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► **B** REGULATION (EU) No 1304/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 17 December 2013

on the European Social Fund and repealing Council Regulation (EC) No 1081/2006

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**REGULATION (EU) No 1304/2013 OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL**

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**on the European Social Fund and repealing Council Regulation
(EC) No 1081/2006**

CHAPTER I

GENERAL PROVISIONS

Article 1

Subject matter

This Regulation establishes the missions of the European Social Fund (ESF), including the Youth Employment Initiative (YEI), the scope of its support, specific provisions and the types of expenditure eligible for assistance.

Article 2

Missions

1. The ESF shall promote high levels of employment and job quality, improve access to the labour market, support the geographical and occupational mobility of workers and facilitate their adaptation to industrial change and to changes in production systems needed for sustainable developments, encourage a high level of education and training for all and support the transition between education and employment for young people, combat poverty, enhance social inclusion, and promote gender equality, non-discrimination and equal opportunities, thereby contributing to the priorities of the Union as regards strengthening economic, social and territorial cohesion.

2. The ESF shall fulfil the missions set out in paragraph 1 by supporting Member States in pursuing the priorities and headline targets of the Union strategy for smart, sustainable and inclusive growth (the 'Europe 2020 strategy') and by allowing Member States to address their specific challenges with regard to achieving the Europe 2020 strategy objectives. The ESF shall support the design and implementation of policies and actions in connection with its missions, taking account of the relevant Integrated Guidelines and relevant country-specific recommendations adopted in accordance with Article 121(2) and Article 148(4) TFEU and, where appropriate, at national level, the national reform programmes as well as other relevant national strategies and reports.

3. The ESF shall benefit people, including disadvantaged people such as the long-term unemployed, people with disabilities, migrants, ethnic minorities, marginalised communities and people of all ages facing poverty and social exclusion. The ESF shall also provide support to

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workers, enterprises, including actors in the social economy, and entrepreneurs, as well as to systems and structures with a view to facilitating their adaptation to new challenges including reducing skill mismatches and promoting good governance, social progress, and the implementation of reforms, in particular in the fields of employment, education, training and social policies.

*Article 3***Scope of support**

1. Under the thematic objectives set out in points (8), (9), (10) and (11) of the first paragraph of Article 9 of Regulation (EU) No 1303/2013, which correspond to points (a), (b), (c) and (d) of this paragraph, and in accordance with its missions, the ESF shall support the following investment priorities:

- (a) For the thematic objective 'promoting sustainable and quality employment and supporting labour mobility':
 - (i) Access to employment for job-seekers and inactive people, including the long-term unemployed and people far from the labour market, also through local employment initiatives and support for labour mobility;
 - (ii) Sustainable integration into the labour market of young people, in particular those not in employment, education or training, including young people at risk of social exclusion and young people from marginalised communities, including through the implementation of the Youth Guarantee;
 - (iii) Self-employment, entrepreneurship and business creation including innovative micro, small and medium sized enterprises;
 - (iv) Equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work;
 - (v) Adaptation of workers, enterprises and entrepreneurs to change;

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- (vi) Active and healthy ageing;
 - (vii) Modernisation of labour market institutions, such as public and private employment services, and improving the matching of labour market needs, including through actions that enhance transnational labour mobility as well as through mobility schemes and better cooperation between institutions and relevant stakeholders;
- (b) For the thematic objective 'promoting social inclusion, combating poverty and any discrimination':
- (i) Active inclusion, including with a view to promoting equal opportunities and active participation, and improving employability;
 - (ii) Socio-economic integration of marginalised communities such as the Roma;
 - (iii) Combating all forms of discrimination and promoting equal opportunities;
 - (iv) Enhancing access to affordable, sustainable and high-quality services, including health care and social services of general interest;
 - (v) Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy in order to facilitate access to employment;
 - (vi) Community-led local development strategies;
- (c) For the thematic objective 'investing in education, training and vocational training for skills and life-long learning':
- (i) Reducing and preventing early school-leaving and promoting equal access to good quality early-childhood, primary and secondary education including formal, non-formal and informal learning pathways for reintegrating into education and training;
 - (ii) Improving the quality and efficiency of, and access to, tertiary and equivalent education with a view to increasing participation and attainment levels, especially for disadvantaged groups;
 - (iii) Enhancing equal access to lifelong learning for all age groups in formal, non-formal and informal settings, upgrading the knowledge, skills and competences of the workforce, and promoting flexible learning pathways including through career guidance and validation of acquired competences;

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- (iv) Improving the labour market relevance of education and training systems, facilitating the transition from education to work, and strengthening vocational education and training systems and their quality, including through mechanisms for skills anticipation, adaptation of curricula and the establishment and development of work-based learning systems, including dual learning systems and apprenticeship schemes;
- (d) For the thematic objective 'enhancing institutional capacity of public authorities and stakeholders and efficient public administration':
 - (i) Investment in institutional capacity and in the efficiency of public administrations and public services at the national, regional and local levels with a view to reforms, better regulation and good governance;

This investment priority is applicable only in Member States eligible for support from the Cohesion Fund, or in Member States that have one or more NUTS level 2 regions referred to in Article 90(2)(a) of Regulation (EU) No 1303/2013.

- (ii) Capacity building for all stakeholders delivering education, lifelong learning, training and employment and social policies, including through sectoral and territorial pacts to mobilise for reform at the national, regional and local levels.
2. Through the investment priorities listed in paragraph 1, the ESF shall also contribute to the other thematic objectives listed in the first paragraph of Article 9 of Regulation (EU) No 1303/2013, primarily by:
- (a) Supporting the shift towards a low-carbon, climate-resilient, resource-efficient and environmentally sustainable economy, through the improvement of education and training systems necessary for the adaptation of skills and qualifications, the upskilling of the labour force, and the creation of new jobs in sectors related to the environment and energy;
 - (b) Enhancing the accessibility of, and use and quality of, information and communication technologies through the development of digital literacy and e-learning, and investment in e-inclusion, e-skills and related entrepreneurial skills;
 - (c) Strengthening research, technological development and innovation through the development of post-graduate studies and entrepreneurial skills, the training of researchers, networking activities and partnerships between higher education institutions, research and technological centres and enterprises;
 - (d) Enhancing the competitiveness and long-term sustainability of small and medium-sized enterprises, through promoting the adaptability of enterprises, managers and workers, increased investment in human capital, and support for bodies providing practice-oriented vocational education and training.



Article 4

Consistency and thematic concentration

1. Member States shall ensure that the strategy and actions set out in their operational programmes are consistent with, and respond to, the challenges identified in their national reform programmes, as well as, where relevant, in their other national strategies that aim to fight unemployment, poverty and social exclusion, and also in the relevant Council recommendations adopted in accordance with Article 148(4) TFEU, in order to contribute to achieving the headline targets of the Europe 2020 strategy on employment, education and poverty reduction.

2. At least 20 % of the total ESF resources in each Member State shall be allocated to the thematic objective "promoting social inclusion, combating poverty and any discrimination" set out in point (9) of the first paragraph of Article 9 of Regulation (EU) No 1303/2013.

3. Member States shall pursue thematic concentration according to the following modalities:

(a) For more developed regions, Member States shall concentrate at least 80 % of the ESF allocation to each operational programme on up to five of the investment priorities set out in Article 3(1).

(b) For transition regions, Member States shall concentrate at least 70 % of the ESF allocation to each operational programme on up to five of the investment priorities set out in Article 3(1).

(c) For less developed regions, Member States shall concentrate at least 60 % of the ESF allocation to each operational programme on up to five of the investment priorities set out in Article 3(1).

4. The priority axes referred to in Article 11(1) shall be excluded from the calculation of the percentages specified in paragraphs 2 and 3 of this Article.

Article 5

Indicators

1. Common output and result indicators, as set out in Annex I to this Regulation, and, where relevant, programme-specific indicators shall be used in accordance with Article 27(4) and Article 96(2)(b)(ii) and (iv) of Regulation (EU) No 1303/2013. All common output and result indicators shall be reported for all investment priorities. The result indicators set out in Annex II to this Regulation shall be reported in accordance with paragraph 2 of this Article. Where applicable, data shall be broken down by gender.

For common and programme-specific output indicators, baselines shall be set at zero. Where relevant to the nature of the operations supported, cumulative quantified target values for those indicators shall be set for 2023. Output indicators shall be expressed in absolute numbers.

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For those common and programme-specific result indicators for which a cumulative quantified target value for 2023 has been set, baselines shall be fixed using the latest available data or other relevant sources of information. Programme-specific result indicators and related targets may be expressed in quantitative or qualitative terms.

2. In addition to paragraph 1, result indicators set out in Annex II to this Regulation shall be used for all operations supported under the investment priority referred to in Article 3(1)(a)(ii) for the implementation of the YEI. All indicators set out in Annex II to this Regulation shall be linked with a quantified cumulative target value for 2023 and a baseline.

3. Together with annual implementation reports, each managing authority shall transmit electronically structured data for each priority axis broken down by investment priority. The data shall be submitted for the categories of intervention referred to in Article 96(2)(b)(vi) of Regulation (EU) No 1303/2013 and the output and result indicators. By way of derogation from Article 50(2) of Regulation (EU) No 1303/2013, data transmitted for output and result indicators shall relate to values for partially or fully implemented operations.

CHAPTER II

SPECIFIC PROVISIONS FOR PROGRAMMING AND
IMPLEMENTATION*Article 6***Involvement of partners**

1. The participation of the partners referred to in Article 5 of Regulation (EU) No 1303/2013 in the implementation of the operational programmes may take the form of global grants as defined in Article 123(7) of Regulation (EU) No 1303/2013. In such cases, the operational programme shall identify the part of the operational programme concerned by the global grant, including an indicative financial allocation from each priority axis to it.

2. To encourage adequate participation of the social partners in actions supported by the ESF, the managing authorities of an operational programme in a region defined in Article 90(2)(a) or (b) of Regulation (EU) No 1303/2013 or in a Member State eligible for support from the Cohesion Fund shall ensure that, according to the needs, an appropriate amount of ESF resources is allocated to capacity building activities, in the form of training, networking measures, and strengthening of the social dialogue, and to activities jointly undertaken by the social partners.

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3. To encourage the adequate participation of, and access by, non-governmental organisations in and to actions supported by the ESF, in particular in the fields of social inclusion, gender equality and equal opportunities, the managing authorities of an operational programme in a region defined in Article 90(2)(a) or (b) of Regulation (EU) No 1303/2013 or in a Member State eligible for support from the Cohesion Fund shall ensure that an appropriate amount of ESF resources is allocated to capacity building for non-governmental organisations.

*Article 7***Promotion of equality between men and women**

The Member States and the Commission shall promote equality between men and women through mainstreaming as referred to in Article 7 of Regulation (EU) No 1303/2013 throughout the preparation, implementation, monitoring and evaluation of the operational programmes. Through the ESF, the Member States and the Commission shall also support specific targeted actions within any of the investment priorities referred to in Article 3, and in particular Article 3(1)(a)(iv) of this Regulation, with the aim of increasing the sustainable participation and progress of women in employment, thus combating the feminisation of poverty, reducing gender-based segregation, combating gender stereotypes in the labour market and in education and training, and promoting the reconciliation of work and personal life for all as well as the equal sharing of care responsibilities between men and women.

*Article 8***Promotion of equal opportunities and non-discrimination**

The Member States and the Commission shall promote equal opportunities for all, without discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation through mainstreaming the principle of non-discrimination, as referred to in Article 7 of Regulation (EU) No 1303/2013. Through the ESF, the Member States and the Commission shall also support specific actions within any of the investment priorities referred to in Article 3, and in particular Article 3(1)(b)(iii) of this Regulation. Such actions shall aim to combat all forms of discrimination as well as to improve accessibility for persons with disabilities, with a view to improving integration into employment, education and training, thereby enhancing social inclusion, reducing inequalities in terms of educational attainment and health status, and facilitating the transition from institutional to community-based care, in particular for those who face multiple discrimination.

*Article 9***Social innovation**

1. The ESF shall promote social innovation within all areas falling under its scope, as defined in Article 3 of this Regulation, in particular

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with the aim of testing, evaluating and scaling up innovative solutions, including at the local or regional level, in order to address social needs in partnership with the relevant partners and, in particular, social partners.

2. Member States shall identify, either in their operational programmes or at a later stage during implementation, fields for social innovation that correspond to the Member States' specific needs.

3. The Commission shall facilitate capacity building for social innovation, in particular through supporting mutual learning, establishing networks, and disseminating and promoting good practices and methodologies.

*Article 10***Transnational cooperation**

1. Member States shall support transnational cooperation with the aim of promoting mutual learning, thereby increasing the effectiveness of policies supported by the ESF. Transnational cooperation shall involve partners from at least two Member States.

2. By way of derogation from paragraph 1, Member States with a single operational programme supported by the ESF or a single multi-fund operational programme may exceptionally choose not to support transnational cooperation actions, in duly justified cases and taking account of the principle of proportionality.

3. Member States, in partnership with the relevant partners, may select themes for transnational cooperation from a list of common themes proposed by the Commission and endorsed by the Committee referred to in Article 25 or select any other themes corresponding to their specific needs.

4. The Commission shall facilitate transnational cooperation on the common themes of the list referred to in paragraph 3 and, where appropriate, other themes selected by Member States, through mutual learning and coordinated or joint action. In particular, the Commission shall operate an EU-level platform to facilitate the setting up of transnational partnerships, the exchange of experiences, capacity building and networking, and the capitalisation on and the dissemination of the relevant outcomes. In addition, the Commission shall develop a coordinated implementation framework, including common eligibility criteria, types and timing of actions, and common methodological approaches for monitoring and evaluation, with a view to facilitating transnational cooperation.

*Article 11***Fund-specific provisions for operational programmes**

1. By way of derogation from Article 96(1) of Regulation (EU) No 1303/2013, operational programmes may set out priority axes for the implementation of social innovation and transnational cooperation as referred to in Articles 9 and 10 of this Regulation.

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2. By way of derogation from Article 120(3) of Regulation (EU) No 1303/2013, the maximum co-financing rate for a priority axis shall be increased by ten percentage points, but shall not exceed 100 % where the whole of a priority axis is dedicated to social innovation or to transnational cooperation, or a combination of both.

3. In addition to the provision made in Article 96(3) of Regulation (EU) No 1303/2013, operational programmes shall also set out the contribution of planned ESF-supported actions to:

- (a) the thematic objectives listed under points (1) to (7) of the first paragraph of Article 9 of Regulation (EU) No 1303/2013 by priority axis, as appropriate;
- (b) social innovation and transnational cooperation, as referred to in Articles 9 and 10 of this Regulation, where they are not covered by a dedicated priority axis.

*Article 12***Specific provisions on the treatment of particular territorial features**

1. The ESF may support community-led local development strategies in urban and rural areas, as referred to in Articles 32, 33 and 34 of Regulation (EU) No 1303/2013, territorial pacts and local initiatives for employment, including youth employment, education and social inclusion, as well as Integrated territorial investments (ITI) as referred to in Article 36 of Regulation (EU) No 1303/2013.

2. As a complement to ERDF interventions as referred to in Article 7 of Regulation (EU) No 1301/2013 of the European Parliament and of the Council⁽¹⁾, the ESF may support sustainable urban development through strategies setting out integrated actions to tackle the economic, environmental and social challenges affecting the urban areas identified by the Member States on the basis of the principles laid down in their respective Partnership Agreements.

CHAPTER III

SPECIFIC PROVISIONS FOR FINANCIAL MANAGEMENT*Article 13***Eligibility of expenditure**

1. The ESF shall provide support for eligible expenditure which, as referred to in Article 120(2)(b) of Regulation (EU) No 1303/2013, may include any financial resources collectively contributed by employers and workers.

⁽¹⁾ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006 (See page 289 of this Official Journal).

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2. The ESF may provide support for expenditure incurred for operations which take place outside the programme area, but within the Union, provided that the following two conditions are satisfied:

- (a) the operation is for the benefit of the programme area;
- (b) the obligations of the authorities for the operational programme in relation to management, control and audit concerning the operation are fulfilled by the authorities responsible for the operational programme under which that operation is supported or they enter into agreements with authorities in the Member State in which the operation is implemented provided that in that Member State the obligations in relation to management, control and audit concerning the operation are met.

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Where operations falling under point (a) of the first subparagraph also have a benefit for the programme area in which they are implemented, expenditure shall be allocated to those programme areas on a pro rata basis based on objective criteria.

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3. Up to a limit of 3 % of the budget of an ESF operational programme or the ESF part of a multi-fund operational programme, expenditure incurred outside the Union shall be eligible for a contribution from the ESF provided that it concerns the thematic objectives under Article 3(1)(a) or Article 3(1)(c) and provided that the relevant monitoring committee has given its agreement to the operation or types of operations concerned.

4. In addition to the expenditure referred to in Article 69(3) of Regulation (EU) No 1303/2013, the purchase of infrastructure, land and real estate shall also not be eligible for a contribution from the ESF.

5. Contributions in kind in the form of allowances or salaries disbursed by a third party for the benefit of the participants in an operation may be eligible for a contribution from the ESF provided that the contributions in kind are incurred in accordance with national rules, including accountancy rules, and do not exceed the cost borne by the third party.

*Article 14***Simplified cost options**

1. In addition to the options referred to in Article 67 of Regulation (EU) No 1303/2013, the Commission may reimburse expenditure paid by Member States on the basis of standard scales of unit costs and lump sums defined by the Commission. The amounts calculated on this basis shall be regarded as public support paid to beneficiaries and as eligible expenditure for the purpose of applying Regulation (EU) No 1303/2013.

For the purpose of the first subparagraph, the Commission shall be empowered to adopt delegated acts in accordance with Article 24 concerning the type of operations covered, the definitions of the standard scales of unit costs and lump sums and their maximum

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amounts, which may be adjusted according to the applicable commonly agreed methods, taking due account of experience gained during the previous programming period.

Financial audit shall exclusively aim at verifying that the conditions for reimbursement by the Commission on the basis of standard scales of unit costs and lump sums have been fulfilled.

Where funding on the basis of standard scales of unit costs and lump sums, in accordance with the first subparagraph, is used, the Member State may apply its accounting practices to support operations. For the purpose of this Regulation and Regulation (EU) No 1303/2013, such accounting practices and the resulting amounts shall not be subject to audit by the audit authority or by the Commission.

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-1. The general rules applicable to simplified cost options under the ESF are set out in Articles 67, 68, 68a and 68b of Regulation (EU) No 1303/2013.

▼ B*Article 15***Financial instruments**

Pursuant to Article 37 of Regulation (EU) No 1303/2013, the ESF may support actions and policies falling within its scope through financial instruments, including micro-credits and guarantee funds.

CHAPTER IV

YOUTH EMPLOYMENT INITIATIVE*Article 16***Youth Employment Initiative**

The YEI shall support the fight against youth unemployment in eligible regions of the Union through providing support to actions under Article 3(1)(a)(ii) of this Regulation. It shall target all young persons under the age of 25 not in employment, education or training, residing in eligible regions, who are inactive or unemployed including the long-term unemployed, and whether or not registered as seeking work. On a voluntary basis, Member States may decide to extend the target group to include young persons under the age of 30.

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For the purpose of the YEI for 2014-2015, "eligible regions" are those NUTS level 2 regions that have youth unemployment rates for young persons aged 15 to 24 of more than 25 % in 2012 and, for Member States where the youth unemployment rate has increased by more than 30 % in 2012, NUTS level 2 regions that have youth unemployment rates of more than 20 % in 2012.

The resources for the YEI may be revised upwards for the years 2016 to 2020 in the framework of the budgetary procedure in accordance with Article 14 of Regulation (EU) 1311/2013. For the determination of the regions eligible for the YEI for the period 2016-2020, the reference to 2012 data in the second subparagraph shall be construed as a reference to the latest available annual data. The breakdown by Member State of the additional resources shall follow the same steps as the initial allocation in accordance with Annex VIII of Regulation (EU) No 1303/2013.

In agreement with the Commission, Member States may decide to allocate a limited amount not exceeding 10 % of the funds under the YEI to young persons residing in sub-regions which experience high youth unemployment levels and which are outside the eligible NUTS level 2 regions.

*Article 17***Thematic concentration**

The specific allocation for YEI shall not be taken into account for the purpose of calculating the thematic concentration referred to in Article 4.

*Article 18***Programming**

The YEI is integrated into the programming of the ESF under Article 96 of Regulation (EU) No 1303/2013. Where appropriate, Member States shall set out the programming arrangements for the YEI in their Partnership Agreements and in their operational programmes.

The programming arrangements may take one or more of the following forms:

- (a) a dedicated operational programme;
- (b) a dedicated priority axis within an operational programme;
- (c) a part of one or more priority axes.

Article 9 and 10 of this Regulation shall also apply to the YEI.

*Article 19***Monitoring and evaluation**

1. In addition to the functions of the monitoring committee set out in Article 110 of Regulation (EU) No 1303/2013, at least once per year, the monitoring committee shall examine the implementation of the YEI in the context of the operational programme and the progress made towards achieving its objectives.

2. The annual implementation reports and the final report as referred to in Article 50(1) and (2) of Regulation (EU) No 1303/2013 shall include additional information on the implementation of the YEI. The Commission shall transmit to the European Parliament a summary of those reports as referred to in Article 53(1) of Regulation (EU) No 1303/2013.

The Commission shall attend the European Parliament's annual debate on those reports.

3. As from April 2015 and for subsequent years, and at the same time as the annual implementation reports referred to in Article 50(1) and (2) of Regulation (EU) No 1303/2013, the managing authority shall transmit electronically to the Commission structured data for each priority axis or any part thereof supporting the YEI. Indicator data transmitted shall relate to values for the indicators set out in Annexes I and II to this Regulation and, where applicable, to programme specific indicators. They shall relate to partially or fully implemented operations.

4. The annual implementation reports referred to in Article 50(4) of Regulation (EU) No 1303/2013 or, where applicable, the progress report referred to in Article 111(4) of Regulation (EU) No 1303/2013, and the annual implementation report submitted by 31 May 2016, shall present the main findings of evaluations referred to in paragraph 6 of this Article. The reports shall also set out and assess the quality of employment offers received by YEI participants, including disadvantaged persons, those from marginalised communities and those leaving education without qualifications. The reports shall also set out and assess their progress in continuing education, finding sustainable and decent jobs, or moving into apprenticeships or quality traineeships.

5. The progress reports referred to in Article 52 of Regulation (EU) No 1303/2013 shall include additional information on, and assess the implementation of, the YEI. The Commission shall transmit to the European Parliament a summary of these reports as referred to in Article 53(2) of that Regulation and shall attend the European Parliament's debate on those reports.

6. At least twice during the programming period, an evaluation shall assess the effectiveness, efficiency and impact of joint support from the ESF and the specific allocation for YEI including for the implementation of the Youth Guarantee.

The first evaluation shall be completed by 31 December 2015 and the second evaluation by 31 December 2018.

▼B*Article 20***Information and communication measures**

1. The beneficiaries shall ensure that those taking part in an operation are specifically informed of the YEI support provided through the ESF funding and the specific YEI allocation.
2. Any document relating to the implementation of an operation and issued for the public or for participants, including an attendance or other certificate, shall include a statement to the effect that the operation was supported under the YEI.

*Article 21***Technical assistance**

The specific allocation for YEI may be taken into account by the Member States in the calculation of the limit on the total amount of funds allocated to technical assistance for each Member State.

*Article 22***Financial support**

1. The Commission decision adopting an operational programme shall fix the maximum amount of support from the specific allocation for YEI and the corresponding ESF support, as a global amount and also by category of regions, for each priority axis. The corresponding ESF support shall at least match the support from the specific allocation for YEI for each priority axis.
2. On the basis of the amounts referred to in paragraph 1, the Commission decision referred to in paragraph 1 shall also fix the ratio between the categories of regions for the ESF support for each priority axis.
3. Where the YEI is implemented by a specific priority axis covering eligible regions from more than one category, the highest co-financing rate shall apply with regard to the ESF allocation.

The specific allocation for YEI shall not be subject to the national co-financing requirement.

The overall co-financing rate of the priority axis fixed by the Commission decision referred to in paragraph 1 shall be calculated taking into account the co-financing rate of the ESF allocation together with the special allocation for the YEI.

▼M1*Article 22a***Payment of additional initial prefinancing amount to operational programmes supported by the YEI**

1. In addition to the initial prefinancing amount paid in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013, an additional initial prefinancing amount from the specific allocation for the YEI shall be paid in 2015 for all operational programmes supported

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by the YEI, irrespective of the form of the programming arrangement in accordance with Article 18 of this Regulation, in order to increase the initial prefinancing from the specific allocation for the YEI to 30 % (the ‘additional initial prefinancing amount’).

2. For the purposes of the calculation of the additional initial prefinancing amount, the amounts paid from the specific allocation for the YEI to the operational programme in accordance with point (b) of Article 134(1) of Regulation (EU) No 1303/2013 shall be deducted.

3. If, by 23 May 2016, a Member State does not submit interim payment applications in which the Union contribution from the YEI is equal to at least 50 % of the additional initial prefinancing amount, that Member State shall reimburse to the Commission the total amount of the additional initial prefinancing paid in accordance with paragraph 1. The contribution from the specific allocation for the YEI to the operational programme concerned shall not be affected by any such reimbursement.

▼B*Article 23***Financial management**

In addition to Article 130 of Regulation (EU) No 1303/2013, when the Commission reimburses interim payments and pays the final balance for the YEI by priority axis, it shall allocate the reimbursement from the budget of the Union equally between the ESF and the specific allocation for YEI. Once all resources from the specific allocation for YEI have been reimbursed, the Commission shall allocate the remaining reimbursements from the budget of the Union to the ESF.

The Commission shall allocate the reimbursement from the ESF between categories of regions according to the ratio laid down in Article 22 (2).

CHAPTER V

DELEGATIONS OF POWER AND FINAL PROVISIONS*Article 24***Exercise of the delegation**

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 14(1) shall be conferred on the Commission from 21 December 2013 until 31 December 2020.

3. The delegation of power referred to in Article 14(1) may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the *Official Journal of the European Union* or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

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4. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

5. A delegated act adopted pursuant to Article 14(1) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council, or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

*Article 25***Committee under Article 163 TFEU**

1. The Commission shall be assisted by a Committee (the "ESF Committee") set up under Article 163 TFEU.

2. The member of the Commission responsible for chairing the ESF Committee may delegate that responsibility to a senior Commission official. The Secretariat of the ESF Committee shall be provided by the Commission.

3. Each Member State shall appoint one government representative, one representative of the workers' organisations, one representative of the employers' organisations and one alternate for each member for a maximum period of seven years. In the absence of a member, the alternate shall be automatically entitled to take part in the proceedings.

4. The ESF Committee shall include one representative from each of the organisations representing workers' organisations and employers' organisations at Union level.

5. The ESF Committee may invite non-voting representatives of the European Investment Bank and the European Investment Fund as well as non-voting representatives of the relevant civil society organizations to its meetings, if the agenda of the meeting requires their participation.

6. The ESF Committee shall:

- (a) be consulted on draft Commission decisions relating to operational programmes and programming in the case of support from the ESF;
- (b) be consulted on the planned use of technical assistance in the case of support from the ESF, as well as on other issues having an impact on the implementation of strategies at Union level relevant to the ESF;
- (c) endorse the list of common themes for transnational cooperation provided for in Article 10(3).

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7. The ESF Committee may deliver opinions on:
- (a) questions related to the ESF contribution to the implementation of the Europe 2020 strategy;
 - (b) issues concerning Regulation (EU) No 1303/2013 relevant for the ESF;
 - (c) questions related to the ESF referred to it by the Commission other than those referred to in paragraph 6.
8. The opinions of the ESF Committee shall be adopted by an absolute majority of the votes validly cast, and shall be communicated to the European Parliament for information. The Commission shall inform the ESF Committee of the manner in which it has taken account of its opinions.

*Article 26***Transitional provisions**

1. This Regulation shall not affect either the continuation or modification, including the total or partial cancellation, of assistance approved by the Commission on the basis of Regulation (EC) No 1081/2006 or any other legislation applying to that assistance on 31 December 2013. That Regulation or such other applicable legislation shall consequently continue to apply after 31 December 2013 to that assistance or the operations concerned until their closure.
2. Applications to receive assistance made or approved under Regulation (EC) No 1081/2006 before 1 January 2014 shall remain valid.

*Article 27***Repeal**

Without prejudice to the provisions laid down in Article 26 of this Regulation, Regulation (EC) No 1081/2006 is hereby repealed with effect from 1 January 2014.

References to the repealed Regulation shall be construed as references to this Regulation and shall be read in accordance with the correlation table set out in Annex III.

*Article 28***Review**

The European Parliament and the Council shall review this Regulation by 31 December 2020 in accordance with Article 164 TFEU.

▼B

Article 29

Entry in force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

▼B*ANNEX I***Common output and result indicators for ESF investments****▼M2**

(1) Common output indicators for participants

‘Participants’^(†) refers to persons benefiting directly from an ESF intervention who can be identified and asked for their characteristics, and for whom specific expenditure is earmarked. Other persons shall not be classified as participants. All data shall be broken down by gender.

The common output indicators for participants are:

- unemployed, including long-term unemployed*,
- long-term unemployed*,
- inactive*,
- inactive, not in education or training*,
- employed, including self-employed*,
- below 25 years of age*
- above 54 years of age*,
- above 54 years of age who are unemployed, including long-term unemployed, or inactive not in education or training*,
- with primary (ISCED 1) or lower secondary education (ISCED 2)*,
- with upper secondary (ISCED 3) or post-secondary education (ISCED 4)*,
- with tertiary education (ISCED 5 to 8)*,
- migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma)**,
- participants with disabilities**,
- other disadvantaged**.

The total number of participants will be calculated automatically on the basis of the output indicators.

These data on participants entering an ESF supported operation shall be provided in the annual implementation reports as specified in Article 50(1) and (2) and Article 111(1) of Regulation (EU) No 1303/2013.

The following data on participants will be provided in the annual implementation reports as specified in Article 50 of Regulation (EU) No 1303/2013:

- homeless or affected by housing exclusion*,
- from rural areas*⁽⁺⁺⁾

The data of those two indicators shall be collected based on a representative sample of participants within each investment priority. Internal validity shall be ensured in such a way that the data can be generalised at the level of the investment priority.

▼B

(2) Common output indicators for entities are:

- number of projects fully or partially implemented by social partners or non-governmental organisations,
- number of projects dedicated at sustainable participation and progress of women in employment,
- number of projects targeting public administrations or public services at national, regional or local level,
- number of supported micro, small and medium-sized enterprises (including cooperative enterprises, enterprises of the social economy).

These data shall be provided in the annual implementation reports as specified in Article 50(1) and (2) and Article 111(1) of Regulation (EU) No 1303/2013.

(3) Common immediate result indicators for participants are:

- inactive participants engaged in job searching upon leaving*,
- participants in education/training upon leaving*,
- participants gaining a qualification upon leaving*,
- participants in employment, including self-employment, upon leaving*,
- disadvantaged participants engaged in job searching, education/ training, gaining a qualification, in employment, including self-employment, upon leaving**.

These data shall be provided in the annual implementation reports as specified in Article 50(1) and (2) and Article 111(1) of Regulation (EU) No 1303/2013. All data shall be broken down by gender.

(4) Common longer-term result indicators for participants are:

- participants in employment, including self-employment, six months after leaving*,
- participants with an improved labour market situation six months after leaving*,
- participants above 54 years of age in employment, including self-employment, six months after leaving*,
- disadvantaged participants in employment, including self-employment, six months after leaving**.

▼B

These data shall be provided in the annual implementation reports as specified in Article 50(5) of Regulation (EU) No 1303/2013. They shall be collected based on a representative sample of participants within each investment priority. Internal validity of the sample shall be ensured in such a way that the data can be generalised at the level of investment priority. All data shall be broken down by gender.

([†]) Managing authorities shall establish a system that records and stores individual participant data in computerised form as set out in Article 125(2)(d) of Regulation (EU) No 1303/2013. The data processing arrangements put in place by the Member States shall be in line with Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to the processing of personal data and on the free movement of such data (OJ L 281, 23.11.1995, p. 31), in particular Articles 7 and 8 thereof.

Data reported under the indicators marked with* are personal data according to Article 7 of Directive 95/46/EC. Their processing is necessary for compliance with the legal obligation to which the controller is subject (Article 7(c) of Directive 95/46/EC). For the definition of controller, see Article 2 of Directive 95/46/EC.

Data reported under the indicators marked with** are a special category of data according to Article 8 of Directive 95/46/EC. Subject to the provision of suitable safeguards, Member States may, for reasons of substantial public interest, lay down exemptions in addition to those laid down in Article 8(2) of Directive 95/46/EC, either by national law or by decision of the supervisory authority (Article 8(4) of Directive 95/46/EC).

(^{††}) The data shall be collected at the level of smaller administrative units (local administrative units 2), in accordance with Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (NUTS) (OJ L 154, 21.6.2003, p. 1).



ANNEX II

Result indicators for the YEI

These data shall be provided in the annual implementation reports as specified in Article 50(1) and (2) of Regulation (EU) No 1303/2013 and in the report to be submitted in April 2015 as specified in Article 19(3) of this Regulation. All data shall be broken down by gender.

(1) Common immediate result indicators for participants

"Participants" ⁽¹⁾ refers to persons benefiting directly from a YEI intervention who can be identified and asked for their characteristics, and for whom specific expenditure is earmarked.

The immediate result indicators are:

- Unemployed participants who complete the YEI supported intervention*,
- Unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving*,
- Unemployed participants who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving*,
- Long-term unemployed participants who complete the YEI supported intervention*,
- Long-term unemployed participants who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving*,
- Long-term unemployed participants who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving*,
- Inactive participants not in education or training who complete the YEI supported intervention*,
- Inactive participants not in education or training who receive an offer of employment, continued education, apprenticeship or traineeship upon leaving*,
- Inactive participants not in education or training who are in education/training, gain a qualification, or are in employment, including self-employment, upon leaving*.

⁽¹⁾ Managing authorities shall establish a system that records and stores individual participant data in computerised form as set out in Article 125 (2) (d) of Regulation (EU) No 1303/2013. The data processing arrangements put in place by the Member States must be in line with the provisions of Directive 95/46/EC, in particular Articles 7 and 8 thereof.

Data reported under the indicators marked with * are personal data according to Article 7 of Directive 95/46/EC. Their processing is necessary for compliance with the legal obligation to which the controller is subject (Article 7(c) of Directive 95/46/EC). For the definition of controller, see Article 2 of Directive 95/46/EC.

Data reported under the indicators marked with ** are a special category of data according to Article 8 of Directive 95/46/EC. Subject to the provision of suitable safeguards, Member States may, for reasons of substantial public interest, lay down exemptions in addition to those laid down in Article 8(2) of Directive 95/46/EC, either by national law or by decision of the supervisory authority (Article 8(4) of Directive 95/46/EC).

▼B

(2) Common longer-term result indicators for participants

The longer-term result indicators are:

- Participants in continued education, training programmes leading to a qualification, an apprenticeship or a traineeship six months after leaving*,
- Participants in employment six months after leaving*,
- Participants in self-employment six months after leaving*.

The data for longer-term result indicators shall be collected based on a representative sample of participants within each investment priority. Internal validity of the sample shall be ensured in such a way that the data can be generalised at the level of investment priority.



ANNEX III

Correlation table

European Parliament and Council Regulation (EC) No 1081/2006	This Regulation
Article 1	Article 1
Article 2	Article 2
Article 3	Article 3
Article 4	Article 4
	Article 5
Article 5	Article 6
Article 6	Article 7
	Article 8
Article 7	Article 9
Article 8	Article 10
Article 9	—
Article 10	—
	Article 11
	Article 12
Article 11	Article 13
	Article 14
	Article 15
	Articles 16 to 23
	Article 24
	Article 25
Article 12	Article 26
Article 13	Article 27
Article 14	Article 28
Article 15	Article 29