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PROPOSAL

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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
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Brussels, 11.9.2019
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2019/0188 (COD)

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Decision No 573/2014/EU on enhanced cooperation between Public
Employment Services (PES)**

(Text with EEA relevance)

{SWD(2019) 319 final} - {SWD(2019) 1350 final}

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Public Employment Services (PES) are the main agencies executing employment policies facilitating labour market integration of jobseekers. Although structured differently in each country, all PES help matching supply and demand in the labour market through information, placement and active support services at local, national and European levels. PES are also the main actors implementing activation policies in the Member States, and they play an important role in facilitating successful labour market transitions and integration. The quality of their services has direct consequences for the impact of employment policies on the ground. Thus, PES are key actors in fighting unemployment in Europe and in ensuring the successful implementation of relevant EU policy initiatives.

European-level collaboration between PES started in 1997, when the Commission set up an informal advisory group of heads of PES (the European Network of Heads of PES (HoPES)). The aim was to promote cooperation, exchange and mutual learning between the member organisations and to receive feedback on employment policy initiatives.

Building on this, the Commission proposed to formalise this cooperation in 2013, to support innovation, benchmarking and mutual learning at European level. In 2014, Decision No 573/2014/EU of the European Parliament and Council on enhanced co-operation between Public Employment Services established the European Network of Public Employment Services ('the Network') until 31 December 2020.

This proposal aims at continuing to reinforce PES capacity, effectiveness and efficiency through providing a platform for comparing their performance at European level, identifying good practices and developing a mutual learning system. It also aims at giving the PES more opportunities to help develop innovative, evidence-based policies.

The Network should ensure that it complements and does not replace nor duplicate actions undertaken as part of the European Employment Strategy within the meaning of Title IX of the Treaty on the Functioning of the European Union (TFEU), in particular those of the Employment Committee (EMCO) and its tools such as the Joint Assessment Framework, as well as the Mutual Learning Programme. Furthermore, to promote synergies, the Commission should continue ensuring that the Secretariat of the Network cooperates closely with that of EMCO.

An evaluation has been carried out to shed light on the state of implementation of the previous Decision, as well as related challenges and opportunities for a further continuation of the Network beyond 31 December 2020. The evaluation demonstrates that the Decision has been successfully implemented with in particular the benchlearning initiative¹ as a fruitful example of an EU shared tool promoting comparability, learning and maturity among the EU PES. It also concludes that the Network has been effective in delivering on the objectives set in the Decision.

¹ <https://ec.europa.eu/social/BlobServlet?docId=20613&langId=en>, see page 1

The objective of the proposal amending Decision No 573/2014/EU is therefore to build upon the positive achievement of the Network demonstrated in the findings of this evaluation² while answering the needs and strong support of the Network stakeholders to continue implementing this valuable cooperation beyond 2020. It thereby aims to extend the period of establishment of the Network until 31 December 2027.

- **Consistency with existing policy provisions in the policy area**

With Article 149 TFEU as its legal basis, the Network is established to contribute to cooperation between Member States and to support their action in the field of employment. The Network is part of the EU employment policy framework that is developed to respond to new priorities and changes in the labour market. In accordance with Article 148(4) of the Treaty, by Decision 2010/707/EU the Council adopted guidelines for the employment policies of the Member States, which have been updated (Council Decision (EU) 2018/1215 of 16 July 2018) and maintained for the year 2019.

Together with the Economic Policy Guidelines, the Employment Guidelines provide guidance to the Member States on defining their national reform programmes and on implementing reforms. Guideline 7 stresses that “Member States should aim for more effective and efficient public employment services by ensuring timely and tailor-made assistance to support jobseekers, supporting labour-market demand and implementing performance-based management”. The integrated guidelines form the basis for country-specific recommendations that the Council addresses to the Member States in the European Semester process. In recent years, they have included specific recommendations on the functioning and capacity of PES and on the effectiveness of active labour market policies in Member States. This includes needs for more personalised tailored services for the unemployed, a more comprehensive performance measurement system, better targeting and prioritisation, and better coordination between central and regional administrations.

Active support to employment is also one of the priorities of the European Pillar of Social Rights³ (Principle 4). The priority related to targeted support for those who need help to get access to the labour market, such as via PES, is reinforced. An example of this is the increased focus on the role of PES in outreach to the inactive population.

One of the aims of the Network is to contribute to the implementation of EU policy initiatives in the field of employment such as the Council Recommendation of 22 April 2013 on establishing a Youth Guarantee and Council Recommendation of 15 February 2016 on the integration of the long-term unemployed into the labour market, where PES play a key role. Furthermore, the Network should support implementation of EU initiatives aimed at better skills matching, decent and sustainable work, enhanced voluntary labour mobility and facilitating the transition from education and training to work.

The Network’s activities are within the areas of PES responsibility, and are complementary to initiatives taken by other stakeholders, and contribute to the enforcement of overall efforts made in this policy area. The evaluation of the Network demonstrates this complementarity, and that Network’s initiatives have not replaced other initiatives.

EURES⁴, the European jobs portal, and the Network have certain complementary objectives related to improvements of the functioning of the labour market. The Network aims at cooperation between PES to improve PES performance and contributes to the implementation of policy initiatives in the field of employment, whilst EURES focuses on the pooling of job

² Staff Working Document SWD (2019)1350

³ https://ec.europa.eu/commission/sites/beta-political/files/social-summit-european-pillar-social-rights-booklet_en.pdf

⁴ <http://data.europa.eu/eli/reg/2016/589/oj>

vacancies and applications and the provision of mobility services in view of facilitating free movement of workers and the further integration of labour markets.

Finally, the European Labour Authority (ELA), the new EU body to support Member States in enforcing rules in the area of labour mobility⁵, will facilitate access for individuals and employers to information on their rights and obligations as well as to relevant services, including through the Single Digital Gateway. ELA will also mediate in cases of cross-border disputes between national authorities. Thus, the Network and ELA have different targets that are complementary in efforts to improve the functioning of the European labour market.

- **Consistency with other Union policies**

The Europe 2020 strategy is the EU's agenda for growth and jobs for the current decade. Overall, the evaluation of Decision No 573/2014/EU revealed that there is a high degree of coherence between the Decision and the EU policy framework. Synergies could be improved, for example through cooperation with other labour market stakeholders, including other providers of employment services, and where appropriate, EU Agencies in the area of employment, social policy and education and training, social partners, organisations representing unemployed persons or vulnerable groups, NGOs working in the field of employment, regional and local authorities. However, none of the stakeholders observed a duplication of action.

The EU plays an important role in shaping and implementing the United Nations 2030 Agenda for Sustainable Development and its Sustainable Development Goals (SDGs)⁶. The Network contributes to the promotion of sustainable and inclusive economic growth, full and productive employment and decent work for all (SDG 8)⁷.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

- **Legal basis**

The legal basis of the proposal remains the same as the one for Decision No 573/2014/EU.

The right to act derives from Article 149 TFEU, which states that “the European Parliament and the Council [...], may adopt incentive measures designed to encourage cooperation between Member States and to support their action in the field of employment through initiatives aimed at developing exchanges of information and best practices, providing comparative analysis and advice as well as promoting innovative approaches and evaluating experiences, in particular by recourse to pilot projects [...]”.

- **Subsidiarity (for non-exclusive competence)**

The proposal complies with the subsidiarity principle as it seeks to provide support to Member States to modernise their PES with a view to reach the overall European employment objectives.

At this stage, there is no information how cooperation between PES could be organised in case of non-prolongation of Decision No 573/2014/EU. Although some cooperation is probable to continue without the Network, the formal role supported by the Decision, as well as technical and financial support provided by the Commission is felt by stakeholders to be

⁵ <https://ela.europa.eu/>

⁶ https://ec.europa.eu/europeaid/sites/devco/files/european-consensus-on-development-final-20170626_en.pdf

⁷ <https://sustainabledevelopment.un.org/topics/sustainabledevelopmentgoals>

crucial. Therefore, it is likely that cooperation between PES would be less effective and systematic in the absence of prolonging the Decision.

- **Proportionality**

The proposal conforms to the proportionality principle since it is proposed in the form of an incentive measure for PES and its duration is limited to the time span until 2027.

While Member States remain responsible for organising, staffing and running their PES, this proposal prolongs the period of establishment of the Network, providing a platform for comparing their performance at European level, identifying good practices and fostering mutual learning in order to strengthen service capacity and efficiency. Experience has shown that PES are not engaging sufficiently in mutual learning and benchmarking activities by themselves, thus hampering the prospects of early identification of low performance by PES at the national level and potential structural labour market problems deriving from this.

- **Choice of the instrument**

The instrument chosen is a Decision, as per the original amended instrument. Decision No 573/2014/EU on enhanced cooperation between PES is an incentive measure in the sense of Article 149. In light of the nature of this incentive measure the choice of a Decision as legal instrument remains the most appropriate.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Ex-post evaluations/fitness checks of existing legislation**

An evaluation⁸ of the implementation of Decision No 573/2014/EU has been undertaken to assess the state of play and degree of implementation, as well as to shed light and inform possible future cooperation between the European PES post-2020. This evaluation was not required by Decision No 573/2014/EU, but has been undertaken to ensure good administration in line with the "evaluate first" principle⁹, in order to take into account the lessons from past EU action. It assesses if the Network has fulfilled its legal obligations and achieved its objectives. It covers the five criteria set out by the Better Regulation requirements namely relevance, effectiveness, efficiency, coherence and EU added value.

The Decision remains highly **relevant** for PES. The Network's objectives and initiatives, as outlined in Articles 3 and 4 of the Decision, encompass the key areas of PES responsibility and provide a robust framework for the policy and concrete activities of the Network. By providing a broad framework for Network activities, the objectives enable a flexible approach to addressing priorities for action depending on labour market developments.

The evaluation demonstrates that the Network has been **effective** in delivering on its objectives and initiatives. The Network has proven that it is an effective vehicle to support national PES in the individual challenges they face and to foster European cooperation. In particular, the benchlearning initiative (combining benchmarking and mutual learning) serves as a fruitful example of an EU shared tool promoting comparability, learning and maturity among the PES. They have taken up the results of the benchlearning assessments, and have become more mature as organisations as a result. The effectiveness can above all be attributed

⁸ <https://publications.europa.eu/en/home>

⁹ https://ec.europa.eu/info/law/law-making-process/planning-and-proposing-law/better-regulation-why-and-how_en

to the benchlearning initiative, as well as knowledge sharing through mutual learning events, reports and PES best practices.

Some Network activities are difficult to quantify, and four years is a short period to realise certain gains and make them visible, such as changes in organisational culture. However, the willingness of PES to participate in benchlearning and mutual learning events, as well as positive feedback from PES demonstrate that the Network outputs are highly **efficient** and appreciated by all Network members. Overall, less advanced PES have benefited more from participating in the Network in terms of the progress they have made on performance, but advanced PES have also progressed. As potential to further improve efficiency, the evaluation identifies some areas, such as focusing on smaller and more targeted learning events and the potential for further use of digital solutions.

The evaluation shows that there is a **good degree of coherence** between Decision No 573/2014/EU and the EU policy framework. The contributions of the Network to EU policy initiatives have been most extensive in the implementation of the Youth Guarantee and the integration of long-term unemployed in the labour market. The Network has demonstrated flexibility to target new topics, such as the integration of migrants and refugees, prevention of unemployment and addressing skills shortages. These outputs have also clearly contributed to better analysis of Member States' economic/employment performance in the context of the European Semester.

In addition, the Network supports national PES in implementing Country Specific Recommendations (CSRs) addressed to Member States on Active Labour Market Policies (ALMPs) and PES issues in the context of the European Semester. As key actors in the implementation of the European Social Fund, PES also play an active role in the development of a comprehensive policy framework for ALMPs within their respective Member States, thereby contributing to the effective and efficient spending of EU funds.

An **added value** of the PES Network has been a structured framework for assessing PES performance and capacity and for facilitating comparisons, peer learning and improvements. The evaluation demonstrates several other results of the Decision, which did not occur before the Network was established in 2014, and that would not have been achieved by voluntary cooperation of national PES. Some important achievements are greater ownership, the provision of individual PES learning and collective mutual learning, ensuring a collective voice and a formal platform in policy-making at EU level, and contributions to the EU2020 objectives. The evaluation also demonstrates that financial, organisational and expert support from the EU level is essential to ensure the continuous participation of all PES.

- **Stakeholder consultations**

To ensure that the views of the interested stakeholders were well reflected in the evaluation, a wide range of stakeholders was involved in the consultation process. Targeted stakeholders included representatives from the 32 PES involved in the Network¹⁰, relevant EU level organisations and bodies (e.g. EMCO, EU level private employment services and temporary work agencies, European Lifelong Guidance Policy Network), relevant international organisations (e.g. ILO, OECD, World Bank, WAPES), as well as the PES Secretariat, contractors, former members of the PES Network or people involved with PES cooperation

¹⁰ The PES Network includes PES from each of the EU28 Member States, as well as Iceland and Norway (30 countries in total). However, since there are three participating PES in the case of Belgium, the total number of PES participating in the Network is 32.

pre-2014. A workshop dedicated to the evaluation was conducted with the PES Advisers for European Affairs (AFEPA). An internet-based public consultation was also open to any interested party and to the public.

The findings are consistent across the different types of stakeholders. Some differences do exist concerning the assessment of the effectiveness of different Network activities or the degree of their contribution to the achievement of each objective. For example, most stakeholders reported that there is some cooperation between the Network and other relevant labour market stakeholders (as set out in Decision No 573/2014/EU Article 5), but that there is scope for improvement in the future by developing stronger relationships with partners at EU and national levels. The feedbacks from the stakeholders are important input for future priorities of the Network in line with the objectives of Decision No 573/2014/EU.

- **Collection and use of expertise**

To support the collection of evidence, the stakeholders' views and opinions as well the analytical part of the evaluation, an external study was commissioned to a contractor¹¹.

- **Impact assessment**

The prolongation of Decision No 573/2014/EU implies a continuation of the existing framework and initiatives. This proposal is limited to prolonging the period of the establishment of the Network in Article 1 and some technical updates. The proposal is accompanied by the above-mentioned evaluation. This proposal of routine nature qualifies as a non-major initiative under the Better Regulation rules.

No separate impact assessment was carried out because:

- the evaluation shows that the PES Decision works well and suggests no substantial amendments to the existing policy;
- the evaluation findings support the prolongation of the PES Decision;
- the evaluation (coupled with the call from the national PES and the Board of the Network) already provides sufficient evidence of the fact that not prolonging would have negative impacts;
- the proposed initiative follows logically and is consistent with the evaluation findings.

- **Fundamental rights**

Decision No 573/2014/EU respects the fundamental rights and observes the principles recognised by the Charter of Fundamental Rights of the European Union. In particular, the Decision seeks to ensure full respect for the rights of access to free placement services and to promote the application of Article 29 of the Charter. This proposal does not imply any changes.

4. BUDGETARY IMPLICATIONS

The proposal does not require additional resources, including staff, from the EU- budget.

The financial support to the Union-wide Network of Public Employment Services is already foreseen in the proposal of the ESF+ Regulation for 2021-2027 under the EaSI strand

¹¹ <https://publications.europa.eu/en/home>

proposed budget¹². The corresponding expenditure is a simple extension of the support to the Network already granted under the current programming period 2014-2020.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

Annual reports of the Network shall be sent to the European Parliament and to the Council and shall be published.

An evaluation on the application of the proposal shall be submitted to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions by September 2026.

¹² COM(2018)382 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Decision No 573/2014/EU on enhanced cooperation between Public Employment Services (PES)

(Text with EEA relevance)

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 149 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 Committee¹³,

Having regard to the opinion of the Committee of the Regions¹⁴,

Acting in accordance with the ordinary legislative procedure,

Whereas:

- (1) Decision No 573/2014/EU of the European Parliament and the Council¹⁵ establishes the European Network of Public Employment Services ('the Network') from 17 June 2014 until 31 December 2020.
- (2) The Network aims at reinforcing Public Employment Services (PES) capacity, effectiveness and efficiency through providing a platform for comparing their performance at European level, identifying good practices and establishing a mutual learning system. It also aims at giving the PES more opportunities to help develop innovative, evidence-based policies in line with relevant Union policy initiatives.
- (3) The Network has been key in encouraging further cooperation between the Member States within the areas of PES responsibility as well as contributing to the modernisation and strengthening of the PES. An evaluation of the state of implementation of Decision No 573/2014/EU¹⁶ shows that the Network has had a positive impact and identifies lessons learned on the basis of the different activities and experiences.
- (4) In order to capitalise on the results achieved so far and further foster cooperation between PES, the period of establishment of the Network should be prolonged until 31 December 2027.

¹³ OJ C [...], [...], p. [...].

¹⁴ OJ C [...], [...], p. [...].

¹⁵ [Decision No 573/2014/EU of the European Parliament and of the Council of 15 May 2014 on enhanced cooperation between Public Employment Services \(PES\) \(OJ L 159, 28.5.2014, p. 32\).](#)

¹⁶ Commission Staff Working Document SWD(2019)1350

- (5) The continuation of the Network should support the implementation of the European Pillar of Social Rights, which includes the provision of active support to employment among its principles. It should also contribute to sustainable development goal 8 of the United Nations 2030 Agenda for Sustainable Development by contributing to inclusive and sustainable economic growth, employment and decent work for all.
- (6) The Network should continue to organise cooperation and contacts with other labour market stakeholders to promote synergies between them, including in particular cooperation with Union Agencies in the area of employment, social policy, education and training, to ensure a consistent policy framework.
- (7) Union financial support for the Network should be made available in accordance with the Multiannual Financial Framework for 2021-2027.
- (8) Decision No 573/2014/EU should therefore be amended accordingly.
- (9) In order to ensure a seamless continuation of the activities of the Network, this Decision should apply from 1 January 2021.

HAVE ADOPTED THIS DECISION:

Article 1

Decision No 573/2014/EU is hereby amended as follows:

- (1) In Article 1, the first paragraph is replaced by the following:

“A Union-wide network of Public Employment Services (PES) (‘the Network’) is hereby established for the period until 31 December 2027.”

- (2) In Article 3, introductory wording is replaced by the following:

“The aim of this Decision is to encourage cooperation between Member States through the Network in the field of employment, within the areas of PES responsibility, in order to contribute to the implementation of the Union’s employment policies. This will also help implementing the European Pillar of Social Rights and the United Nations Sustainable Development Goals, thereby supporting:”

- (3) In Article 4, point (c) of paragraph 1 is replaced by the following:

“(c) contribute to modernising and strengthening PES in key areas, in line with the Union’s employment policies, the European Pillar of Social Rights, and the Sustainable Development Goals;”

- (4) Article 5 is replaced by the following:

“Cooperation

The Network shall develop cooperation with relevant labour market stakeholders including other providers of employment services, and where appropriate, EU Agencies in the area of employment, social policy and education and training, social partners, organisations representing unemployed persons or vulnerable groups, NGOs working in the field of employment, and regional and local authorities, by involving them in relevant activities and meetings of the Network and by exchanging information and data with them.”

- (5) Article 7 is replaced by the following:

“Financial support

The global resources for the implementation of this Decision shall be made available in accordance with the next Multiannual Financial Framework 2021-2027 as appropriate, the annual appropriations of which shall be authorised by the European Parliament and by the Council within the limits of the financial framework.”

(6) in Article 9, paragraph 2 is replaced by the following:

“The delegation of power referred to in Article 8 shall be conferred on the Commission until 31 December 2027.”

(7) Article 10 is replaced by the following:

“Review

By September 2026, the Commission shall submit an evaluation on the application of this Decision to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.”

Article 2

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

It shall apply from 1 January 2021.

Done at Brussels,

For the European Parliament
The President

For the Council
The President