

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)

TITLE I

**COMMON PROVISIONS**

*Article 1*

**Subject matter**

1 This Regulation establishes a European Union Programme for Employment and Social Innovation ('the Programme') which aims to contribute to the implementation of Europe 2020, including its headline targets, Integrated Guidelines and flagship initiatives, by providing financial support for the Union's objectives in terms of promoting a high level of quality and sustainable employment, guaranteeing adequate and decent social protection, combating social exclusion and poverty and improving working conditions.

2 The Programme shall run from 1 January 2014 to 31 December 2020.

*Article 2*

**Definitions**

For the purposes of this Regulation:

- (1) 'social enterprise' means an undertaking, regardless of its legal form, which:
- (a) in accordance with its Articles of Association, Statutes or with any other legal document by which it is established, has as its primary objective the achievement of measurable, positive social impacts rather than generating profit for its owners, members and shareholders, and which:
    - (i) provides services or goods which generate a social return and/or
    - (ii) employs a method of production of goods or services that embodies its social objective;
  - (b) uses its profits first and foremost to achieve its primary objective and has predefined procedures and rules covering any distribution of profits to shareholders and owners that ensure that such distribution does not undermine the primary objective; and
  - (c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders affected by its business activities;
- (2) 'microcredit' means a loan of up to EUR 25 000;

- (3) 'micro-enterprise' means an enterprise, including a self-employed person, that employs fewer than 10 people and whose annual turnover or annual balance sheet total does not exceed EUR 2 million, in accordance with Commission Recommendation 2003/361/EC<sup>(1)</sup>,
- (4) 'microfinance' includes guarantees, microcredit, equity and quasi-equity extended to persons and micro-enterprises that experience difficulties accessing credit;
- (5) 'social innovations' are innovations that are social both as to their ends and their means and in particular those which relate to the development and implementation of new ideas (concerning products, services and models), that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act;
- (6) 'social policy experimentation' means policy interventions that offer an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being repeated on a larger scale, if the results prove convincing.

### *Article 3*

#### **Structure of the Programme**

- 1 The Programme shall be made up of the following three complementarity axes:
  - a The Progress axis, which shall support the development, implementation, monitoring and evaluation of the Union instruments and policies referred to in Article 1 and relevant Union law, and which shall promote evidence-based policy-making, social innovation and social progress, in partnership with the social partners, civil society organisations and public and private bodies;
  - b The EURES axis, which shall support activities carried out by EURES, namely, the specialist services designated by the EEA states and the Swiss Confederation, together with social partners, other employment service providers and other interested parties, to develop information exchanges and dissemination and other forms of cooperation, such as cross-border partnerships, to promote voluntary geographical mobility for workers on a fair basis and to contribute to a high level of quality and sustainable employment;
  - c The Microfinance and Social Entrepreneurship axis, which shall increase the access to, and the availability of, financing for legal and physical persons, pursuant to Article 26.
- 2 The common provisions laid down in this Title shall apply to all three axes set out in points (a), (b) and (c) of paragraph 1, in addition to specific provisions of Title II.

### *Article 4*

#### **General objectives of the Programme**

- 1 The Programme shall seek to achieve the following general objectives:
  - a strengthen ownership among policy-makers at all levels, and produce concrete, coordinated and innovative actions at both Union and Member State level, in respect of the Union objectives in the fields referred to in Article 1, in close collaboration with the social partners, as well as civil society organisations and public and private bodies;
  - b support the development of adequate, accessible and efficient social protection systems and labour markets and facilitate policy reform, in the fields referred to in Article 1,

- notably by promoting decent work and working conditions, a prevention culture for health and safety at work, a healthier balance between professional and private life and good governance for social objectives, including convergence, as well as mutual learning and social innovation;
- c ensure that Union law on matters relating to the fields referred to in Article 1 is effectively applied, and, where necessary, contribute to modernising Union law, in line with decent work principles and taking into account the Smart Regulation principles;
  - d promote workers' voluntary geographical mobility on a fair basis and boost employment opportunities by developing high-quality and inclusive Union labour markets that are open and accessible to all, while respecting workers' rights throughout the Union, including freedom of movement;
  - e promote employment and social inclusion by increasing the availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises, and by increasing access to finance for social enterprises.
- 2 In pursuing those objectives, the Programme shall, in all its axes and actions, aim to:
- a pay particular attention to vulnerable groups, such as young people;
  - b promote equality between women and men, including through gender mainstreaming and, where appropriate, gender budgeting;
  - c combat discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation;
  - d when defining and implementing the Union's policies and activities, promote a high-level of quality and sustainable employment, guarantee adequate and decent social protection, combat long-term unemployment and fight against poverty and social exclusion.

### *Article 5*

#### **Budget**

- 1 The financial envelope for the implementation of the Programme for the period from 1 January 2014 to 31 December 2020 shall amount to EUR 919 469 000, in current prices.
- 2 The following indicative percentages shall be allocated to the axes set out in Article 3(1):
- a 61 % to the Progress axis;
  - b 18 % to the EURES axis;
  - c 21 % to the Microfinance and Social Entrepreneurship axis.
- 3 The Commission may make use of up to 2 % of the financial envelope referred to in paragraph 1 to finance operational expenditure for the support of the implementation of the Programme.
- 4 The Commission may make use of the financial envelope referred to in paragraph 1 to finance technical and/or administrative assistance, in particular relating to auditing, outsourcing of translation, meetings of experts, and information and communication activities for the mutual benefit of the Commission and the beneficiaries.
- 5 Annual appropriations shall be authorised by the European Parliament and the Council within the limits of the multiannual financial framework.

## *Article 6*

### **Joint action**

Actions eligible under the Programme may be implemented jointly with other Union instruments, provided that such actions meet the objectives of both the Programme and the other instruments concerned.

## *Article 7*

### **Consistency and complementarity**

1 The Commission, in cooperation with the Member States, shall ensure that activities carried out under the Programme are consistent with, and complementary to, other Union action, such as the European Structural and Investment Funds (ESIFs), as specified in the Common Strategic Framework laid down in Regulation (EU) No 1303/2013 of the European Parliament and of the Council<sup>(2)</sup>, and in particular under the ESF.

2 The Programme shall complement other Union programmes, without prejudice to the specific procedures of those programmes. The same eligible costs shall not result in double funding, and close synergies shall be developed between the Programme, other Union programmes and ESIFs, in particular the ESF.

3 The activities supported by the Programme shall comply with Union and national law, including state aid rules, and fundamental ILO Conventions.

4 Consistency and complementarity shall also be ensured through close involvement by local and regional authorities.

## *Article 8*

### **Cooperation with relevant bodies**

The Commission shall establish the necessary links with the Employment Committee, the Social Protection Committee, the Advisory Committee on Health and Safety at Work, the Group of Directors-General for Industrial Relations and the Advisory Committee on Freedom of Movement of Workers in order to ensure that they are regularly and appropriately informed of progress in implementing the Programme. The Commission shall also inform other committees dealing with policies, instruments and actions of relevance to the Programme.

## *Article 9*

### **Dissemination of results and communication**

1 The Commission shall inform Union stakeholders, including social partners and civil society organisations, of the results of the implementation of the Programme and shall invite an exchange of views in that regard.

2 The results of the actions implemented under the Programme shall be regularly and suitably communicated and disseminated to the European Parliament, the Council, the European

Economic and Social Committee and the Committee of the Regions, as well as to the social partners and to the public in order to maximise their impact, sustainability and Union added value.

3 Communication activities shall also contribute to corporate communication of the political priorities of the Union as far as they relate to the general objectives of this Regulation, and shall provide information on those priorities to the public.

#### *Article 10*

### **Financial provisions**

1 The Commission shall manage the Programme in accordance with the Financial Regulation.

2 The grant agreement shall specify what part of the Union financial contribution will be based on the reimbursement of actual eligible costs, and what part will be based on flat rates, unit costs or lump-sums.

#### *Article 11*

### **Protection of the financial interests of the Union**

1 The Commission shall take appropriate preventive measures to ensure that, when actions financed under this Programme are implemented, the financial interests of the Union are protected against fraud, corruption and any other illegal activities, by effective checks and that, if irregularities are detected, resources are recovered, primarily via offsetting of amounts wrongly paid but, where appropriate, by imposing effective, proportionate and dissuasive penalties, in accordance with Article 325 TFEU, Council Regulation (EC, Euratom) No 2988/95<sup>(3)</sup> and the Financial Regulation.

2 The Commission or its representatives and the Court of Auditors shall have the power of audit, on the basis of documents and on-the-spot checks, in respect of all grant beneficiaries, contractors and subcontractors who have received Union funds under the Programme.

3 The European Anti-Fraud Office (OLAF) may carry out investigations, including on-the-spot checks and inspections, in accordance with the provisions and procedures laid down in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>(4)</sup> and Council Regulation (Euratom, EC) No 2185/96<sup>(5)</sup> with a view to establishing whether fraud, corruption or any other illegal activity has occurred affecting the financial interests of the Union in connection with a grant agreement or grant decision or a contract funded under the Programme.

4 Without prejudice to paragraphs 1, 2 and 3, contracts, grant agreements and grant decisions, resulting from the implementation of this Programme shall contain provisions expressly empowering the Commission, the Court of Auditors and OLAF to conduct the audits and investigations referred to in those paragraphs, in accordance with their respective competences.

## *Article 12*

### **Monitoring**

With a view to regular monitoring of the Programme and to making any adjustments needed to its policy and funding priorities, the Commission shall draw up an initial qualitative and quantitative monitoring report covering the first year, followed by three reports covering consecutive two-year periods and shall send those reports to the European Parliament and the Council. The reports shall also be transmitted, for information purposes, to the European Economic and Social Committee and the Committee of the Regions. The reports shall cover the Programme's results and the extent to which the principles of equality between women and men and gender mainstreaming have been applied, as well as how anti-discrimination considerations, including accessibility issues, have been addressed through its activities. The reports shall be made available to the public in order to enhance the transparency of the Programme.

## *Article 13*

### **Evaluation**

1 A mid-term evaluation of the Programme shall be carried out by 1 July 2017 to measure, on a qualitative and quantitative basis, progress made in meeting the Programme's objectives, to address the social environment within the Union and any major changes introduced by Union legislation, to determine whether the resources of the Programme have been used efficiently and to assess its Union added value. The results of that mid-term evaluation shall be presented to the European Parliament and to the Council.

2 If the evaluation referred to in paragraph 1 of this Article, or any evaluation carried out pursuant to Article 19 of Decision No 1672/2006/EC or Article 9 of Decision No 283/2010/EU, reveals that the Programme has major shortcomings, the Commission shall, if appropriate, submit a proposal to the European Parliament and to the Council, including appropriate amendments to the Programme to take account of the results of the evaluation.

3 Before submitting any proposal for a prolongation of the Programme beyond 2020, the Commission shall present to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions an evaluation of the conceptual strengths and weaknesses of the Programme in the period 2014 to 2020.

4 By 31 December 2022, the Commission shall evaluate ex-post the impact and Union added value of the Programme and shall forward a report containing that evaluation to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The report shall be made available to the public.

- (1) Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises ([OJ L 124, 20.5.2003, p. 36](#)).
- (2) Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund covered by the Common Strategic Framework and laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund (See page 320 of this Official Journal).
- (3) Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities' financial interests ([OJ L 312, 23.12.1995, p. 1](#)).
- (4) Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 ([OJ L 248, 18.9.2013, p. 1](#)).
- (5) Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities ([OJ L 292, 15.11.1996, p. 2](#)).