people Not in Employment, Education or Training (NEETs). It stresses that flagship EU policies, such as the Youth Guarantee (YG) and the Youth Employment Initiative (YEI), have a leading role in supporting measures to provide unemployed young people with the skills, and engage them in employment and self-employment. The resolution is strongly concerned that NEETs are disconnected from the education system and the labour market, and points out that measures supported by the YG also need to address the structural challenges faced by NEETs to ensure that they have a long-term impact.

The resolution calls for a diversification of funding channels at local, regional and national level to better reach out to all young people. It recalls that the YG benefits from EU financial support through the European Social Fund (ESF) and the YEI, which supplement national contributions. It calls however on the Member States to ensure that the YEI/ ESF funds available do not replace Member States’ public expenditure.

The resolution welcomes the achievements of the YEI so far and the fact that the YEI was frontloaded in the years 2014 and 2015 and its initial pre-financing was increased so as to ensure a swift mobilisation of resources. The resolution underlines that the YEI is also intended to help modernise services to young people based on adequate profiling and identification of needs; it recalls that the YEI's success depends on the relevant economic situation and governance in the Member States as well as the education systems' adaptedness to the economy.

The resolution welcomes the increase of YEI resources agreed by the EU co-legislators until2020. It notes that, as youth unemployment persists in the EU, the next multiannual financial framework should take account of this fact and ensure continuity and cost-effectiveness of future EU funding to address youth unemployment.

The resolution deplores the fact that the majority of NEETs in the EU do not yet have access to any YG scheme, inter alia because they are generally not registered with PES. It recalls the challenges and opportunities in attracting NEETs to the labour market and recommends that additional efforts by the Commission, the Member States and national Public Employment Services (PES) are dedicated to including more inactive young people in YG schemes and to keeping them in the labour market following the expiration of the relevant support measures.

The resolution welcomes the European Court of Auditors Special resolution No 5/2017 and urges the Commission and the Member States to fully implement its recommendations in order to increase the coverage and effectiveness of YG schemes.

It calls on the Commission to propose, in collaboration with Employment Committee of the European Union (EMCO), quality criteria standards for prospective YG offers.

It also calls on the Member States and the Commission to assess any shortcomings and conduct market analyses before rolling out the systems provided for under the YG.

The resolution recommends that the Commission continues to identify and disseminate good monitoring and reporting practices, so that the results from the Member States can be communicated consistently and reliably.

The resolution calls on the Commission to carry out a detailed analysis of the effects of measures implemented in the Member States, to single out the most efficient solutions and, based on these, to provide recommendations to the Member States as to how to attain better results with a higher degree of efficiency.

**7. Response to the requests and outlook regarding the action that the Commission has taken or intends to take:**

**Paragraph 17:**

The Youth Guarantee (YG) has already shifted the focus to early intervention and non-registered NEETs, highlighted existing gaps in delivering services to unemployed youth and ensured a new focus on outreach. The majority of public employment services have improved the targeting of their services and have expanded their existing service offer to young people.

Although additional efforts are still needed to reach out to all young people, in particular those young people who are most detached from the labour market and may face multiple barriers to enter it, there are already encouraging results. According to the latest full-year data available, in many Member States (Belgium, Czech Republic, Denmark, Germany, France, Croatia, The Netherlands, Austria, Poland, Portugal, Slovenia, Slovakia, Finland) it is estimated that in 2016 more than 50% of the NEETs population (15-24) was registered in a Youth Guarantee Scheme (and in Belgium, Austria and Finland was 70% or higher). In some Member States (Malta, Hungary, Italy and Denmark) already more than 60% of those young people who took up an offer of employment, education, apprenticeship or traineeship in 2016 did so within 4 months of registration in the Youth Guarantee scheme.

The Commission will continue to support Member States in rolling out their Youth Guarantee schemes through targeted technical assistance, mutual learning activities as well as outreach and awareness-raising projects. Through the European Union Programme for Employment and Social Innovation (EaSI programme), the Commission is, for example, supporting outreach and awareness raising projects in 4 Member States and providing mutual learning opportunities. In October 2017, it launched a database of good practices and organised a mutual learning event which had a strong focus on outreach and sustainable integration of NEETs. The Commission is also organising peer support to Cyprus and Spain in improving their outreach efforts.

Progress across Member States will be monitored through the European Semester, multilateral surveillance by the Employment Committee (EMCO) and the yearly data collection on Youth Guarantee schemes.

**Paragraph 22:**

The YEI is implemented in Member States in the context of shared management whereby Member State managing authorities are responsible for elaborating the actions to be financially supported by the YEI. At its level, the Commission does not have an overview of the full list of measures supported by the YEI in the eligible regions. As regards putting in place Youth Guarantee schemes and the require financial backing at national level, it should be noted that in many Member States the latter does not come primarily from YEI allocations but also from ESF support and, in particular, national budgets. The Commission regularly encourages Member States to update the Youth Guarantee Implementation Plans, including budgetary projections for both EU and national resources, in order to demonstrate the resources they allocate to the implementation of Youth Guarantee schemes at national level.

**Paragraph 30:**

The Commission accepts the recommendation of the Court of Auditors on managing expectations by setting realistic and achievable objectives and targets and the recommendation on supporting Member States to establish appropriate outreach strategies to identify and register the entire NEETs population and considers them already implemented. The Commission is also already addressing the recommendation on disseminating good practices in monitoring through the support offered to Member States reporting data under the Indicator Framework for monitoring the Youth Guarantee.

The Commission recognises the importance of managing expectations and setting realistic targets. The Commission has repeatedly stressed that tackling youth unemployment is mainly a task for the Member States, which are the ones that have the necessary structures and the required funding. The Commission’s role is to support them in their efforts and in delivering on the Youth Guarantee. The Commission considers, however, that setting an ambitious policy goal at EU level on youth employment was – and still is – crucial in creating strong political momentum in Member States and mobilising stakeholders in support of Europe's youth.

The Commission will continue to support Member States in rolling out their Youth Guarantee schemes through targeted technical assistance, mutual learning activities as well as outreach and awareness-raising projects. Through the EaSI programme, the Commission is, for example, supporting outreach and awareness raising projects in four Member States and providing mutual learning opportunities. Progress across Member States will be monitored through the European Semester, multilateral surveillance by the Employment Committee (EMCO) and the yearly data collection on Youth Guarantee schemes.

The Court also recommends that the Commission should, together with EMCO, develop standards for quality criteria for Youth Guarantee offers. The Commission is contributing to discussions in EMCO on the quality criteria for Youth Guarantee offers, and EMCO has already decided to enhance the monitoring of the quality of in the EMCO multilateral surveillance process.

The findings of the report of the Court of Auditors draw largely on data from 2014-2015. The Commission would like to point to the fact that, in spite of initial delays in some Member States in these years, implementation has advanced steadily since then. As of October 2017, at least 1.7 million young people have participated in projects that boost their skills or allow them to have a working experience. The Commission agrees with the Court, however, that more efforts are needed to ensure that the Youth Employment Initiative supports young people that are furthest away from education, training and employment. To achieve this, the Commission supports Member States, providing advice, guidance and mutual learning exchanges so that they can design measures that are tailored to the needs of young people.

**Paragraphs 34 and 35:**

In its Communication on the implementation of the Youth Guarantee and the YEI (October 2016), the Commission acknowledges the need to continue to work closely with Member States to improve the quality of offers. Many actions have already borne fruit. The YEI is well focused and targeted at specific regions and groups of young people, and specific result indicators act as an additional driver of quality of actions. The Commission is also monitoring the quality of employment for all age groups in the European Semester, with particular attention being paid to issues related to labour market segmentation. Quality aspects of YG offers are also captured by the follow-up indicators which are part of the Indicator Framework (showing the situation of young people 6, 12 and 18 months after exiting the YG).

The Council Recommendation on a Quality Framework for Traineeships and the proposal for a European Framework for Quality and Effective Apprenticeships provide guidance on the quality of traineeship and apprenticeship offers.

The commitment to quality offers for young people has been reinforced by the inclusion of the YG as principle 4b of the European Pillar of Social Rights, which aims to serve as a compass for a renewed convergence towards better working and living conditions.

The Commission is contributing to the discussions in EMCO on the quality criteria for Youth Guarantee offers. EMCO has already decided to enhance the monitoring of the quality of offers in the EMCO multilateral surveillance process. In practice this will mean, for example, that in the December 2017 review on YG implementation, Member States will report more specifically on the characteristics of YG offers and programmes underpinning their delivery.

**Paragraph 41:**

As regards the EU support to youth employment and education measures, including traineeships, the Commission has been insisting on a strong link between funding and policy strategy. The YEI funding is also subject to a specific ex-ante conditionality, which requires, at the time of adoption of the YEI-supported operational programme, that the Member State demonstrates the existence of a strategic policy framework on youth employment. In most Member States, the Youth Guarantee Implementation Plans constitute such a policy framework. Member States, which are responsible for the conception and roll-out of measures on the ground, are therefore required by the Regulations for the EU Funds and also encouraged at policy level, in the context of the Youth Guarantee Implementation Plans, to ensure that all measures supported aim to implement a sound policy strategy on youth employment.

**Paragraph 42:**

On 20-24 November 2017, the Commission hosted the 2nd European Vocational Skills Week. This comprised a number of meetings to advocate that Vocational Education and Training (VET) is as good a path to meaningful careers as other education routes. While the Week addressed both young people's and adults' needs, 23 November was dedicated to a summit for the European Pact for Youth. The Pact has achieved some impressive goals during its two-year existence. The summit was able to highlight all the accumulated good practice to showcase how apprenticeships and traineeships facilitate quality paths to life and work for young people.

CareersNet, the new experts network of the European Centre for the Development of Vocational Training (Cedefop) on lifelong guidance, which was launched in 2017, aims at producing insights on career development activities embedded in distinct policy fields, such as education, training, validation of skills, adult learning or labour market policy. The network aims at establishing an evidence-base that will shed light upon national lifelong guidance systems and identify gaps and solutions. Early development of career-related skills and workplace career development will be in focus. The network will also work on producing online resources for practitioners, managers and policy makers in the field.

**Paragraph 44:**

The Commission will continue to support the exchange of best practices between Member States – including, when relevant, on skills mismatch – through targeted technical assistance and mutual learning activities. In October 2017, the Commission launched a database of Youth Guarantee related good practices:

<http://ec.europa.eu/social/main.jsp?catId=1327&langId=en>

Based on these activities, the Commission will promote the exchange of best practices on the issue of skills mismatch also within the framework of EMCO.

**Paragraphs 52, 58 and 59:**

The European Semester has been pivotal in addressing structural challenges related to the implementation of the YG at the highest level. Progress is assessed annually in the Commission’s Country Reports and through multilateral surveillance reviews of the EMCO.

An Indicator Framework for Monitoring the Youth Guarantee was developed within the EMCO with support from the European Commission, and endorsed on 28 May 2015. The Framework comprises indicators related to three levels:

* macroeconomic indicators monitoring the context and situation of young people in the labour market;
* implementation indicators (based on administrative data) measuring the direct impact of YG delivery;
* and follow-up indicators (based on administrative data) assessing the sustainability of labour market integration after provision of an offer.

The results of the yearly data collection exercises provide a useful basis for monitoring the implementation of the YG in individual Member States, with the aim of enabling the continuous improvement of the Youth Guarantee Schemes.

Detailed information per Member State on the yearly monitoring of Youth Guarantee schemes can be found on:

<http://ec.europa.eu/social/main.jsp?catId=1143&langId=en#YGIF>

The Commission is already disseminating good practices in monitoring and reporting practices through the support offered to Member States reporting data under the Indicator Framework for monitoring the Youth Guarantee and through the continuous refinement of its methodology.

**Paragraph 55:**

The Commission regularly holds meetings with youth organisations and invites them to provide input and take part in its activities and actions related to the Youth Guarantee. For example, on 10 November 2017 the European Youth Forum and the European Commission co-organised in Brussels an event on "Quality Traineeships in the EU – Youth Guarantee, European Solidarity Corps and beyond".

**Paragraph 62:**

Member States are required to report on YEI common output and result indicators in their Annual Implementation Reports as set out in Annexes I and II of the ESF Regulation (Regulation (EU) No 1304/2013). In accordance with Article 19 of the same Regulation, YEI structured data has to be submitted by Member States each year starting in 2015. Similar to results under ESF operations, YEI results often materialise only at a later stage. Long-term result indicators are used to capture them.

The Commission regularly discusses with Member States and provides guidance on methodological matters in relation to YEI data reporting in fora such as the ESF Technical Working Group and the ESF evaluation partnership meeting.

As regards reducing the administrative burden on Member States' data reporting, the Commission has made relevant proposals, which are currently being discussed by the co-legislators in the context of the amendments to Regulation (EU) No 1303/2013 with a view to simplification. According to these proposed amendments, for instance, Member States would no longer need to collect/ report data under output indicators as regards participants who live in jobless households as originally provided for in Annex I of the ESF Regulation.

**Paragraph 64:**

The Commission considers that the current methodological guidance to report data under Indicator Framework for Monitoring the Youth Guarantee does not involve a significant risk of overstating results.

**Paragraph 68:**

Although any such estimates for the EU as a whole are subject to a number of caveats, the Commission considers the work of Eurofound and the International Labour Organization (ILO) as a good starting point. The Commission stands ready to support Member States in developing a methodological approach on this issue, which has also been addressed in the context of the EC-ILO action on youth employment policies. However, the Commission would like to reiterate that the resources needed to implement a Youth Guarantee may vary greatly from one Member State to another depending on the labour market situation and national context. Also, not all measures that the YG recommendation calls for require substantial financial support (e.g. strengthening cooperation between the education system and the Public Employment Services). But, indeed, as indicated in the Commission reply to the latest European Court of Auditors' report, the Commission would welcome a better overview of the estimated cost of all planned measures to implement the Youth Guarantee from Member States and will, wherever possible and upon request of the Member States, support them in this process.

**Paragraph 70:**

The Commission would like to clarify that in accordance with Article 19(6) of the ESF Regulation (Regulation (EU) No 1304/2013) it is the legal obligation of the Member States and not of the Commission to carry out two evaluations on the implementation of the YEI. The first evaluations were submitted by the Member States at the end of 2015 and the second evaluations are due in 2018. The Commission has reporting obligations as regards the European Structural and Investment Funds (ESIF) as laid down in Article 53 of Regulation (EU) No 1303/2013. Furthermore, an ex-post evaluation of the European Social Fund and in that context, the YEI, is requested from the Commission in accordance with Article 57 of the aforementioned Regulation. In October 2016 the Commission already produced a detailed report[[1]](#footnote-1) on the implementation progress of the YEI, based on reporting and the first evaluations by the Member States.

**Paragraph 78:**

As regards implementation of the YEI, targeting of funding is to a large extent ensured at the outset. Above all, YEI funding is allocated to specific EU regions in which the youth unemployment rate is above 25%. Member State should itself define the characteristics of the NEETs target group (young people not in employment, education or training), and design actions that take into account the various needs of the NEETs population (e.g. education level, distance from the labour market, etc.) targets to be achieved in the context of YEI-supported operational programmes are agreed with the Commission and in case of significant change in the local economic situation they may be revised. As regards the quality of data reported by Member States for the YEI, the Commission regularly discusses with them and provides guidance on methodological matters in relation to YEI data reporting in fora such as the ESF Technical Working Group and the ESF evaluation partnership meeting.

**Paragraph 79:**

An increase in the resources will be made available at EU level – a total of EUR 2.4 billion as agreed by the European Parliament and Council – will strengthen the impact of the YEI and enable continued implementation of the Youth Guarantee. However, the Commission is aware that the YEI resources are not enough to fully implement Youth Guarantee schemes. National investment is crucial to ensure all young people find job, training or further education. For the Commission, youth employment remains a key priority for the future. The Commission is currently reflecting, together with Member States, on how to better ensure in future that the EU funding support to young people is well targeted towards the groups that need it the most and towards the provision of high-quality job and education services to young people.

**Paragraph 82:**

The implementation of the YG has triggered a substantial effort to better understand the diversity of the NEETs population, including young women, in order to more effectively support young people in the most vulnerable situations[[2]](#footnote-2). As part of the Youth Guarantee implementation, some Member States have put in place NEETs tracking systems; others are ensuring collaboration between a diverse range of services when delivering youth employment measures, in order to better support each individual according to their needs. The Commission assists Member States through mutual learning and reporting activities to promote effective policy measures. Policy "good practice" has also been collected and disseminated through work with Member States on the YG, for instance on technical assistance to set up ESF and YEI-funded apprenticeships and traineeships schemes and also in the context of the Youth Guarantee Learning Forum organised by the Commission in October 2017. The Commission will continue to support the exchange of best practices between Member States through targeted technical assistance and mutual learning activities. At the occasion of the Learning Forum on 26-27 October 2017, the Commission launched a database of Youth Guarantee related good practices:

<http://ec.europa.eu/social/main.jsp?catId=1327&langId=en>

1. <http://europa.eu/rapid/press-release_IP-16-3216_en.htm> [↑](#footnote-ref-1)
2. COM(2016) 646 final [↑](#footnote-ref-2)