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REPORT

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| From: | General Secretariat of the Council |
| To: | Permanent Representatives Committee (Part 1) |
| No. Cion doc.: | 12137/19 - COM(2019) 620 final |
| Subject: | 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) - Analysis of the final compromise text with a view to agreement |

I. INTRODUCTION

1. The European Public Employment Services (PES) Network contributes to the European employment strategy, promotes cooperation among PES, and helps them boost their performance and prepare for future labour market challenges. The current mandate of the PES Network expires on 31 December 2020.
2. On 11 September 2019, the European Commission adopted a 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)¹.

¹ COM (2019) 620 final (see doc. 12137/19)

3. The proposed amending Decision aims at extending the period of establishment of the Network until 31 December 2027. In addition, in its objectives the Network integrates the new international instruments, inter alia the European Pillar of Social Rights and the United Nations Sustainable Development Goals (SDGs).
4. On 27 November 2019, the Committee of Permanent Representatives agreed on the negotiation mandate (doc. 14606/19 + COR 1) giving the Presidency a mandate for first reading negotiations. In total two trilogues were held. At the last trilogue meeting on 24 September 2020, the representatives of the Council and of the European Parliament reached a provisional agreement on the proposal, subject to the approval of the Committee.

II PROVISIONAL AGREEMENT: NEW ELEMENTS IN RELATION TO THE COMMISSION PROPOSAL

5. The compromise text reflects the essential elements of the Coreper mandate, namely:
 - it maintains appropriate language when referring to non-binding and non-legislative instruments, as set in Article 1(2) and Article 1(3)(b) amending respectively Articles 3 and Articles 4(c) of the original Decision 573/2014/EU;
 - it adds the prevention of unemployment and employability of jobseekers in the objectives of the Network, as set in Article 1(2)(d) amending Article 3(d) of the original Decision 573/2014/EU;
 - within the initiatives of the Network it includes the challenges related to digitalisation and the changing world of work, as well as the integration of the long-term unemployed in the labour market, as set in Article 1(3)(b) amending Article 4(1)(c) of the original Decision 573/2014/EU;

- it mentions the reinforcement of the cooperation between the Employment Committee (EMCO) and the Network, as set in Article 1(5) amending Article 6(5) of the original Decision 573/2014/EU;
6. The other elements of the provisional compromise are as follows:
- The European Parliament insisted on introducing the possibility for the PES Network to exchange best practices with PES located in third countries. The co-legislators agreed on limiting this to "where appropriate" at the beginning of the relevant sentence and, secondly, making it conditional via a "may-clause" , as set in Article 1(4) amending Article 5 of the original Decision 573/2014/EU.
 - Although the European Parliament maintained its wish to have a horizontal reference to social policies in the text, it accepted not to include this reference in the Objectives of the Network, set in Article 3 of the original Decision 573/2014/EU;
 - The European Parliament agreed to mention the European Green Deal in the framework of the wording proposed by the Council, as set in Article 1(2)(a) and Article 1(3)(b) amending respectively Articles 3 and Articles 4(c) of the original Decision 573/2014/EU;
 - The European Parliament insisted on having a reference to the coordination of social security systems, in light of the relevant number of workers in cross-border situations. With the Council opposed to this being introduced in the operational clauses, the European Parliament accepted the Commission suggestion to move its amendment to Recital 4.
7. Overall, the European Parliament agreed to withdraw or modify a number of amendments which the Council considered as being outside the scope of or not relevant for this Decision.

III CONCLUSION

8. Should the Committee of Permanent Representatives approve the informally discussed text as set out in Addendum to this Note, the procedure requires that a letter be sent by the President of the Permanent Representatives Committee to the Parliament notifying that an agreement in first reading could be reached, subject to the Parliament agreeing to adopt an identical text at its plenary session.

9. In order to pave the way for the final adoption of the Regulation in accordance with Article 294 TFEU, the Permanent Representatives Committee is invited to confirm, on the basis of the consolidated text set out in the Addendum, that this text is acceptable, and to agree to inform the Parliament accordingly.
