

Regulation (EU) No 1296/2013 of the European Parliament and of the Council of 11 December 2013 on a European Union Programme for Employment and Social Innovation ("EaSI") and amending Decision No 283/2010/EU establishing a European Progress Microfinance Facility for employment and social inclusion (Text with EEA relevance)

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EUROPEAN PARLIAMENT AND OF THE COUNCIL

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 46(d), Article 149, Article 153(2)(a) and to the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee⁽¹⁾,

Having regard to the opinion of the Committee of the Regions⁽²⁾,

Acting in accordance with the ordinary legislative procedure⁽³⁾,

Whereas:

- (1) In line with the Commission Communication of 29 June 2011 entitled 'A budget for Europe 2020', which recommends rationalising and simplifying the Union's funding instruments and sharpening their focus both on Union added value and on impacts and results, this Regulation establishes a European Union Programme for Employment and Social Innovation ('the Programme') to provide for the continuation and development of activities carried out on the basis of Decision No 1672/2006/EC of the European Parliament and of the Council⁽⁴⁾, Regulation (EU) No 492/2011 of the European Parliament and of the Council⁽⁵⁾, Commission Implementing Decision 2012/733/EU⁽⁶⁾ and Decision No 283/2010/EU of the European Parliament and of the Council that established a European Progress Microfinance Facility for employment and social inclusion⁽⁷⁾ ('the Facility').
- (2) On 17 June 2010, the European Council endorsed the Commission proposal for a Europe 2020 Strategy for jobs and smart, sustainable and inclusive growth ("Europe 2020"), which provides for five headline targets (including those dealing with employment, the fight against poverty and social exclusion, and education,

respectively), and seven flagship initiatives, and which constitutes a coherent policy framework for the coming decade. The European Council advocated full mobilisation of the appropriate Union instruments and policies to support the achievement of the common objectives, and invited the Member States to increase their coordinated action.

- (3) In accordance with Article 148(4) of the Treaty on the Functioning of the European Union (TFEU), the Council, on 21 October 2010, adopted guidelines for employment policies which, together with the broad guidelines for the economic policies of the Member States and of the Union adopted in accordance with Article 121 TFEU, comprise the Europe 2020 integrated guidelines. The Programme should contribute to achieving the Europe 2020 targets, especially its poverty reduction and employment objectives, as defined in the Employment Guidelines. To that end, the Programme should support the implementation of the flagship initiatives, with special regard to the European Platform against Poverty and Social Exclusion, an Agenda for New Skills and Jobs, and Youth on the Move, as well as the Youth Employment Package.
- (4) The Europe 2020 flagship initiatives entitled "European Platform against Poverty and Social Exclusion" and "Innovation Union" identify social innovation as a powerful tool for addressing the social challenges arising from population ageing, poverty, unemployment, new work patterns and life styles, and the expectations of citizens regarding social justice, education and health care. The Programme should support action to increase social innovation, in response to social needs that are not met or that are met insufficiently, in respect of combating poverty and social exclusion, promoting a high level of quality and sustainable employment, guaranteeing adequate and poverty-preventing social protection, improving working conditions and improving access to training for vulnerable people, taking due account of the role of regional and local authorities. The Programme should also act as a catalyst for transnational partnerships and networking between public, private and third-sector actors, as well as supporting their involvement in designing and implementing new approaches to tackling pressing social needs and challenges.
- (5) In particular, the Programme should help to identify and to analyse innovative solutions, and to scale up their practical implementation, through social policy experimentation, so as to assist, where necessary, Member States to increase the efficiency of their labour markets and to further improve their social protection and inclusion policies. Social policy experimentation is project-based field testing of social innovations. It allows the gathering of evidence on the feasibility of social innovations. It should be possible for successful ideas to be pursued on a wider scale with financial support from the European Social Fund (ESF), as well as from other sources.
- (6) The open method of coordination, which has proved its flexibility and operational effectiveness in employment and social policy areas, should be widely used and should benefit from actions supported by the Programme.
- (7) Progress towards socially and environmentally sustainable development in Europe requires the anticipation and development of new skills and competencies, leading to an improvement in the conditions for job creation, in the quality of employment and in working conditions, through accompanying education, labour market and

social policies in connection with the transformation of industries and services. The Programme should, therefore, contribute to promoting the creation of quality and sustainable 'green', 'white' and ICT jobs, as well as to anticipating and developing new skills and competencies for new quality and sustainable jobs, by linking employment and social policies with industrial and structural policies and by supporting a transition towards a resource-efficient and low carbon economy. In particular, the Programme should act as a catalyst for exploring the job creation potential of public sector-led green and social investments and of local and regional employment initiatives.

- (8) The Programme should, where relevant, take account of the territorial dimension of unemployment, poverty and social exclusion, and especially of the increasing inequalities that exist within and between regions, between rural areas and cities and within cities.
- (9) It is necessary to consolidate the social dimensions of the internal market. Given the need to enhance confidence in the internal market, including the free movement of services, through ensuring respect for workers' rights, it is necessary to ensure that the respective rights of workers and entrepreneurs to freedom of movement are accorded equal status throughout the Union.
- (10) In line with Europe 2020, the Programme should pursue a coherent approach to promoting quality and sustainable employment, as well as to combating and preventing social exclusion and poverty, while taking into account the need to respect equality between women and men. The implementation of the Programme should be rationalised and simplified, notably through the establishment of a set of common provisions including, inter alia, general objectives and monitoring and evaluation arrangements. The Programme should focus on projects, irrespective of their size, with clear Union added value. In order to reduce administrative burdens, the Programme should support the creation and development of networks and partnerships. In addition, greater use should be made of simplified cost options (lump-sum and flat-rate financing), in particular for the implementation of mobility schemes, while ensuring transparency of proceedings. The Programme should be a "one-stop shop" for microfinance providers at Union level, providing financing for micro-credits and social entrepreneurship, facilitating access to borrowing and providing technical assistance.
- (11) Taking into account the limited funds available to the Programme and the pre-allocation of these funds to the various axes, funding priority should be given to the development of structures with a clear multiplier effect which will benefit further activities and initiatives. Appropriate measures should also be put in place to avoid any possibility of overlap or double-financing with other funds or programmes, in particular the ESF.
- (12) The Union should equip itself with evidence based on a sound analysis in order to support policy-making in the employment and social area, paying special attention to the impact of financial and economic crises. Such evidence adds value to national action by providing a Union dimension and a comparison for data-gathering and by developing statistical tools and methods and common indicators, for the purpose of composing a full picture of the situation in the fields of employment, social policy and working conditions across the Union and of ensuring high-quality evaluation of the efficiency

and effectiveness of programmes and policies with a view, inter alia, to reaching the Europe 2020 targets.

- (13) The Union is uniquely placed to provide a platform for policy exchanges and mutual-learning between countries participating in the Programme in the areas of employment, social protection and social inclusion, as well as social entrepreneurship. Knowledge of policies applied in other countries and of their results, including those achieved through social policy experimentation at local, regional and national level, broadens the range of options available to policy-makers, thereby triggering new policy developments.
- (14) Ensuring that minimum standards are in place and that working conditions improve constantly in the Union is a central feature of Union social policy. The Union has an important role to play in ensuring that the legislative framework is adapted to evolving work patterns and new health and safety risks, taking into account 'decent work' as well as 'Smart Regulation' principles. The Union also has an important role to play in financing measures to improve compliance with labour standards under ratified International Labour Organisation (ILO) conventions and Union rules on the protection of workers' rights. This is particularly the case of measures for raising awareness (e.g. through a social label), for disseminating information and for promoting the debate about the key challenges and policy issues in relation to working conditions, including among the social partners and other stakeholders, as well as for promoting work-life balance measures, for initiating preventive actions and for fostering the prevention culture in the field of health and safety at work.
- (15) Social partners and civil society organisations play a key role in promoting quality employment and combating social exclusion and poverty, as well as in fighting unemployment. Therefore, the social partners and civil society organisations should, where appropriate, be involved in mutual learning and in the development, implementation and dissemination of new policies. The Commission should inform and exchange views with Union social partners and the civil society organisations on the results concerning the implementation of the Programme.
- (16) The Union is committed to strengthening the social dimension of globalisation, and to combating social dumping, by promoting decent work and labour standards, not only in countries participating in the Programme, but also internationally, either directly vis-à-vis third countries or indirectly through cooperation with international organisations. Accordingly, suitable relations need to be developed with third countries not participating in the Programme in order to help achieve its objectives, having regard to any agreements of relevance between such countries and the Union. This may involve the attendance of representatives of those third countries at events of mutual interest (such as conferences, workshops and seminars) that take place in countries participating in the Programme. In addition, cooperation should be developed with the international organisations concerned, in particular the ILO and other relevant United Nations bodies, the Council of Europe and the Organisation for Economic Cooperation and Development (OECD), with a view to implementing the Programme in a way that takes the role of such organisations into account.

- (17) In accordance with Articles 45 and 46 TFEU, Regulation (EU) No 492/2011 lays down provisions intended to achieve freedom of movement for workers on a non-discriminatory basis by ensuring the close cooperation of the central employment services of Member States with one another and with the Commission. EURES, which is the European network of employment services, should promote the better functioning of the labour markets by facilitating the voluntary transnational cross-border geographical mobility of workers, providing greater transparency on the labour market, ensuring the clearance of vacancies and applications for employment and supporting activities in the areas of placement, recruitment, advice and guidance services at national and cross-border level, thereby contributing to the objectives of Europe 2020. Member States should be encouraged to integrate EURES services, making them available in a "one-stop shop", where appropriate.
- (18) The scope of EURES should be broadened to include developing and supporting targeted mobility schemes, after calls for proposals, at Union level with a view to filling vacancies where labour market shortcomings have been identified. In accordance with Article 47 TFEU, those schemes should support facilitating voluntary mobility among young workers in the Union. Targeted mobility schemes, such as those based on the preparatory action 'Your first EURES job', should make it easier for young people to access employment opportunities and to take up a job in another Member State, and should also encourage employers to create job openings for young mobile workers. Nevertheless, mobility schemes should not discourage the Union and Member States from helping young people to find a job in their home country.
- (19) In many border regions EURES cross-border partnerships play an important role in developing a genuine European labour market. EURES cross-border partnerships involve at least two Member States or a Member State and another participating country. Consequently, they are clearly horizontal in nature, and are a source of Union added value. EURES cross-border partnerships should therefore continue to be supported through horizontal Union activities, with the possibility of being complemented by national resources or by the ESF.
- (20) The evaluation of EURES activities should take qualitative and quantitative criteria into account. Since outgoing placements in one Member State result in incoming placements in another and depend on the ever-changing labour market situations and related mobility patterns, the evaluation should focus not only on incoming or outgoing placements in individual Member States but also on aggregated figures at Union level. Furthermore, it should be borne in mind that counselling does not necessarily result in measurable mobility or in job placements.
- (21) Europe 2020, and in particular Guideline 7 provided for in Council Decision 2010/707/EU⁽⁸⁾, identifies self-employment and entrepreneurship as crucial to achieving smart, sustainable and inclusive growth.
- (22) Lack of access to credit, equity or quasi-equity is one of the main obstacles to business creation, especially among people furthest from the labour market. Union and national efforts in this area need to be intensified in order to increase the supply of, and access to, microfinance so as to meet demand from those who need it most, and in particular

the unemployed, women and vulnerable people who wish to start up or develop a micro-enterprise, including on a self-employed basis, but who do not have access to credit. In addition, micro-enterprises make up the majority of newly-formed companies in the Union. Therefore, it should be possible for microcredits to provide a means of adding value and achieving concrete results rapidly. As a first step, in 2010 the European Parliament and the Council set up the Facility. Communication activities on microfinance opportunities at Union and Member State level should be improved so as to better reach those in need of micro-financing.

- (23) Microfinancing and support to social entrepreneurship should reach potential beneficiaries and should have long-lasting impact. They should contribute to a high level of quality and sustainable employment and serve as a catalyst for both economic and local development policies. In order to maximise the opportunities for creating viable enterprises, actions involving microfinance and social entrepreneurship should be accompanied by mentoring and training programmes and all relevant information, which should be regularly updated and made available to the public by the finance provider concerned. To this end, it is essential that adequate financing be provided, notably through the ESF.
- (24) Making microfinance more available on the Union's young microfinance market makes it necessary for the institutional capacity of microfinance providers, and in particular of non-bank microfinance institutions, to be increased in line with the Commission Communication of 13 November 2007 entitled 'A European Initiative for the development of micro-credit in support of growth and employment' and the Commission Report of 25 July 2008 entitled 'Promotion of Women Innovators and Entrepreneurship'.
- (25) The social economy and social entrepreneurship constitute an integral part of Europe's pluralist social market economy, and play an important role in ensuring greater social convergence in Europe. They are founded on the principles of solidarity and responsibility and of the primacy of the individual and of social objectives over capital, and on the promotion of social responsibility, social cohesion and social inclusion. Social enterprises can act as drivers of social change by offering innovative solutions, promoting inclusive labour markets and social services accessible to all. They therefore make a valuable contribution to meeting the objectives of Europe 2020. The Programme should improve access by social enterprises to different types of finance by providing suitable instruments to meet their specific financial needs throughout their lifecycle.
- (26) In order to capitalise on the experience of entities such as the European Investment Bank Group, action involving microfinance and social entrepreneurship should be implemented by the Commission indirectly by entrusting budget implementation tasks to such entities in accordance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁽⁹⁾ ("the Financial Regulation"). The use of Union resources concentrates leverage from international financial institutions and other investors, creates synergies between Member State and Union action and unifies approaches. It thus improves the access to finance of particular at-risk groups and young people, as well as the outreach of microfinance to them. Access to finance for micro-

enterprises, including the self-employed and social enterprises, is also improved. The Union contribution thus assists in the development of the emerging social business sector and the microfinance market in the Union and encourages cross-border activities. The Union's actions should complement the use by Member States of financial instruments for microfinance and social entrepreneurship. The entities entrusted with the implementation of the actions should ensure that they add Union value and do not duplicate other financing through Union resources.

- (27) In accordance with Europe 2020, the Programme should contribute to tackling the pressing problem of youth unemployment. Young people should, therefore, be given a future and the prospect of playing a key role in developing society and the economy in Europe, which is of particular importance in times of crisis.
- (28) The Programme should also point to the special role and importance of small enterprises regarding training, expertise and traditional know-how, as well as ensure that young people have access to microfinance. The Programme should facilitate the exchange of best practices between the Member States and other countries participating in the Programme in all those areas.
- (29) Actions under the Programme should support the implementation by the Member States and labour market actors of Council Recommendation of 22 April 2013⁽¹⁰⁾ concerning the establishment of a Youth Guarantee. That Recommendation states that all young people under the age of 25 should receive a good-quality offer of employment, continued education, an apprenticeship or a traineeship within a period of four months of becoming unemployed or leaving formal education. The Programme should facilitate the exchange of best practice between the Member States and other countries participating in the Programme in this area.
- (30) Pursuant to Article 3(3) of the Treaty on European Union (TEU) and Article 8 TFEU, it is necessary to ensure that the Programme contributes to the promotion of equality between women and men in all its axes and activities, including through gender mainstreaming and, where relevant, through specific action to promote women's employment and social inclusion. Pursuant to Article 10 TFEU, the Programme should ensure that the implementation of its priorities contributes to combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. Monitoring and evaluation should be carried out to assess the way in which anti-discrimination issues are addressed in the Programme's activities.
- (31) The Progress Programme for the period 2007-2013 includes sections entitled 'Antidiscrimination and diversity' and 'Gender equality' that are to be continued and further developed under the Rights, Equality and Citizenship Programme for the period 2014-2020. It is, however, of the utmost importance to maintain a strong focus on equality between women and men and on anti-discrimination issues in all relevant initiatives and actions covered by this Programme, especially in the fields of improving women's labour force participation, working conditions and promoting a better balance between professional and private lives.
- (32) Pursuant to Article 9 TFEU and the objectives of Europe 2020, the Programme should contribute to ensuring a high-level of quality and sustainable employment, to

guaranteeing adequate social protection and to combating poverty and social exclusion, and should take into account the requirements linked to a high level of protection of human health.

- (33) The Programme should complement other Union programmes, while acknowledging that each instrument should operate in accordance with its own specific procedures. Thus, the same eligible costs should not result in double funding. With the aim of adding value and achieving substantial impact through Union funding, close synergies should be developed between the Programme, other Union programmes and the Structural Funds, especially the ESF and the Youth Employment Initiative. The Programme should complement other Union programmes and initiatives that focus on combating youth unemployment.
- (34) The Programme should be implemented in a way that makes it easier for the competent authority or authorities of each Member State to contribute to meeting the Programme's objectives.
- (35) To ensure more efficient communication to the public at large and stronger synergies between the communication actions undertaken at the initiative of the Commission, the resources allocated to information and communication activities under this Programme should also contribute to corporate communication of, and to the provision of information on, the political priorities of the Union related to the general objectives of this Programme.
- (36) This Regulation lays down a financial envelope for the entire duration of the Programme which is to constitute the prime reference amount, within the meaning of Point 17 of the Interinstitutional Agreement [of 2 December 2013] between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁽¹¹⁾, for the European Parliament and the Council during the annual budgetary procedure.
- (37) The financial interests of the Union should be protected through proportionate measures throughout the expenditure cycle, including the prevention, detection and investigation of irregularities, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, penalties in accordance with the Financial Regulation.
- (38) In order to ensure that the Programme is sufficiently flexible to respond to changing needs and corresponding policy priorities throughout its duration, the power to adopt acts in accordance with Article 290 TFEU should be delegated to the Commission in respect of the reallocation of funds between the axes and to the individual thematic sections within the axes of the Programme. The Commission, when preparing and drawing-up delegated acts, should ensure a simultaneous, timely and appropriate transmission of relevant documents to the European Parliament and Council.
- (39) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁽¹²⁾.

- (40) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,

HAVE ADOPTED THIS REGULATION:

- (1) [OJ C 143, 22.5.2012, p. 88.](#)
- (2) [OJ C 225, 27.7.2012, p. 167.](#)
- (3) Position of the European Parliament of 21 November 2013. (not yet published in the Official Journal)
- (4) Decision No 1672/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Community Programme for Employment and Social Solidarity – PROGRESS ([OJ L 315, 15.11.2006, p. 1.](#))
- (5) Regulation (EU) No 492/2011 of the European Parliament and of the Council of 5 April 2011 on freedom of movement for workers within the Union ([OJ L 141, 27.5.2011, p. 1.](#))
- (6) Commission Implementing Decision 2012/733/EU of 26 November 2012 implementing Regulation (EU) No 492/2011 of the European Parliament and of the Council as regards the clearance of vacancies and application for employment and the re-establishment of EURES ([OJ L 328, 28.11.2012, p. 21.](#))
- (7) Decision No 283/2010/EU of the European Parliament and of the Council of 25 March 2010 establishing a European Progress Microfinance Facility for employment and social inclusion ([OJ L 87, 7.4.2010, p. 1.](#))
- (8) Council Decision 2010/707/EU of 21 October 2010 on guidelines for the employment policies of the Member States ([OJ L 308, 24.11.2010, p. 46.](#))
- (9) Regulation (EU, EURATOM) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 ([OJ L 298, 26.10.2012, p. 1.](#))
- (10) Council Recommendation of 22 April 2013 on establishing a Youth Guarantee ([OJ C 120, 26.4.2013, p. 1.](#))
- (11) [OJ C 373, 20.12.2013, p. 1.](#)
- (12) Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by Member States of the Commission's exercise of implementing powers ([OJ L 55, 28.2.2011, p. 13.](#))