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From:	General Secretariat of the Council
To:	Permanent Representatives Committee
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Subject:	ESF+ Regulation - Partial mandate for negotiations with the European Parliament

I. INTRODUCTION

1. On 30 May 2018, the Commission adopted the proposal for the European Social Fund Plus Regulation (ESF+)[1], which is part of the Cohesion Policy legislative package for 2021-2027. The overarching policy objective of the ESF+ is to help create a more performing and resilient 'Social Europe' and implement the European Pillar of Social Rights as well as the social and employment priorities endorsed by the European economic governance process.

2. The Economic and Social Committee and the Committee of the Regions have been consulted on the ESF+ Regulation and have adopted their opinions on 18 October 2018 and 5 December 2018, respectively.

3. The EMPL committee voted on the Report of the ESF+ proposal on 3 December 2018.

[1] Doc. 9573/18 + ADD 1-2.

II. WORK WITHIN THE COUNCIL SO FAR

4. The ESF+ Regulation was presented to the Structural Measures Working Party in June 2018 during the Bulgarian Presidency. An orientation debate as well as a detailed examination of the specific objectives under shared management and the related enabling conditions took place during the Austrian Presidency, as stated in their Presidency's Report (doc. 15428/1/18 REV).

5. On 15 February, under the Romanian Presidency, the Permanent Representatives Committee agreed on a mandate for negotiations on the Common Provisions Regulation covering conditions for eligibility and performance framework (Block 2, which also included Article 4(1) of the ESF+ Regulation, as set out in doc. 6147/19 ADD1).

6. The Structural Measures Working Party has been examining the ESF+ Regulation since June 2018. Particular emphasis was put on the various strands of the Regulation during the January-March 2019 period.

7. Since the ESF+ Regulation is a proposal linked to the Multiannual Financial Framework (MFF), all provisions with budgetary implications or of a horizontal nature have been set aside in square brackets for the time being - and thus excluded from this partial mandate for negotiations - pending further progress on the MFF. These provisions are Article 5 (Budget), paragraphs 3 to 5 of Article 7 (thematic concentration), Article 13(4) (co-financing rates for innovative actions), paragraphs 2 and 3 of Article 25, paragraphs 3 and 4 of Article 28, and Article 30 (provisions on third country participation and related legal entities) and Article 42(4) (repayments from financial instruments under EaSI 2014-2020).

8. Substantial progress has been achieved since the detailed examination of the proposal began at working party level. Following the Structural Measures Working Party on 28 March, **the Presidency is of the view that, based on the principle that "nothing is agreed until everything is agreed", a balanced compromise text has emerged from discussions amongst Member States**. For ease of reference, changes to the previous compromise text (doc. WK4117/19) are indicated in bold underlined for additions and strikethrough for deletions in Annex to this note.

IV. WAY FORWARD

9. The Permanent Representatives Committee is, therefore, invited to agree on a partial mandate for negotiations with the European Parliament and confirm the compromise proposed by the Presidency as set out in Annex to this note.

ANNEX

European Social Fund Plus Regulation

TABLE OF CONTENTS

PART I	**GENERAL PROVISIONS**
Article 1	Subject matter
Article 2	Definitions
Article 3	General objectives and methods of implementation
Article 4	Specific objectives
[Article 5	Budget]
Article 6	Gender equality, equal opportunities and non-discrimination
PART II	**IMPLEMENTATION UNDER THE ESF+ STRAND UNDER SHARED MANAGEMENT**
CHAPTER I	COMMON PROVISIONS ON PROGRAMMING
Article 7	Consistency and thematic concentration
Article 8	Partnership
Article 9	Support to the most deprived
Article 10	Support to youth employment
Article 11	Support to relevant country-specific recommendations
CHAPTER II	GENERAL SUPPORT OF THE ESF+ STRAND UNDER SHARED MANAGEMENT
Article 12	Scope
Article 13	Innovative actions
Article 13a	Transnational cooperation
Article 14	Eligibility
Article 15	Indicators and reporting
Article 15a	Processing of personal data
CHAPTER III	ESF+ SUPPORT FOR ADDRESSING MATERIAL DEPRIVATION
Article 16	Scope
Article 17	Principles
Article 18	Content of the priority
Article 19	Eligibility of operations
Article 20	Eligibility of expenditure
Article 21	Indicators and reporting
Article 22	Audit

PART III IMPLEMENTATION UNDER DIRECT AND INDIRECT MANAGEMENT

CHAPTER I SPECIFIC RULES FOR THE EMPLOYMENT AND SOCIAL INNOVATION STRAND

Section I General provisions

Article 23 Operational objectives

Section II Eligibility

Article 24 Eligible actions

Article 25 Eligible entities

CHAPTER II SPECIFIC PROVISIONS FOR THE HEALTH STRAND

Section I General provisions

Article 26 Operational objectives

Section II Eligibility

Article 27 Eligible actions

Article 28 Eligible entities and costs

Article 29 Governance

CHAPTER III COMMON RULES APPLICABLE TO THE EMPLOYMENT AND SOCIAL INNOVATION AND HEALTH STRANDS

[Article 30 Participation of third countries associated to the Employment and Social Innovation and Health strands]

Article 31 Forms of EU funding and methods of implementation

Article 32 Work programme and coordination

Article 33 Monitoring and reporting

Article 34 Protection of the financial interests of the Union

Article 35 Evaluation

Article 36 Audits

Article 37 Information, communication and publicity

PART IV FINAL PROVISIONS

Article 38 Exercise of the delegation

Article 39 Committee Procedure for the ESF+ strand under shared management

Article 39a Committee procedure for the Employment and Social Innovation strand and the Health strand

Article 40 Committee under Article 163 TFEU

Article 41 Transitional provisions for the ESF+ under shared management

Article 42 Transitional provisions for the Employment and Social Innovation strand and the Health strand

Article 43 Entry into force

ANNEXES

ANNEX I Common indicators for the general support of the ESF+ strand under shared management

ANNEX II Common indicators for ESF+ support for addressing material deprivation

ANNEX III Indicators for the Health Strand

Part I - General provisions

Article 1

Subject matter

This Regulation establishes the European Social Fund Plus (ESF+).

It lays down the objectives of the ESF+, the budget for the period 2021-2027, the methods of implementation, the forms of Union funding and the rules for providing such funding.

Article 2

Definitions

1. For the purposes of this Regulation, the following definitions shall apply:

(1) 'accompanying measures' means activities provided in addition to the distribution of food and/or basic material assistance with the aim of addressing social exclusion such as referring to and providing social and health services or advice on managing a household budget;

(2) ‘associated country’ means a third country which is party to an agreement with the Union allowing for its participation in the Employment and Social Innovation and Health strands of the ESF+ in accordance with Article 30;

(3) 'basic material assistance' means goods which fulfil the basic needs of a person for a life with dignity, such as clothing, hygiene goods and school material;

(4) 'blending operation' means actions supported by the Union budget, including within blending facilities pursuant to Article 2(6) of the Financial Regulation, combining non-repayable forms of support and/or financial instruments from the Union budget with repayable forms of support from development or other public finance institutions, as well as from commercial finance institutions and investors;

(5) ‘common immediate result indicators’ means common result indicators which capture effects within four weeks as from the day the participant leaves the operation (exit date);

(6) ‘common longer term result indicators’ means common result indicators which capture effects six months after a participant has left the operation;

(7) 'costs of purchasing food and/or basic material assistance' means the actual costs linked to the purchase of food and/or basic material assistance by the beneficiary and not limited to the price of the food and/or basic material assistance;

(8) 'end recipient' means the most deprived person or persons receiving the support as laid down in point (xi) of Article 4(1);

(9) ‘health crisis’ means any crisis commonly perceived as a threat, having a health dimension and which requires urgent action by authorities under conditions of uncertainty;

(10) 'legal entity' means any natural person, or any legal person created and recognised as such under national law, Union law or international law, which has a legal personality and which may, acting in its own name, exercise rights and be subject to obligations;

(11) 'microfinance' includes guarantees, microcredit, equity and quasi-equity, coupled with accompanying business development services such as in the form of individual counselling, training and mentoring, extended to persons and micro-enterprises that experience difficulties accessing credit for the purpose of professional and/or revenue-generating activities;

(12) micro-enterprise' means an enterprise with fewer than 10 employees and an annual turnover or balance sheet below EUR 2 000 000;

(13) 'most deprived persons' means natural persons, whether individuals, families, households or groups composed of such persons, whose need for assistance has been established according to the objective criteria set by the national competent authorities in consultation with relevant stakeholders, while avoiding conflicts of interest and which are approved by those national competent authorities and which may include elements that allow the targeting of the most deprived persons in certain geographical areas;

(14) 'reference value' means a value to set targets for common and programme specific result indicators which is based on existing or previous similar interventions;

(15) 'social enterprise'[2] means an undertaking, regardless of its legal form, or a natural person which

(a) in accordance with its Articles of Association, Statutes or with any other legal document that may result in liability under the rules of the Member State where it is located, has as its primary social objective the achievement of measurable, positive social impacts rather than generating profit for other purposes, and which provides services or goods that generate a social return, and/or employs methods of production of goods or services that embodies social objectives;

(b) uses its profits first and foremost to achieve its primary social objective, and has predefined procedures and rules covering any distribution of profits that ensure that such distribution does not undermine the primary social objective;

(c) is managed in an entrepreneurial, accountable and transparent way, in particular by involving workers, customers and stakeholders impacted by its business activities;

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2 *Recital (33) is amended as follows:* (33) Lack of access to finance for microenterprises, social economy and social enterprises is one of the main obstacles to business creation, especially among people furthest from the labour market. Under the EaSI strand, the ESF+ Regulation lays down provisions in order to create a market eco-system to increase the supply of and access to finance for social enterprises as well as to meet demand from those who need it most, and in particular the unemployed, women and vulnerable people who wish to start up or develop a microenterprise. This objective will also be addressed through financial instruments and budgetary guarantee under the social investment and skills policy window of the InvestEU Fund.

(16) 'social innovations' mean activities 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, practices and models) that simultaneously meet social needs and create new social relationships or collaborations, thereby benefiting society and boosting its capacity to act;

(17) 'social experimentations' mean policy interventions that aims to provide an innovative response to social needs, implemented on a small scale and in conditions that enable their impact to be measured, prior to being implemented in other contexts or on a larger scale, if the results prove convincing[3];

(18) 'key competences' means the knowledge, skills and competences all individuals need, at any stage of their lives, for personal fulfilment and development, employment, social inclusion and active citizenship. The key competences are: literacy; multilingual; mathematics, science, technology and engineering; digital; personal, social and learning to learn; citizenship; entrepreneurship; cultural awareness and expression;

(19) 'third country' means a country that is not member of the European Union.

(20) 'third-country national' means any person who is not a citizen of the Union as defined in Article 20(1) of the TFEU. Reference to third-country nationals shall be understood to include stateless persons and persons with undetermined nationality;

2. The definitions in Article [2] of [the future CPR] shall also apply for the ESF+ strand under shared management.[4]

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3 *Recital (31) is amended as follows:* (31) Social experimentation is a small-scale project testing which allows gathering evidence on the feasibility of social innovations in each policy area under Article 4. It should be possible for feasible ideas to be pursued on a wider scale or in other contexts with financial support from the ESF+, as well as from other sources. Transnational cooperation under direct or indirect management should accelerate the transfer and facilitate the upscaling of innovative solutions, whilst transnational cooperation can also be supported by programmes under shared management.

4 *NB: Point (36) under Article 2 (Definitions) of the Common Provisions Regulation is amended as follows:* (36) "Participant" means a natural person benefiting directly from an operation".

Article 3

General objectives and methods of implementation

The ESF+ aims to support Member States and regions to achieve high employment levels, fair social protection and a skilled and resilient workforce ready for the future world of work, in line with the principles set out in the European Pillar of Social Rights proclaimed by the European Parliament, the Council and the Commission on 17 November 2017.

The ESF+ shall support, complement and add value to the policies of the Member States to ensure equal opportunities, access to the labour market, fair and quality working conditions, social protection and inclusion, and a high level of human health protection.

It shall be implemented:

(a) under shared management, for the part of the assistance which corresponds to the specific objectives indicated in Article 4(1) (the 'ESF+ strand under shared management'), and

(b) under direct and indirect management for the part of the assistance which corresponds to the objectives indicated in Articles 4(1) and 23 (the 'Employment and Social Innovation strand') and for the part of the assistance which corresponds to the objectives indicated in Articles 4(1) and (3) and 26 (the 'Health strand').

Article 4

Specific objectives

1[5]. The ESF+ shall support the following specific objectives in the policy areas of employment, education, social inclusion and health and thereby also contributing to the policy objective for "A more social Europe - Implementing the European Pillar of Social Rights" set out in Article [4] of the [CPR]:

(i) improving access to employment of all jobseekers, in particular youth and long-term unemployed and disadvantaged groups on the labour market, and of inactive people, promoting self-employment and the social economy;

[5] Article 4(1) as agreed in CPR Block 2. Not open for discussion.

(ii) modernising labour market institutions and services to assess and anticipate skills needs and ensure timely and tailor-made assistance and support to labour market matching, transitions and mobility;

(iii) promoting a gender-balanced labour market participation and a better work/life balance including through access to childcare and care for dependent persons;

(iii bis) promoting adaptation of workers, enterprises and entrepreneurs to change, and active and healthy ageing and a healthy and well-adapted working environment addressing health risks;

(iv) improving the quality, effectiveness and labour market relevance of education and training systems, to support acquisition of key competences including digital skills;

(v) promoting equal access to and completion of, quality and inclusive education and training, in particular for disadvantaged groups, from early childhood education and care through general and vocational education and training, and to tertiary level, as well as adult education and learning, including facilitating learning mobility for all;

(vi) promoting lifelong learning, notably flexible upskilling and reskilling opportunities for all taking into account digital skills, better anticipating change and new skills requirements based on labour market needs, facilitating career transitions and promoting professional mobility;

(vii) fostering active inclusion with a view to promoting equal opportunities and active participation, and improving employability;

(viii) promoting socio-economic integration of third country nationals and of marginalised communities such as the Roma;

(ix) enhancing the equal and timely access to quality, sustainable and affordable services; modernising social protection systems, including promoting access to social protection; improving accessibility, effectiveness and resilience of healthcare systems and long-term care services;

(x) promoting social integration of people at risk of poverty or social exclusion, including the most deprived and children;

(xi) addressing material deprivation through food and/or basic material assistance to the most deprived, including accompanying measures.

2. Through the actions implemented under the ESF+ strand under shared management to achieve the specific objectives referred to in paragraph 1, the ESF+ shall also contribute to the other policy objectives listed in Article [4] of [the future CPR][6], in particular those related to:

1. a smarter Europe through the development of skills for smart specialisation, skills for key enabling technologies, industrial transition, sectorial cooperation on skills and entrepreneurship, the training of researchers, networking activities and partnerships between higher education institutions, vocational and educational training (VET) institutions, research and technological centres and enterprises and clusters, support to micro, small and medium sized enterprises and the social economy;

2. a greener, low carbon Europe through the improvement of education and training systems necessary for the adaptation of skills and qualifications, the upskilling of all, including the labour force, the creation of new jobs in sectors related to the environment, climate and energy, and the bioeconomy.

3. Under the Health strand, the ESF+ shall support health promotion and disease prevention, contribute to effectiveness, accessibility, resilience and sustainability of health systems, make healthcare safer, reduce health inequalities, protect citizens from cross-border health threats, and support EU health legislation.

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6 *An additional recital is included:* **(new) Through the support to the specific objectives set out in Article 4(1) under policy objective 4 "a more social Europe", the ESF + will continue to contribute to territorial and local development strategies in order to implement the European Pillar of Social Rights. It will support the tools set out in Article 22 CPR and thereby also contribute to the delivery of policy objective 5 "a Europe closer to citizens".**

[Article 5

Budget

1. The total financial envelope for the ESF+ for the period 2021-2027 shall be EUR 101 174 000 000 in current prices.

2. The part of the financial envelope for the ESF+ strand under shared management under the Investment for Jobs and Growth goal shall be EUR 100 000 000 000 in current prices or EUR 88 646 194 590 in 2018 prices of which EUR 200 000 000 in current prices or or EUR 175 000 000 in 2018 prices shall be allocated for transnational cooperation supporting innovative solutions as referred to in Article 23(i) and EUR 400 000 000 in current prices or EUR 376 928 934 in 2018 prices as additional funding to the outermost regions identified in Article 349 TFEU and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession.

3. The financial envelope for the Employment and Social Innovation strand and the Health strand for the period 2021-2027 shall be EUR 1 174 000 000 in current prices.

4. The indicative distribution of the amount referred in paragraph 3 shall be:

   (a) EUR 761 000 000 for the implementation of the Employment and Social Innovation strand;

   (b) EUR 413 000 000 for the implementation of the Health strand.

5. The amounts referred to in paragraphs 3 and 4 may also be used for technical and administrative assistance for the implementation of the programmes, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems.]

Article 6

Gender equality, equal opportunities and non-discrimination

1. All programmes implemented under the ESF+ strand under shared management, as well as the operations supported by the Employment and Social Innovation and Health strands shall ensure gender equality throughout their preparation, implementation, monitoring and evaluation. They shall also ensure equal opportunities for all, without discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation throughout their preparation, implementation, monitoring and evaluation. These programmes and operations shall also aim at increasing participation of women in employment, combating the feminisation of poverty and gender discrimination in the labour market and in education and training.

2. The Member States and the Commission shall also support specific targeted actions to promote the principles referred to in paragraph 1 within any of the objectives of the ESF+. These actions may include accessibility for persons with disabilities and the transition from residential/institutional care to family and community-based care.

Part II – Implementation under the ESF+ strand under shared management

Chapter I
Common provisions on programming

Article 7

Consistency and thematic concentration

1. Member States shall program the ESF+ resources under shared management by prioritising interventions that address the challenges identified in the European Semester, including in their national reform programmes as well as in the relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and Article 148(4) TFEU, and take into account the principles and rights set out in the European Pillar of Social Rights and the national and regional strategies relevant for ESF+ objectives.

   Member States and, where appropriate, the Commission, shall foster synergies and ensure coordination, complementarity and coherence between the ESF+ and other Union funds, programmes and instruments both in the planning phase and during implementation. Member States and, where appropriate the Commission shall optimise mechanisms for coordination to avoid duplication of effort and ensure close cooperation between those responsible for implementation to deliver coherent and streamlined support actions.

2. Member States shall allocate an appropriate amount of their ESF+ resources under shared management to address challenges identified in relevant country-specific recommendations adopted in accordance with Article 121(2) TFEU and Article 148(4) TFEU and in the European Semester falling within the scope of the ESF+ as set out in Article 4.

[3. Member States shall allocate at least [25%] of their ESF+ resources under shared management to the specific objectives for the social inclusion policy area set out in points (vii) to (xi) of Article 4(1), including the promotion of the socio-economic integration of third country nationals.]

[4. Member States shall allocate at least [2%] of their ESF+ resources under shared management to the specific objective of addressing material deprivation set out in point (xi) of Article 4(1).]

[In duly justified cases, the resources allocated to the specific objective set out in point (x) of Article 4(1) and targeting the most deprived may be taken into account for verifying compliance with the minimum allocation of at least [2%] set out in the first subparagraph of this paragraph.]

[5. Member States having a rate of young people aged 15 to 29 not in employment, education or training above the Union average on the basis of the latest available annual Eurostat data, shall allocate at least [10%] of their ESF+ resources under shared management for the years 2021 to 2025 to targeted actions and structural reforms to support youth employment and school-to-work transition, pathways to reintegrate into education or training and second chance education, in particular in the context of implementing Youth Guarantee schemes.]

At mid-term in accordance with Article [14] of [the future CPR], Member States having a rate of young people aged 15 to 29 not in employment, education or training above the Union average on the basis of the latest available annual Eurostat data, shall allocate at least [10%] of their ESF+ resources under shared management for the years 2026 to 2027 to these actions.

Outermost regions meeting the conditions set out in the first and second subparagraphs shall allocate at least [15%] of the ESF+ resources under shared management in their programmes to the targeted actions set out in the first subparagraph. This allocation shall be taken into account for verifying compliance with the minimum percentage at national level set out in the first and second subparagraphs.

When implementing such actions, Member States shall give priority to inactive and long-term unemployed young people and put in place targeted outreach measures.

6. Paragraphs 2 to 5 shall not apply to the specific additional allocation received by the outermost regions and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession.

7. Paragraphs 1 to 5 shall not apply to technical assistance.

Article 8

Partnership

1. Each Member State shall ensure adequate participation of social partners and civil society organisations in the delivery of employment, education and social inclusion policies supported by the ESF+ strand under shared management.

2. Member States shall, where relevant, allocate an appropriate amount of ESF+ resources under shared management in each programme for the capacity building of social partners and civil society organisations and may be programmed under any of the specific objectives set out in points (i) to (x) of Article 4(1) and/or under technical assistance.

Article 9

Support to the most deprived

The resources referred to in Article 7(4) shall be programmed under a dedicated priority or programme.

Article 10

Support to youth employment

Support in accordance with Article 7(5) shall be programmed under a dedicated priority or programme and it shall at least include support to the specific objective set out in point (i) and may include support to the specific objectives set out in points (v) and (x) of Article 4(1).

Article 11

Support to relevant country-specific recommendations

The actions addressing the challenges identified in relevant country-specific recommendations and in the European Semester as referred to in Article 7(2) shall be programmed under one or more ~~dedicated~~ priorities, which can be part of a multi-fund priority.

~~In addition to the actions in the first subparagraph, this priority may also include related actions provided they are part of an integrated policy approach and reinforce the effectiveness of the actions in the first subparagraph.~~

Chapter II

General support of the ESF+ strand under shared management

Article 12

Scope

This Chapter applies to ESF+ support under points (i) to (x) of Article 4(1) when implemented under shared management (the 'general support of the ESF+ strand under shared management').

Article 13

Innovative actions[7]

1. Member States shall support actions of social innovation and social experimentations, or strengthen bottom-up approaches based on partnerships involving public authorities, the private sector and civil society.

2. Member States may support the upscaling of innovative approaches tested on a small-scale developed under the Employment and Social Innovation strand and other Union programmes.

3. Innovative actions and approaches may be programmed under any of the specific objectives set out in points (i) to (x) of Article 4(1).

4. Each Member State may dedicate at least one priority to the implementation of paragraphs 1 or 2 or to both. [The maximum co-financing rate for these priorities may be increased to 95% for the allocation of maximum 5% of the national ESF+ allocation under shared management to such priorities.]

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7 *In order to clarify that transnational cooperation may be supported under the shared management strand, recital (31) is amended as follows:*
(31) Social experimentation is a small-scale project testing which allows gathering evidence on the feasibility of social innovations. It should be possible for feasible ideas to be pursued on a wider scale or in other contexts with financial support from the ESF+, as well as from other sources. Transnational cooperation under direct or indirect management should accelerate the transfer and facilitate the upscaling of innovative solutions, whilst transnational cooperation can also be supported by programmes under shared management.

5. Member States shall identify, either in their programmes or ~~programme modifications~~ **at a later stage** during implementation, fields for social innovation and social experimentations that correspond to the Member States' specific needs.

6. 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 13a

Transnational cooperation

Member States may support transnational cooperation under any of the specific objectives set out in points (i) to (x) of Article 4(1).

Article 14

Eligibility

1. In addition to the costs referred to in Article [58] of [the future CPR], the following costs are not eligible under the general support of the ESF+ strand under shared management:

   a) the purchase of land and real estate, **and the provision of infrastructure, and**

   ~~b) purchase of infrastructure, except where, subject to the decision of a Member State, it addresses the relevant country-specific recommendations and contributes to ESF+ specific objectives set out in points (i) to (x) of Article 4(1). The ESF+ support for infrastructure shall not exceed 25% of the programme concerned.~~[8]

   b ~~c~~) the purchase of furniture, equipment and vehicles except where the purchase is necessary for achieving the objective of the operation, or these items are fully depreciated, or the purchase of these items is the most economic option.

2. 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 general support of the ESF+ strand under shared management 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.

3. The specific additional allocation received by the outermost regions and the NUTS level 2 regions fulfilling the criteria laid down in Article 2 of Protocol No 6 to the 1994 Act of Accession shall be used to support the achievement of the specific objectives set out in paragraph 1 of Article 4.

4. Direct staff costs shall be eligible for a contribution from the general support of the ESF+ strand under shared management if they are in line with the beneficiary's usual remuneration practice for the category of function concerned or in line with applicable national law, other national legal provisions, collective agreements or official statistics.

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[8] ~~*A new subparagraph is added to Article 20(2) of the CPR, as follows:*~~

~~When a managing authority uses the flexibility under point (b) of Article 14(1) of the ESF+ Regulation, this paragraph [Article 20(2) of the Common Provisions Regulation] shall not apply to the programme concerned.~~

Article 15

Indicators and reporting

1. Programmes benefitting from the general support of the ESF+ strand under shared management shall use common output and result indicators, as set out in Annex 1 to this Regulation to monitor progress in implementation. The programmes may also use programme-specific indicators.

   Priorities and programmes providing support to specific objective (x) of Article 4(1) shall use at least one programme-specific result indicator.

2. The baseline for common and programme-specific output indicators shall be set at zero. Where relevant to the nature of the operations supported, cumulative quantified milestones and target values for those indicators shall be set in absolute numbers. The reported values for the output indicators shall be expressed in absolute numbers.

3. The reference value for common and programme-specific result indicators for which a target value for 2029 have been set, shall be fixed using the latest available data or other relevant sources of information. Targets for common result indicators shall be fixed in absolute numbers or as a percentage. Programme-specific result indicators and related targets may be expressed in quantitative or qualitative terms. The reported values on common result indicators shall be expressed in absolute numbers.

4. Data on the indicators for participants shall only be transmitted when all data required under point (1a) of Annex 1 relating to that participant are available.

5. Member States may, when data are available in registers or equivalent sources, enable the Managing Authorities and other bodies entrusted with data collection necessary for the monitoring and the evaluation of the general support of the ESF+ strand under shared management to obtain those data from data registers or equivalent sources, in accordance with points (c) and (e) of Article 6(1) of Regulation (EU) 2016/679.

Article 15a

Processing of personal data[9]

1. For the purposes of the implementation of the ESF+ with a view to achieving the objectives set out in Articles 3 and 4, the Managing Authority, the Audit Authority and the beneficiaries, as data controllers, shall process, in accordance with Regulation (EU) 2016/679, the personal data necessary for the common indicators in Annex I, for monitoring, evaluation, control and audit and, where applicable, for determining the eligibility of participants.

2. The personal data referred to in paragraph 1 shall be retained in accordance with Article 76 [of the future CPR].

3. When processing of data revealing racial or ethnic origin or data concerning health is necessary for the purposes set out in paragraph 1, the data controller shall ensure appropriate safeguards for the fundamental rights and interests of the data subject, including the necessary technical and organizational measures.

[9] *Recital (30) is amended as follows:* (30) For the purpose of the implementation of the programmes with a view to achieving the objectives of the ESF+, it is necessary to process certain personal data of participants in operations supported by the ESF+. The personal data should be processed for the common indicators, for monitoring, evaluation, control and audit and, where applicable, for determining the eligibility of participants. The processing of personal data should be done in accordance with Regulation (EU) 2016/679 of the European Parliament and of the Council *[GDPR OJ reference in footnote]*.

Chapter III

ESF+ support for addressing material deprivation

Article 16

Scope

This Chapter applies to ESF+ support under point (xi) of Article 4(1).

Article 17

Principles

1. The ESF+ support for addressing material deprivation may only be used to support the distribution of food and goods that are in conformity with the Union law on consumer product safety.

2. Member States and beneficiaries shall choose the food and/or the basic material assistance on the basis of objective criteria related to the needs of the most deprived persons. The selection criteria for the food products, and where appropriate for goods, shall also take into consideration climatic and environmental aspects, in particular with a view to reduction of food waste. Where appropriate, the choice of the type of food products to be distributed shall be made having considered their contribution to the balanced diet of the most deprived persons.

   The food and/or basic material assistance may be provided directly to the most deprived persons or indirectly through electronic vouchers or cards, provided that they can only be redeemed against food and/or basic material assistance as set out in Article 2(3).

   The food provided for the most deprived persons may be obtained from the use, processing or sale of the products disposed of in accordance with Article 16(2) of Regulation (EU) No 1308/2013, provided that this is economically the most favourable option and does not unduly delay the delivery of the food products to the most deprived persons.

   Any amount derived from such a transaction shall be used for the benefit of the most deprived persons, in addition to the amounts already available to the programme.

3. The Commission and the Member States shall ensure that aid provided in the framework of the ESF+ support for addressing material deprivation respects the dignity and prevents stigmatisation of the most deprived persons.

4. The delivery of food and/or material assistance may be complemented with re-orientation towards competent services and other accompanying measures aiming at the social inclusion of the most deprived persons.

Article 18

Content of the priority

A priority concerning support under point (xi) of Article 4(1) shall set out:

(a) the type of support;

(b) the main target groups.

(c) a description of the national or regional schemes of support

In the case of programmes limited to this type of support and the related technical assistance,the priority shall also include the criteria for the selection of operations.

Article 19

Eligibility of operations

1 The food and/or basic material assistance provided to the most deprived persons may be purchased by or on behalf of the beneficiary or made available free of charge to the beneficiary.

2. The food and/or basic material assistance shall be distributed free of charge to the most deprived persons.

Article 20

Eligibility of expenditure

1. The eligible costs of the ESF+ support for addressing material deprivation shall be:

   (a) the costs of purchasing food and/or basic material assistance, including costs related to transporting food and/or basic material assistance to the beneficiaries delivering the food and/or basic material assistance to the end recipients;

   (b) where the transport of the food and/or basic material assistance to the beneficiaries distributing them to the end recipients is not covered by point (a), the costs borne by the purchasing body related to transporting food and/or basic material assistance to the storage depots and/or the beneficiaries and storage costs at a flat-rate of 1% of the costs referred to in point (a) or, in duly justified cases, costs actually incurred and paid;

   (c) the administrative, transport, storage and preparation costs borne by the beneficiaries involved in the distribution of the food and/or basic material assistance to the most deprived at a flat-rate of 7% of the costs referred to in point (a); or 7% of the costs of the value of the food products disposed of in accordance with Article 16 of Regulation (EU) No 1308/2013;

   (d) the cost of collection, transport, storage and distribution of food donations and directly related awareness raising activities;

   (e) the costs of accompanying measures undertaken by or on behalf of beneficiaries and declared by the beneficiaries delivering the food and/or basic material assistance to the most deprived persons at a flat- rate of 7% of the costs referred to in point (a).

2. A reduction of the eligible costs referred to in point (a) of paragraph 1 because the body responsible for the purchase of food and/or basic material assistance did not comply with applicable law, shall not lead to a reduction of the eligible costs set out in points (c) and (e) of paragraph 1.

3. The following costs shall not be eligible:

(a) interest on debt;

(b) purchase of infrastructure;

(c) costs of second-hand goods.

Article 21

Indicators and reporting

1. Priorities addressing material deprivation shall use common output and result indicators, as set out in Annex II to this Regulation to monitor progress in implementation. These programmes may also use programme-specific indicators.

2. The reference values for common and programme-specific result indicators shall be established.

3. By 30 June 2025 and 30 June 2028, Managing Authorities shall report to the Commission the results of a structured survey of the end recipients carried out during the previous year. This survey shall be based on the model which shall be established by the Commission by means of an implementing act.

4. The Commission shall adopt an implementing act establishing the model to be used for the structured survey of end recipients in accordance with the advisory procedure referred to in Article 39(2) in order to ensure uniform conditions for the implementation of this Article.

Article 22

Audit

Audit of operations may cover all stages of its implementation and all levels of the distribution chain, with the sole exception of control of the end recipients, unless a risk assessment establishes a specific risk of irregularity or fraud.

Part III – Implementation under direct and indirect management

Chapter I

Specific rules for the Employment and Social Innovation strand

Section I - General provisions

Article 23

Operational objectives

The Employment and Social Innovation strand has the following operational objectives:

a) to develop high-quality comparative analytical knowledge in order to ensure that policies to achieve the specific objectives referred to in Article 4 are based on sound evidence and are relevant to needs, challenges and local conditions;

b) to facilitate effective and inclusive information-sharing, mutual learning, peer reviews and dialogue on policies in the fields referred to in Article 4 in order to assist the design of appropriate policy measures;

c) to support social experimentations in the fields referred to in Article 4 and build up the stakeholders' capacity to implement, transfer or upscale the tested social policy innovations;

d) to provide specific support services to employers and job-seekers with a view to the development of integrated European labour markets, ranging from pre-recruitment preparation to post-placement assistance to fill vacancies in certain sectors, professions, countries, border regions or for particular groups (e.g. vulnerable people);

e) to support the development of the market eco-system related to the provision of microfinance for micro-enterprises in start-up and development phases, in particular those that employ vulnerable people;

f) to support networking at Union level and dialogue with and among relevant stakeholders in the fields referred to in Article 4 and contribute to build up the institutional capacity of these stakeholders, including the public employment services (PES), social security and health insurance institutions, microfinance institutions and institutions providing finance to social enterprises and social economy;

g) to support the development of social enterprises and the emergence of a social investment market, facilitating public and private interactions and the participation of foundations and philanthropic actors in that market;

h) to provide guidance for the development of social infrastructure (including housing, child care and education and training, health care and long term care) needed for the implementation of the European Pillar of Social Rights;

i) to support transnational cooperation to accelerate the transfer of, and to facilitate the scaling of, innovative solutions, in particular for the areas of employment, skills and social inclusion, across Europe.

j) to support the implementation of relevant international social and labour standards in the context of harnessing globalisation and the external dimension of Union policies in the fields referred to in Article 4.

Section II - Eligibility

Article 24

Eligible actions

1. Only actions pursuing the objectives referred to in Article 3 and 4 and 23 shall be eligible for funding.

2. The Employment and Social Innovation strand may support the following actions:

   (a) Analytical activities, including in relation to third countries, in particular:

      (i) surveys, studies, statistical data, methodologies, classifications, micro-simulations, indicators, support to European-level observatories and benchmarks;

      (ii) social experimentations evaluating social innovations;

      (iii) monitoring and assessment of the transposition and application of Union law;

   (b) Policy implementation, in particular:

      (i) cross-border partnerships and support services in cross-border regions;

      (ii) an EU-wide labour targeted mobility scheme at Union level to fill job vacancies where labour market shortcomings have been identified;

      (iii) support to microfinance and social enterprises, including through blending operations such as asymmetric risk sharing or reducing transaction costs, as well as support to the development of social infrastructure and skills;

      (iv) support to transnational cooperation and partnership with a view to transferring and upscaling innovative solutions;

(c) Capacity building, in particular:

(i) of networks at Union level related to the fields referred to in Article 4(1);

(ii) of national contact points providing guidance, information and assistance related to the implementation of the strand;

(iii) of participating countries administrations, social security institutions and employment services responsible for promoting labour mobility, of microfinance institutions and of institutions providing finance to social enterprises or other social investment actors, as well as networking;

(iv) of stakeholders in view of transnational cooperation;

(d) Communication and dissemination activities, in particular:

(i) mutual learning through exchange of good practices, innovative approaches, results of analytical activities, peer reviews, and benchmarking;

(ii) guides, reports, informative material and media coverage of initiatives related to the fields referred to in Article 4(1);

(iii) information systems disseminating evidence related to the fields referred to in Article 4(1);

(iv) Council Presidency events, conferences, seminars and awareness-raising activities.

Article 25

Eligible entities

1. In addition to the criteria set out in Article [197] of the Financial Regulation, the following criteria shall apply for entities to be eligible:

   (a) Legal entities established in any of the following countries:

      (i) a Member State or an overseas country or territory linked to it;

      (ii) an associated country;

      (iii) a third country listed in the work programme under the conditions specified in paragraphs 2 and 3;

   (b) Any legal entity created under Union law or any international organisation.

[2. Legal entities established in a third country which is not an associated country are exceptionally eligible to participate where this is necessary for the achievement of the objectives of a given action.]

[3. Legal entities established in a third country which is not an associated country should in principle bear the cost of their participation.]

Chapter II – Specific provisions for the Health strand

Section I - General provisions

Article 26

Operational objectives

1. Only actions implementing the objectives referred to in Articles 3 and 4 shall be eligible for funding.

2. The Health strand has the following operational objectives:

   a) Strengthen crisis-preparedness, management and response in the Union to protect citizens against cross-border health threats.

      (i) Capacity-building measures for crisis anticipation, preparedness, management and response, taking into account relevant international systems

      (ii) Anticipate and respond to cross-border health threats during crisis

      (iii) Support laboratory capacity

      (iv) Addressing antimicrobial resistance

   b) Empower health systems

      (i) Invest in health promotion and disease prevention

      (ii) Support the digital transformation of health and care

      (iii) Support the development of a sustainable Union health information system, taking into account relevant activities carried out by international organisations.

(iv) Support Member States with knowledge and evidence-based best practices transfer useful for the national reform processes for more effective, accessible and resilient health systems and better health promotion and disease prevention addressing, in particular, the challenges identified in the European Semester

(v) Develop and implement approaches responding to future health system challenges

c) Support Union health legislation

(i) support the implementation of the legislation on medicinal products and medical devices

[(ii) Support the implementation of Union legislation on Health Technology Assessment (HTA)][10]

(iii) Monitor and support Member States in their implementation of legislation in the area of substances of human origin (SoHO)

(iv) Support the implementation of tobacco legislation

(v) Support the implementation of Union legislation in the area of cross-border healthcare

(vi) Support to the Commission' scientific committees on "Consumer Safety" and on "Health, Environmental and Emerging Risks"

(vii) Support the implementation of Union legislation on data protection and exchange of data between interested authorized parties in the field of health.

10 Brackets to be removed when legislation is adopted, otherwise point (ii) will be deleted.

d) Support integrated work (e.g. ERNs, HTA and implementation of best practices for the promotion of health, prevention and management of diseases)

(i) Continue support for the European Reference Networks (ERNs)

(ii) Support the implementation of best practices for innovation in public health ~~and~~ **as well as best practices in** patient safety

e) Invest in health promotion and disease prevention, other than those promoted under letter (b) point (i) of Article 26(2):

(i) Support cross-sectorial work to address structural determinants of health to reduce inequalities in health;

(ii) Support the development and implementation of evidence-based national, regional, local public health interventions;

(iii) Strengthen actions to reduce risk factors of non-communicable diseases;

Section II - Eligibility

Article 27

Eligible actions

1. Only actions pursuing the objectives referred to in Articles 3, 4 and 26 are eligible for funding.

2. The Health strand may support the following actions:

   (a) Analytical activities, in particular:

      (i) surveys, studies, collection of data, methodologies, classifications, micro-simulations, indicators, and benchmark exercises;

      (ii) monitoring and assessment of the transposition and application of Union law;

   (b) Policy implementation, in particular:

      (i) cross-border collaboration and partnerships, including in cross-border regions;

      (ii) support to transnational cooperation and partnerships with a view to transferring and upscaling innovative solutions;

      (iii) Health crisis preparedness exercises.

   (c) Capacity building, in particular:

      (i) through transfer, adaptation and roll-out of best practices with established Union level added value between Member States;

      (ii) of EU-level networks related to the fields referred to in Article 26;

      (iii) through support for the deployment, operation and maintenance of an IT infrastructure for data exchange;

(iv) of national contact points providing guidance, information and assistance related the implementation of the programme;

(v) of stakeholders in view of transnational cooperation;

(vi) through assistance in cooperation with third countries;

(vii) through procurement of goods and services including joint initiatives, in case of health crisis.

(d) Communication and dissemination activities, in particular:

(i) mutual learning through exchange of good practices, innovative approaches, results of analytical activities, peer reviews, and benchmarking;

(ii) guides, reports, informative material and media coverage of initiatives related to the fields referred to in Article 26;

(iii) information systems disseminating evidence related to the fields referred to in Article 26;

(iv) Council Presidency events and respective preparatory actions, conferences and seminars.

3. The actions referred to in the second paragraph shall only be eligible insofar as they support the creation of economies of scale, the improvement of crisis preparedness, the rolling out of identified, high added value best practices, or aim to ensure that Union rules in the areas referred to in Article 26 are implemented, enforced, evaluated and reviewed where necessary.

Article 28

Eligible entities and costs

1. In addition to the criteria set out in Article 197 of the Financial Regulation, the following criteria shall apply for entities to be eligible:

   (a) legal entities established in any of the following countries:

      (i) a Member State or an overseas country or territory linked to it;

      (ii) an associated country ;

      (iii) third country listed in the work programme under the conditions specified in paragraph 3 and 4;

   (b) any legal entity created under Union law or any international organisation;

2. Natural persons are not eligible.

[3. Legal entities established in a third country which is not an associated country are exceptionally eligible to participate where this is necessary for the achievement of the objectives of a given action.]

[4. Legal entities established in a third country which is not an associated country should in principle bear the cost of their participation.]

5. In exceptional cases, during a crisis caused by a serious cross-border health threat as defined in Decision 1082/2013/EU[11], costs incurred in non-associated countries may be considered exceptionally eligible if they are duly justified for reasons of countering the spread of the risk for the protection of health of EU citizens.

[11] Decision No 1082/2013/EU of the European Parliament and of the Council of 22 October 2013 on serious cross-border threats to health and repealing Decision No 2119/98/EC Text with EEA relevance; OJ : JOL 2013 293_R_0001_01

Article 29

Governance

The Commission shall consult the health authorities of the Member States in the Steering Group on Health Promotion, Disease Prevention and Management of Non-Communicable Diseases or in other relevant Commission expert group or similar entities on the draft work plans established for the Health strand and proposals for its priorities and strategic orientations and its implementation, and also on the health policy perspective of other policies and support mechanisms, thus increasing their overall coordination and added value.

Chapter III

Common Rules applicable to the Employment and Social Innovation and Health strands

[Article 30

Participation of third countries associated to the Employment and Social Innovation and Health strands

1. The Employment and Social Innovation and Health strands shall be open to the following associated countries:

   (a) European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement;

   (b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;

   (c) third countries, in accordance with the conditions laid down in a specific agreement covering its participation to the strand, provided that the agreement

      (1) ensures a fair balance as regards the contributions and benefits of the third country participating in the Union programmes;

      (2) lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes or strands of programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of [the new Financial Regulation];

(3) does not confer to the third country a decisional power on the strand;

(4) guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

2. In addition, the Health strand shall also be open to countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and association council decisions, or similar agreements;, and in accordance with the specific conditions laid down in agreements between the Union and those countries.]

Article 31

Forms of EU funding and methods of implementation

1. The Employment and Social Innovation and Health strands may provide funding in any of the forms laid down in the Financial Regulation, in particular grants, prizes, procurement and voluntary payments to International Organisations of which the Union is a member or in whose work it participates.

2. The Employment and Social Innovation and Health strands shall be implemented directly as provided for by Article [62(1)(a)] of the Financial Regulation or indirectly with bodies referred to in Article [62(1)(c)] of the Financial Regulation.

When awarding grants, the evaluation committee referred to in article [150] of the Financial Regulation may be composed of external experts.

3. Blending operations under the Employment and Social Innovation strand shall be implemented in accordance with the [InvestEU regulation] and Title X of the Financial Regulation.

4. Under the Health strand, direct grants may be awarded without a call for proposals to fund actions having a clear Union added value co-financed by the competent authorities that are responsible for health in the Member States or in the third countries associated to the Programme, or by public sector bodies and non-governmental bodies, acting individually or as a network, mandated by those competent authorities.

5. Under the Health strand, direct grants may be awarded without a call for proposals to European Reference Networks that are approved as Networks by the Board of Member States of the European Reference Networks, following the approval procedure set out in Commission Implementing Decision 2014/287/EU of 10 March 2014 setting out criteria for establishing and evaluating European Reference Networks and their Members and for facilitating the exchange of information and expertise on establishing and evaluating such Networks.

Article 32

Work programme and coordination

The Employment and Social Innovation strand and Health strand shall be implemented by work programmes referred to in Article [108] of Financial Regulation. Work programmes shall set out, where applicable, the overall amount reserved for blending operations.

The Commission shall adopt implementing acts laying down annual or multi-annual work programmes and their possible changes covering the Employment and Social Innovation strand and the Health strand respectively. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 39a.

The Commission shall foster synergies and ensure effective coordination between ESF+ and other relevant EU instruments as well as among the ESF+ strands.

Article 33

Monitoring and reporting

1. Indicators to monitor implementation and progress of the strands towards the achievement of the specific objectives set out in Article 4 and the operational objectives set out in Articles 23 and 26 shall be set.

2. The performance reporting system shall ensure that data for monitoring implementation of the strands and results are collected efficiently, effectively and in a timely fashion. To that end, proportionate reporting requirements shall be imposed on recipients of Union funds and, where relevant, Member States.

3. The Commission is empowered to adopt delegated acts in accordance with Article 38 to supplement or amend the indicators in Annex III where considered necessary to ensure effective assessment of progress in the implementation of the strands.

Article 34

Protection of the financial interests of the Union

Where a third country participates in the programme by a decision under an international agreement, the third country shall grant the necessary rights and access required for the authorizing officer responsible, the European Anti-Fraud Office (OLAF), the European Court of Auditors to comprehensively exert their respective competences. In the case of OLAF, such rights shall include the right to carry out investigations, including on-the-spot checks and inspections, provided for in Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council concerning investigations conducted by the European Anti-Fraud Office (OLAF).

Article 35

Evaluation

1. Evaluations shall be carried out in a sufficiently timely manner to feed into the decision-making process.

2. The interim evaluation of the strands may be performed once there is sufficient information available about their implementation, but not later than four years after the start of the implementation of the strands.

3. At the end of the implementation period, but no later than four years after the end of the period specified in Article 5, a final evaluation of the strands shall be carried out by the Commission.

4. The Commission shall communicate the conclusions of the evaluations accompanied by its observations, to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions.

Article 36

Audits

Audits on the use of the Union contribution carried out by persons or entities, including by other than those mandated by the Union Institutions or bodies, shall form the basis of the overall assurance pursuant to Article 127 of the Financial Regulation.

Article 37

Information, communication and publicity

1. The recipients of Union funding shall acknowledge the origin and ensure the visibility of the Union funding (in particular when promoting the actions and their results), by providing coherent, effective and targeted information to multiple audiences, including the media and the public.

2. The Commission shall implement information and communication actions relating to the Employment and Social Innovation and Health strands, and their actions and results. Financial resources allocated to the Employment and Social Innovation and Health strands shall also contribute to the corporate communication of the political priorities of the Union, as far as they are related to the objectives referred to in Articles 4, 23 and 26.

Part IV – Final Provisions

Article 38

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 33(3) shall be conferred on the Commission for an indeterminate period of time from date of entry into force of this Regulation.

3. The delegation of power referred to in Article 33(3) 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.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016[12].

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

6. A delegated act adopted pursuant to Article 33(3) 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.

[12] OJ L 123, 12.5.2016, p. 13.

Article 39

Committee Procedure for the ESF+ strand under shared management

1. The Commission shall be assisted by the committee referred to in Article [109(1)] of [the future CPR].

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

Article 39a (new)

Committee procedure for the Employment and Social Innovation strand and the Health strand

1. The Commission shall be assisted by a committee for the Employment and Social Innovation strand and for the Health strand. The committees shall be committees within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

Article 40

Committee under Article 163 TFEU

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

2. 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.

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

4. The ESF+ Committee shall be consulted on the planned use of technical assistance referred to in article 29 of [the future CPR] in the case of support from the ESF+ strand under shared management, as well as on other issues having an impact on the implementation of strategies at Union level relevant to the ESF+;

5. The ESF+ Committee may deliver opinions on:

   (a) questions related to the ESF+ contribution to the implementation of the European Pillar of Social Rights, including country-specific recommendations and semester-related priorities (national reform programmes, etc.);

   (b) issues concerning the [future CPR] relevant for the ESF+;

   (c) questions related to the ESF+ referred to it by the Commission other than those referred to in paragraph 4.

   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, the Council, the European Economic and Social Committee and the Committee of the Regions, for information. The Commission shall inform the ESF+ Committee of the manner in which it has taken account of its opinions.

6. The ESF+ Committee shall set up working groups for each of the strands of the ESF+.

Article 41

Transitional provisions for the ESF+ under shared management

Regulation (EU) No 1304/2013 of the European Parliament and of the Council[13], Regulation (EU) No 223/2014 of the European Parliament and of the Council[14] or any act adopted thereunder shall continue to apply to programmes and operations supported by the European Social Fund and the Fund for European Aid to the Most Deprived under the 2014-2020 programming period.

Article 42

Transitional provisions for the Employment and Social Innovation strand and the Health strand

1. Regulation (EU) No 1296/2013 of the European Parliament and of the Council[15] and Regulation (EU) No 282/2014 of the European Parliament and of the Council[16] are repealed with effect from 1 January 2021.

2. The financial envelope for the Employment and Social Innovation strand and the Health strand may also cover technical and administrative assistance expenses necessary to ensure the transition between the ESF+ and the measures adopted under its predecessors: the Employment and Social Innovation programme and the Union Programme for Health.

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13 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 (OJ L 347, 20.12.2013, p. 470).

14 Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived (OJ L 72, 12.3.2014, p. 1).

15 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 (OJ L 347, 20.12.2013, p. 238).

16 Regulation (EU) No 282/2014 of the European Parliament and of the Council of 11 March 2014 on the establishment of a third Programme for the Union's action in the field of health (2014-2020) and repealing Decision No 1350/2007/EC (OJ L 86, 21.3.2014, p. 1).

3. If necessary, appropriations may be entered in the budget beyond 2027 to cover the expenses provided for in Article 5(5) [technical and administrative assistance], to enable the management of actions not completed by 31 December 2027.

4. [Repayments from financial instruments established by Employment and Social Innovation programme (EaSI 2014-2020) shall be invested in the financial instruments of the "social window" of the InvestEU Fund established under Regulation XXX.]

Article 43

Entry into force

This Regulation shall enter into force on the twentieth day following 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.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

ANNEX I[17]

Common indicators for the general support of the ESF+ strand under shared management

All personal data are to be broken down by gender (female, male, 'non binary'[18]). If certain results are not possible, data for those result indicators do not have to be collected and reported. Common output indicators on participants can be derived from the type of the operation.

(1) Common output indicators related to operations targeting people:

(1a) Common output indicators for participants [19,20]

- The common output indicators for participants are:
- unemployed, including long-term unemployed*,
- long-term unemployed*,
- inactive*,
- employed, including self-employed*,
- below 30 years of age *,
- above 54 years of age*,
- with lower secondary education or less (ISCED 0-2)*,
- with upper secondary (ISCED 3) or post-secondary education (ISCED 4)*,
- with tertiary education (ISCED 5 to 8)*,
- total number of participants[21]

17 Data reported under the indicators marked with * are personal data according to Article 4(1) of Regulation (EU) 2016/679. Data reported under the indicators marked with ** are a special category of data according to Article 9 of Regulation (EU) 2016/679.

18 According to national legislation.

19 These indicators do not apply to ESF+ support under specific objective (x) of Article 4(1), except the indicators 'below 30 years of age' and 'above 54 years of age' and the 'total number of participants'.

20 When data are collected from registers, Member States do not have to align with commonly agreed definitions and may use national definitions.

21 To be calculated automatically on the basis of the common output indicators relating to employment status, except for ESF+ support under specific objective (x) of Article 4(1), in which case the total number of participants is to be reported.

(1b) Other common output indicators[22]

Data collection is only necessary when applicable and in relevant cases. Values on these indicators can be determined based on informed estimates by the beneficiary.

– participants with disabilities**,
– third country nationals*,
– participants with a foreign background*,
– minorities (including marginalised communities such as the Roma)**,
– homeless or affected by housing exclusion*,
– participants from rural areas*[23].

(2) Common output indicators for entities[24] are:

– number of supported public administrations or public services at national, regional or local level,
– number of supported micro, small and medium-sized enterprises (including cooperative enterprises, social enterprises).

(3) The common immediate result indicators for participants are[25,26]:

– participants engaged in job searching upon leaving*,
– participants in education or training upon leaving*,
– participants gaining a qualification upon leaving*,
– participants in employment, including self-employment, upon leaving*.

(4) Common longer-term result indicators for participants[27,28]:

– participants in employment, including self-employment, six months after leaving*,
– participants with an improved labour market situation six months after leaving*,

22 National definitions may be used for these indicators, except for the indicators 'third-country nationals' and 'from rural areas'.
23 This indicator does not apply to ESF+ support under specific objective (x) of Article 4(1).
24 When data are collected from registers, Member States do not have to align with commonly agreed definitions and may use national definitions.
25 These indicators do not apply to ESF+ support under specific objective (x) of Article 4(1).
26 When data are collected from registers, Member States do not have to align with commonly agreed definitions and may use national definitions.
27 These indicators do not apply to ESF+ support under specific objective (x) of Article 4(1).
28 When data are collected from registers, Member States do not have to align with commonly agreed definitions and may use national definitions.

These data shall be collected so as to allow the reporting of the common longer-term result indicators by the 31st January 2026 in accordance with Article 37(1) [of the future CPR] and in the final performance report referred to in Article 38 [of the future CPR].

As a minimum requirement, these data are to be collected based on a representative sample of participants within the specific objectives (i) to (ix) of Article 4(1). Internal validity of the sample is to be ensured in such a way that the data can be generalised at the level of the specific objective.

ANNEX II

Common indicators for ESF+ support for addressing material deprivation

(1) Output indicators

(a) Total monetary value of distributed food and goods.

(i) total value of the food support

(ia) total monetary value of food for the homeless;

(ib) total monetary value of food for other target groups.

(ii) total value of goods distributed

(iia) total monetary value of goods for children;

(iib) total monetary value of goods for the homeless;

(iic) total monetary value of goods for other target groups.

(b) Total quantity of food support distributed (tons).

Thereof[29]:

(a) share of food for which only transport, distribution and storage were paid for by the programme (in %);

(b) proportion of the ESF+ co-financed food products in the total volume of food distributed the beneficiaries (in %)

[29] Values on these indicators shall be determined based on the informed estimation by the beneficiaries

(3) Common result indicators [30]

- **Number of the end recipients receiving food support**
- Number of children below 18 years of age
- Number of young people aged 18-29 years;
- Number of women
- Number of end recipients above 54 years of age,
- Number of end recipients with disabilities[31]
- Number of third country nationals[32]
- Number of end recipients with a foreign background and minorities (including marginalised communities such as the Roma)[33]
- Number of homeless end recipients or end-recipients affected by housing exclusion[34].

- **Number of the end recipients receiving material support**
- Number of children below 18 years of age
- Number of young people aged 18-29 years
- Number of women
- Number of end recipients above 54 years of age
- Number of end recipients with disabilities[35]
- Number of third country nationals[36]
- Number of end recipients with a foreign background and minorities (including marginalised communities such as the Roma)[37]
- Number of homeless end recipient or end recipients affected by housing exclusion[38]

[30] Values on these indicators shall be determined based on the informed estimation by the beneficiaries

31, 32, 33, 34, 35, 36, 37 and 38 **National definitions may be used for this indicator**

ANNEX III

Indicators for the Health Strand

Level of integrated work in the health area and of use of the results of the programme in national health policies

1. Number of patients supported by European Reference Networks

2. Number of health technology joint clinical assessments

3. Number of best practices transferred

4. Degree of use of the results of the programme in national health policy as measured by a "before and after" questionnaire