

HEADING 1B: Economic, social and territorial cohesion**European Social Fund (ESF)**

Lead DG: EMPL

I. Overview***What the programme is about?***

The European Social Fund (ESF) is Europe's main instrument for supporting jobs, helping people get better and fairer job opportunities and supporting upskilling and reskilling. It invests in Europe's human capital – its workers, its young people and all those seeking a job. ESF financing is improving job prospects for millions of Europeans, in particular those farther away from the labour market.

EU added value of the programme

The ESF is the EU's main financial instrument to support structural reforms in the fields of employment, education and training, with a direct link to the priorities and headline targets of the Europe 2020 strategy in terms of employment, education and poverty. It contributes to the promotion of economic and social cohesion and social inclusion within the EU and serves as an instrument for financial solidarity and economic integration.

Ample evidence demonstrates that EU policies supported by the ESF would not have been implemented or would have been realised to a significantly lesser extent had it not been for EU investment. At the same time, through European funding, Member States invest in areas and target groups (or pursue reforms) which they would have not pursued – even when national funding is available. As such, the ESF acts as an important instrument to support reform efforts of many Member States in areas of crucial importance for the European economy, in line with recommendations issued in the context of the European Semester: reforms in labour market policies, youth employment, modernisation of vocational education and training, welfare system and administrative reforms. Member States consider that even when national resources are available to fund areas of social expenditure, the ESF has in fact provided the necessary incentive framework to deliver on long term investments supporting structural reforms (often in a sustainable manner spanning more than one political cycle) in line with the Country Specific Recommendations (CSRs) ⁽¹⁾.

The ex post evaluation of ESF during the 2007-2013 programming period showed that the fund brings significant and lasting effects in terms of volume, scope, role and process. The evaluation identified also aspects for improvements that have been addressed to a large extent in the 2014-2020 programming period. These refer notably to the closer alignment with EU and national priorities, keeping flexibility to adjust to emerging needs, ensuring coverage of disadvantaged groups, focusing on young and older people, promoting the customisation of support, strengthening the results orientation and synergies with other EU instruments. These include also addressing the limitations faced regarding the design of programmes, aggregation of data on participants and results. Other areas were considered in the context of preparations for the ESF post-2020, namely the continued need to simplify and reduce administrative burden.

The update of the 2007-2013 ex post evaluation data carried out to take into account the final reports submitted in 2017 also confirms the impact of the ESF, as each EUR 1 invested in ESF during the 2007–2013 programming period has led to an estimated EUR 3 increase in GDP by 2023, according to a simulation carried out by Joint Research Center (JRC) based on the RHOMOLO model.

Implementation mode

The European Social Fund is implemented under shared management. Delivery modes include grants, public procurement, calls for proposals and financial instruments.

II. Programme Implementation Update***Implementation Status (2017-2019)***

The year 2019 has marked a further acceleration of ESF implementation despite important disparities between Member States and operational programmes. The European Structural and Investment Funds (ESIF) 2019 Summary Report ⁽²⁾ of the programme's annual implementation reports and progress reports covering implementation up to end 2018 was published on 17 December 2019. This report underlines that, for all ESI Funds taken together, project selection (financing decided) has more than doubled since the first strategic report in 2017, amounting to EUR 464 billion (72 % of total planned investment). It also shows that, for all ESI Funds taken together, 27 % of the allocation had been paid to Member States by the end of December 2018 (36 % by end October 2019). When considering the interim payments, the level of disbursements made in the current programming period is below that of previous periods and suggests that a stronger focus on spending is still required in the Member States. However, ESF has now reached cruising speed and the difficulties related to implementation, such as the late start of operational programmes at the beginning of the period, have already been addressed. Moreover, implementation progress and challenges are addressed in the ESF

⁽¹⁾ Ismeri Europe (2018) 'Support of ESI Funds to the Implementation of the country-specific recommendations (CSRs) and structural reforms in Member States' – <https://publications.europa.eu/en/publication-detail/-/publication/de79c16e-6eb4-11e8-9483-01aa75ed71a1/language-en>.

⁽²⁾ http://ec.europa.eu/regional_policy/en/policy/how/stages-step-by-step/strategic-report/

Technical Working Groups and ESF Committee meetings, which take place five times a year and gather Commission officials, Member States representatives and representatives from the social partners.

By the end of 2019, the project selection rate increased to 85 %. In 2019, nearly EUR 12.9 billion have been paid to the 2014-2020 ESF programmes (including pre-financing), lifting the absorption rate (interim payments made between 2014-2019 vs. 2014-2020 allocation) to 31 %. Consequently, the level of ESF expenditure certified to the Commission remained high in 2019, which is a confirmation that a mature phase of implementation has been reached for the majority of programmes. This paves the way for a strong contribution to the Europe 2020 objectives in this area.

In regards to the Youth Employment Initiative (YEI), the mature phase of implementation continued in 2019. By the end of 2019, the total eligible cost of YEI operations selected for support was EUR 10.4 billion and nearly EUR 6.1 billion had been declared by beneficiaries. By end 2019, nearly EUR 5 billion had been paid to the Member States in relation to YEI (including interim payments and initial and annual pre-financing).

Simplified Cost Options (SCOs)

Following the adoption of Delegated Regulation 2015/2195 ⁽³⁾ in July 2015, the Commission adopted eight amendments of the regulation and should adopt one further amendment by end 2020. So far, 20 Member States benefit from the legal certainty of having their simplified cost methodology and amount defined in advance and also from the consequent reduction in the administrative burden associated with reduced documentation that need to be retained for management verification. Since the start of the current programming period, the total ESF expenditure which has been reimbursed on the basis of unit costs and lump sums under Article 14(1) is approximately EUR 11 billion.

In 2018, the Commission also adopted EU-level SCOs under Article 14(1) of the ESF regulation for three new areas:

- training for the unemployed
- counselling services
- training for employed people.

Furthermore, following a call for proposals, the Commission awarded two pilot Joint Action Plans (one in Netherlands and one in Portugal). Their implementation will run from January 2019 until June 2020.

In 2019, the Commission published its Strategic Report based on the information included in the Annual Implementation Reports (AIRs) ⁽⁴⁾ submitted by the Member States. It was accompanied by an update and further development of the ESIF Open Data Platform. This strategic report is based on the Member States' implementation and progress reports on the 2014-2020 ESIF programmes until the end of 2018. The annual reporting cycle by Member States between 2015-2017 has pointed out substantial differences between less developed on the one hand, and more developed and transition regions on the other. The figures reported in the AIRs 2018 suggest that these differences are getting smaller, with implementation of ESF/YEI picking up steam in Member States and regions. Overall, implementation has been stable across the EU, allowing the 187 ESF operational programmes to continue investing in promoting sustainable employment, social inclusion and investing in education and institutional capacity.

Moreover, in 2019, the Commission carried out the performance review and the ESF performance reserve was allocated to 184 programmes ⁽⁵⁾ and 661 priorities. The performance of these priorities was assessed on the basis of the information provided by Member States in their Annual Implementation Reports that were due by 30 June 2019 and the pre-agreed milestones (both output and financial) set out in the performance frameworks included in the programmes.

Overall, ESF performing priorities represent 83 % of the performance reserve for the ESF (i.e. EUR 4.2 billion) that is definitively allocated on the basis of the Commission decisions on the performance review. The performance reserve of non-performing priorities, which is to be reallocated to performing priorities amounts to around EUR 740 million. An additional EUR 109 million was still under assessment at end 2019 due to concerns about the reliability of data. From this, the decisions on the performance review for two Member States were adopted in 2020 with EUR 100 million allocated to performing priorities. An amount of EUR 9 million remains to be reallocated from underperforming priorities to performing ones. Overall, following the performance review, 78 % of ESF priorities have achieved their milestones (517 priorities out of 661 achieved their milestones).

Key achievements

While implementation varies between Member States and operational programmes, in aggregated terms, the ESF and YEI actions delivered by end 2018 ⁽⁶⁾ supported 26 million participations, therefore, making a solid contribution to the Sustainable Development Goals.

⁽³⁾ Commission Delegated Regulation (EU) 2015/2195 of 9 July 2015 on supplementing Regulation (EU) No 1304/2013 of the European Parliament and of the Council on the European Social Fund, regarding the definition of standard scales of unit costs and lump sums for reimbursement of expenditure by the Commission to Member States

⁽⁴⁾ https://ec.europa.eu/regional_policy/en/policy/how/stages-step-by-step/strategic-report/

⁽⁵⁾ There are 187 ESF and YEI supported programmes out of which 3 are dedicated to technical assistance and therefore don't include performance frameworks/reserves.

⁽⁶⁾ Latest available data; 2019 data will be reported by the Member States in 2020 via the annual implementation reports.

Amongst all participants, 3.1 million people have found a job, including as self-employed, 3.7 million people have gained a qualification and 1.5 million were in education and training thanks to ESF or YEI support. By end of 2018, 2.7 million young people had benefited from the YEI.

Examples ⁽⁷⁾ of successfully implemented projects under the employment, social inclusion and education objectives include:

- In Portugal, the ESF-supported project at the Employment and Training Centre of Évora provides adult education and training to improve qualification, employability, social and vocational inclusion. Over 500 participants were supported, 60 % of which were employed 6 months after leaving. The total investment amounts to EUR 3.9 million, of which EUR 3.3 million from the ESF. This project contributed to the Sustainable Development Goals and in particular to: goal (1) *End poverty in all its forms everywhere*, goal (4) *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all* and goal (8) *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*.
- The youth coaching ESF project ‘Industrial Quarter Youth Coaching’ in Austria has supported 2 000 young people. Participants were provided advice on entering the working life and taking advantage of educational opportunities. The total investment amounts to EUR 1.2 million, including EUR 610 000 from the ESF. This project contributed to the Sustainable Development Goals and in particular to goal: (4) *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all* and goal (8) *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*.
- The ‘nidi gratis’ (‘free kindergarten’) initiative from the Lombardy region in Italy is an example of measure for social inclusion and for reducing gender gaps in employment. The initiative, with a total budget of about EUR 70 million, provided so far 30 000 low-income families free access to kindergartens for their 0-3 year old babies. This project contributes to the Sustainable Development Goals and in particular to goal: (1) *End poverty in all its forms everywhere*, goal (3) *Ensure healthy lives and promote well-being for all at all ages*, goal (4) *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*, goal (5) *Achieve gender equality and empower all women and girls*, goal (8) *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all* and goal (10) *Reduce inequality within and among countries*.

Moreover, the ESF also contributes to climate objectives, notably through higher support to training and labour market measures linked to green jobs. For example, in Czech Republic the ESF supported 111 projects in the coal regions with the total allocation of EUR 21.3 million. More concretely, in the Nord-Moravia Region, the public employment service implemented an ESF supported project called ‘Outplacement’ which supported 265 miners by providing them trainings in welding, driving or professional licence and other skills. All these projects contribute to the Sustainable Development Goals and in particular to goal: (1) *End poverty in all its forms everywhere*, goal (4) *Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all*, goal (8) *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*, goal (9) *Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation*, goal (11) *Make cities and human settlements inclusive, safe, resilient and sustainable* and goal (13) *Take urgent action to combat climate change and its impacts*.

Evaluations/studies conducted

As preparations for the future ESF+ programmes begin, the Commission has outsourced four thematic evaluations for all Member States covering 2014-2018 period to be completed by the end of 2020. These are:

- evaluation of the ESF/YEI support to youth employment;
- evaluation of the ESF support to employment and labour mobility (thematic objective 8 excluding support to youth employment);
- evaluation of ESF support to social inclusion (thematic objective 9); and
- evaluation of ESF support to education and training (thematic objective 10).

The conclusions of these evaluations will feed into the preparation of the next programming period 2021-2027.

The most advanced evaluation is on youth employment and the preliminary conclusions are the following:

- YEI has performed better in all respects compared to ESF funding programmed for youth employment (e.g. 52 % financial implementation against 27 % for ESF youth employment operations) which could be due to the implementation process (in particular the fact that the YEI was initially frontloaded for the first years of the programming period via additional initial pre-financing).
- YEI and the other ESF-funded youth operations are relevant for addressing the needs of young people. The efforts of the Member States to address these needs, combined with a general economic uplift following the latest financial crisis have yielded positive results. This is evident in the positive evolution of the labour market situation of young people since 2014 and the reduction of the ‘Not in Education, Employment or Training’ (NEETs) group in many Member States.

⁽⁷⁾ ESIF Annual Summary Report 2019, available at: https://ec.europa.eu/regional_policy/en/policy/how/stages-step-by-step/strategic-report/

- Existing evidence shows that YEI and other ESF-funded youth operations were coherent amongst themselves, notably due to the way they were designed and programmed. The key factors that contributed to this complementarity include the distinct types of operations supported, the capitalisation on past experience from similar operations and institutional cooperation / coordination amongst stakeholders.
- The YEI and ESF have had considerable volume effects by supporting interventions that were not funded by other national or regional programmes and allowing additional actions to take place. It also had important outlook effects by widening the scope of existing actions and expanding target groups or targeting groups not covered by national programmes.
- Based on the information available, transition rates to employment of participants in YEI/ESF operations generally improve with time. The employment impacts are sustainable for the low skilled, which were the main focus group of the operations, as well as the medium and high skilled.

The other three evaluations are in early stage and it is premature to draw any conclusions at this stage.

At the Member State level, an increasing number of evaluations have addressed mainly the implementation process and the progress towards achieving the targets set for the period 2014-2020. Despite the growing volume of completed projects, it is still too early to evaluate the results and impacts of the programmes. The main reason for that being that the start of impact evaluations, carried out by nature later in the programme cycle, has been delayed by the late start of the programmes and additional delays in completing many interventions ⁽⁸⁾.

The project 'ESF data support centre' will assist the Commission and the Member States in the future in reporting for the ESF+ (shared management strand), including methodological and harmonisation aspects. This data support centre will help fulfil monitoring and reporting obligations set out in the Regulations governing the ESF+.

Forthcoming implementation

Member States will submit their AIRs in 2020, which contain both quantitative and qualitative evidence on the implementation of the Funds.

Based on these reports, the four ESIF Directorate Generals will prepare an Annual Summary Report to the attention of the European Parliament, the Council, the Economic and Social Committee and the Committee of the Regions. To accompany this report, EMPL, together with the other ESIF DGs, will also continue making relevant data available to all on an ESIF Open Data Platform.

In 2020, DG EMPL will continue providing technical and policy guidance on the operational programmes through the monitoring committees to ensure that the programmes are on track to deliver the expected results. DG EMPL will also continue to run the ESF Transnational Platform and be actively involved in transnational cooperation activities. After completing the evaluation for the new tender (expected in Spring 2020), DG EMPL will oversee the new contract and activities related to transnational cooperation between Member States' ESF managing authorities and other stakeholders until 2021. The aim of the transnational cooperation platform is to foster mutual learning and good practice in all areas of ESF implementation, as well as to pave the way for the post 2020 programming period. Implementation of the programmes should continue at cruising speed in 2020, reinforcing the trend observed, as reported by the Member States in the annual implementation reports.

Project selection rates and interim payment requests are expected to increase steadily. Furthermore, DG EMPL will continue its work on the assessment of programme amendment requests submitted by Member States in order to ensure the policy and result-orientation of the ESF and YEI programmes.

In order to meet the COVID-19 pandemic-related challenges, in 2020 the Commission adopted a series of amendments (the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Investment Initiative Plus) which allow for an unprecedented redirection of Cohesion policy funds, including the ESF/YEI, to address the effects of the public health crisis. This allowed simplifying administrative procedures and reducing administrative burden for Member States. DG EMPL will continue working in close contact with the Managing Authorities to make sure that ESF/YEI resources are swiftly mobilized on the ground in order to allow for a prompt response to the crisis and a swift recovery. Managing Authorities are supported through regular bilateral contacts with DG EMPL geographical units and through the dedicated CRII Platform.

Outlook for the 2021-2027 period

The proposal for the ESF+ Regulation 2021-2027 integrates the current ESF, YEI, FEAD, EaSI and the EU Health programme. The aim is to enhance synergy of actions, streamline management of priorities and reduce administrative burden. By building on the strengths of its components, the ESF+ will be the key funding arm for the European Pillar of Social Rights. It will also be key to align policy and investment priorities in the EU.

Trilogues are currently on-going on the ESF+ basic act. Once the negotiations are concluded, Member States are expected to formally submit programmes for 2021-2027. An initial pre-financing will be paid out of the 2021 commitment tranche at the start of the programmes to ensure that Member States have the means to kick off the preparations on the ground in a timely manner.

⁽⁸⁾ Commission Staff Working Document – Synthesis of the findings of the evaluations of European Structural and Investment Funds Programmes (SWD(2019) 445 final).

III. Programme key facts and performance framework

1. Financial programming

Legal Basis	Period of application	Reference Amount (EUR million)
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	2014 – 2020	

	Financial Programming (EUR million)							
	2014	2015	2016	2017	2018	2019	2020	Total Programme
Total	11 483,9(*)	15 023,9	12 007,7	13 393,5	13 418,5	13 786,0	13 937,0	93 050,5
<i>Of which Youth Employment initiative to up allocation</i>	<i>1 706,6(*)</i>	<i>1 504,6</i>	<i>0,0</i>	<i>500,0</i>	<i>350,0</i>	<i>350,0</i>	<i>145,0</i>	<i>4 556,2</i>

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

2. Implementation rates

	2019				2020			
	CA	Impl. Rate	PA	Impl. Rate	CA	Impl. Rate	PA	Impl. Rate
Voted appropriations	13 778,731	99,70 %	11 193,549	100,00 %	13 929,085	99,75 %	12 592,736	35,62 %
Authorised appropriations (*)	15 502,333	99,73 %	13 529,158	99,07 %	14 451,116	99,75 %	13 086,699	35,24 %

(*) Authorised appropriations include voted appropriations, appropriations originating from assigned revenues (internal and external) as well as carried-over and reconstituted appropriations; the execution rate is calculated on 15 April 2020

3. Performance information

Programme performance

The programme has experienced stable implementation, allowing Member States to continue investing in sustainable and quality employment, social inclusion, education and vocational training, and institutional capacity. Data reported increased significantly in 2019 after some late reporting from Member States in previous years and following the performance review carried out in 2019, which motivated programme authorities to report on all outputs in order to achieve their milestones.

More specifically, the ESF has been successfully promoting sustainable and quality employment by supporting 10.7 million participants by end 2018.

In the field of social inclusion, the ESF has been contributing to the EU2020 headline target of reducing poverty in the EU by targeting various specific groups, such as low-skilled, (long-term) unemployed, elderly, disabled and people with a migrant/foreign background. Member States allocated a variety of interventions to this objective also evidenced by its highest allocated budget. By end 2018, such investments supported 6.1 million participants, which led to 1.7 million positive results, such as finding a job, gaining a qualification or other improvements in terms of one's position on the labour market.

With regard to education and training, in total, 9.1 million participants are recorded for all operations, of which 3.4 million have reached an individual short-term result such as gaining a qualification, returning to education or training, or improving their skills.

Institutional capacity investments receive the lowest allocation with an overall EUR 4.7 billion available. The implementation of these investments is slightly behind that of other thematic objectives, with a project selection rate of 66.1 % by the end of 2018. This is due to the nature of the projects in this field, as system support measures typically require longer planning and more cooperation between the different partners in the design and implementation phase of a project. In terms of individual results, an increasing number of institutions implemented highly-performant IT systems, revised and/or simplified procedures and increased regulatory scrutiny that helped enhance their institutional capacity.

Based on the analysis of the 2018 AIRs from the Member States, the discrepancies between and within the Member States decreased considerably in 2018. This is due to the performance review carried out in 2019, which pushed Member States to report on as many achievements as possible in order to achieve their milestones. Another factor to consider is that implementation of ESF/YEI has now reached cruising speed, which has led to increased upward convergence across the EU.

The main implementation challenges relate to the programming requirements/features, such as complexity of programming and planning of the intervention, delays as a result of consulting different public administrations, administrative issues related to tender procedures, problems with the payment system, GDPR requirements and administrative burden of applicants. The second most mentioned challenge relates to delays at a governance level due to a focus on preparation/setting up organisation/programme management, not yet on attracting proposals. The third, most mentioned challenge relates to changing national/regional socioeconomic context, affecting performance of the programme. Such challenges are addressed in close cooperation with DG

EMPL during the regular meetings held with programme authorities in the Member States or region, such as Annual Review Meetings and Monitoring Committee Meetings as well as bilateral discussions with DG EMPL, whenever needed. Operational programmes are also adapted in order to better address new challenges or changes in the socioeconomic context which may arise during the course of the programming period and which could not be foreseen from the start. For example, such changes may be related to the evolving composition of the target groups, resulting in groups of individuals who are now more difficult to reach. Moreover, implementation progress and challenges are discussed in the ESF technical working groups and ESF Committee meetings, which take place five times a year and gather Commission officials, Member States representatives and representatives from the social partners.

Specific objectives

Specific Objective 1: Promoting sustainable and quality employment and supporting labour mobility

Performance

The total allocated ESF investments under this specific objective amount to EUR 40.4 billion for ESF 2014-2020 (EU and national share together), of which 68.9 % has been committed (for selected operations) by the end of 2018. The project selection rate is relatively uniform in the Member States, showing an overall steady pace of implementation at the EU level.

By end 2018, investments in sustainable and quality employment supported 10.7 million participants, which led to 3.7 million positive results. These positive results consist of people that found a job, gained a qualification or were able to improve their labour market position by means of ESF interventions.

Indicator 1: Number of participants benefiting from ESF under this thematic objective								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007-2013	Milestones foreseen							2023
21.7	Actual results							17.3
	0.5	1.0	4.1	7.4	10.7			
					14.6		17.3	

Methodology: Note 1: ‘Number of participants’ measures the number of participations per operation. Over the programming period, one person can participate in several ESF operations and be counted more than once. Compared to the 2007-2013 period definitions on the number of participations have been clarified to prevent double reporting of participations by the same individual in several activities within a single operation and to exclude indirect participants such as those benefiting from change in a system. This change in the definition of ‘participants’ is one of the reasons for lower achievements.

Note 2: Moreover, the cumulative achievement of the 2007-2013 programming period included a large amount of participants who were reported well after 2013.

Note 3: In the current stage of the economic cycle, the labour market pulls people in employment without public support, and outreach in this thematic objective is more difficult.

All these factors explain the downward revision of the target to 17.3 million participants, which is the extrapolation of the annual increases of the last two years. The adjustment was expected and made during the performance review stage.

Source: Annual Implementation Reports

Unit of measure: Million (cumulative)

Indicator 2: Participants (unemployed or inactive) in employment, including self-employment, upon leaving								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007-2013	Milestones foreseen							2023
14.0 %	Actual results							24.0 %
	7.7 %	10.3 %	16.5 %	17.1 %	24.2 %			
					24.0 %		24.0 %	

Methodology: These success rates were reported for participants in all investment priorities until reporting year 2017. Employment results depend on the nature of investment priorities (IP) and interventions. For comparative purposes, in Employment, results for participations in ‘Access to Employment’ activities during 2007-2013 period were 28 %, while for ‘Human capital and Social Inclusion’ activities employment results made up 10 % and 26 % of all reported results and correspondingly lower employment rates. However, especially in the education (TO10) and in the institutional capacity building (TO11) thematic objectives, and to a lesser extent, in social inclusion (TO9) too, placement into job is not among the typical, intended outcomes of the operations. While reporting the absolute number of participants in employment for the whole ESF remains relevant and continues to be reported in the ESIF Open Data Platform, for reporting success rates (number of job placements compared to unemployed + inactive participants at entry to ESF) is more relevant to be reported for the employment objective only. The break in the series starts from 2018 onwards.

Narrative: Baseline: Employment result estimate for participants in activities in 2007-2013 period.

Source: Annual Implementation Reports

Expenditure related outputs

Outputs		Number of outputs foreseen (F) and produced (P)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of ESF participants (in million)	F	0.2	1.1	1.7	2.2	2.8	2.8	2.8	2.8	2.6	2.6
	P	0.6	1.4	2.6	3.3	3.3					

Specific Objective 2: Promoting social inclusion, combating poverty and any discrimination

Performance

The ESF 2014-2020 is crucial to further complement national efforts towards achieving the Europe 2020 poverty headline target. In order to ensure that a sufficient share of resources is allocated to promoting social inclusion and combating poverty, Article 4(2) of the ESF Regulation requests that at least 20 % of the total ESF resources in each Member State shall be allocated to this thematic objective. Although higher social spending is generally associated with stronger poverty reduction, important differences exist, suggesting scope for efficiency gains. On the other hand, the link between social assistance and activation measures should be strengthened by developing more personalised services and efforts to improve the uptake of measures by vulnerable groups.

This specific objective has been allocated a total of EUR 31.3 billion (EU and national share together), of which 71.4 % had been earmarked for projects selected by the end of 2018. While this project selection rate shows that progress is relatively well underway, some differences persist.

By end 2018, social inclusion investments supported 6.1 million participants, which reached a large variety of persons with different types of (vulnerable) personal backgrounds. Such investments led to 1.7 million positive results, such as finding a job, gaining a qualification or other improvements in terms of one’s position on the labour market. This is an important achievement, especially when regarded in the context of the Europe 2020 headline target to lift at least 20 million people out of the risk of poverty or social exclusion.

Indicator 1: Participants considered as part of disadvantaged groups that are reached by the ESF

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007-2013	Milestones foreseen							2023
20.1 %	Actual results							40.0 %
	40.0 %							
	39.8 %	43.1 %	40.4 %	40.0 %	41.2 %			

Methodology: Target groups: Migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma); Participants with disabilities; Participants who live in a single adult household with dependent children; Participants who live in jobless households; Other disadvantaged. These will be broken down by the different categories. Persons may cumulate several disadvantages. It should be noted that these indicators cover all actions under all thematic objectives.

Narrative: Baseline: Average programming period 2007-2013: Disabled, Migrants, Minorities & Others.

Source: Annual Implementation Reports

Indicator 2: Inactive participants engaged in job searching upon leaving

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
	Actual results							16.0 %
	27.0 %							
	1.4 %	5.5 %	6.8 %	12.2 %	16.0 %			

Methodology: Note 1: This indicator had not existed in the previous programming period. The evidence from the current programming period shows that the target has to be revised. Under-reporting has to be taken into account too in the interpretation of the achievement: in operations where the intended outcome is other than job-search (e.g. ‘in employment’), data on job-search may not be collected in some operations. Another element to be considered is that in many cases there may have been a change in the target groups and only those who are most difficult to reach have remained.

Note 2: Following the performance review, some of the targets have been revised downwards. However, milestones for 2018 have not been revised retrospectively, as they have already passed. That is why the target for 2023 is lower than the 2018 milestone.

Source: Annual Implementation Reports

Unit of measure: Percentage of inactive participants

Indicator 3: Participants above 54 years of age.

Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007-2013	Milestones foreseen							2023
6.2 %	Actual results							6.0 %
	6.0 %							

	4.8 %	5.5 %	5.9 %	6.3 %	7.3 %			
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Methodology: Note 1: Only a very limited number of operational programmes have targets set specifically for this category for the period 2014-2020. The target set for 2023 is therefore based on the results of the indicator ‘Older people (55-64 years)’ from the 2007-2013 programming period.

Note 2: Based on the first three reporting by all MS on common indicators (AIR submitted in 2016, 2017 and 2018), the initial milestone and target are maintained.

Note 3: The data reported in the table above is based on cumulative data. Overall, for the whole programming period, a share of 6 % of all participants is expected to be above 54 years of age. This is reflected in the milestone and target for this indicator.

Narrative: Baseline: Average programming period 2007-2013.

Source: Annual Implementation Reports

Unit of measure: Percentage of all ESF participants

Expenditure related outputs

Outputs		Number of outputs foreseen (F) and produced (P)									
		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Number of ESF participants (in million)	F	0.2	1	1.5	1.9	2.5	2.5	2.5	2.5	2.3	2.3
	P	0.0	0.6	1.1	1.6	2.8					

Specific Objective 3: Investing in education, training and vocational training for skills and life-long learning

Performance

In total, 9.1 million participants are recorded for all operations in the field of education, training and vocational training, of which 3.4 million have reached an individual short-term result. More than 2.2 million participants gained a qualification with support from ESF investments with an education objective, while another 791 thousand participants were in education/training upon leaving the intervention. As expected for operations that focus on education, these results are higher than for the number of participants that engaged in job searching or entered employment. In addition to these figures, a relevant result recorded in various programmes across education investments is related to improved skills (not necessarily leading to a qualification), which is registered for 1.2 million participants.

This objective has been allocated a total amount of EUR 39.2 billion (EU and national share together), which makes it the ESF’s second largest specific objective, only slightly lower than the employment-related specific objective. Implementation is progressing relatively uniform across different types of regions; more and less developed regions have relatively similar project selection rates (68.5 % and 66.8 % respectively), while the transition regions have slightly higher project selection rates (74.5 %). Also in terms of participation and target achievement rates, no substantial differences were observed. However, some relevant differences can be observed between Member States. In Denmark, for example, with currently 10 639 participants (26.3 % of target), implementation is considerably behind the EU average. In its annual implementation report, Denmark indicates that this is related to a relatively low demand by employers to register their workers for long-term education courses. Danish authorities report that companies tend to focus more on meeting high short-term skills demands, rather than long-term training needs. Figures related to participation are relatively low also in Romania (8.7 % of target). Romanian authorities indicate that the insufficient administrative capacity and the inconsistent input received as a result have caused delays in setting up projects. In addition, they reported that the limited capacities of potential beneficiaries to develop robust project proposals has reduced the number of applications.

Indicator 1: Number of participants benefiting from ESF under this thematic objective								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2023
23.80	15.90	15.90	15.90	15.90	15.90		18.00	18.00
	Actual results							
	0.18	0.52	1.90	4.50	9.11			

Methodology: It should be noted that these indicators under this specific objective cover all actions under all thematic objectives, unless specified otherwise in the name of the indicator.

Note 1: Due to the multiannual nature of the programme and the large annual variances, comparing to a full programming period is the most relevant indicator.

Note 2: ‘Number of participants’ measures the number of participations per operation. Over the programming period, one person can participate in several ESF operations and be counted more than once. Compared to the 2007-2013 period definitions on the number of participations have been clarified to prevent double reporting of participations by the same individual in several activities within a single operation and to exclude indirect participants such as those benefiting from change in a system. This change in the definition of ‘participants’ is one of the reasons for lower achievements.

Note 3: The cumulative achievement of the 2007-2013 programming period included a large amount of participants who were reported well after 2013. Nevertheless, the increase in participation in 2018 was very significant, and with that rate of progress, the target is within reach.

Source: Annual Implementation Reports

Unit of measure: Million (cumulative)

Indicator 2: Participants gaining a qualification upon leaving under this thematic objective											
Baseline	2014	2015	2016	2017	2018	2019	2020	Target			
Milestones foreseen								2023			
					48.0 %		23.0 %	23.0 %			
Actual results											
	18.8 %	20.4 %	21.1 %	22.3 %	24.4 %						

Methodology: The target is revised based on the evidence of the 2016, 2017 and 2018 reporting years.

Source: Annual Implementation Reports

Expenditure related outputs

Outputs	Number of outputs foreseen (F) and produced (P)										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Number of ESF participants (in million)	F	0.2	0.9	1.4	1.8	2.3	2.3	2.3	2.3	2.2	2.2
	P	0	0.5	1.4	2.5	4.6					

Specific Objective 4: Enhancing institutional capacity of public authorities and stakeholders and efficient public administration

Performance

Institutional capacity investments receive the lowest budget allocation with an overall EUR 4.7 billion. The implementation of these investments is also slightly behind that of other specific objectives, with a project selection rate of 66.1 % by the end of 2018. In terms of individual results, its interventions mainly contributed to public officials gaining a certain type of qualification (116 957 participants), but most meaningful results relate for instance to shorter time required for certain operations or specific positive results for organisations, public administrations, the judiciary and civil society organisations. In terms of individual results, an increasing number of institutions implemented highly-performant IT systems, revised and/or simplified procedures, and increased regulatory scrutiny that helped enhance their institutional capacity.

Indicator 1: Number of projects targeting public administrations or public services at national, regional or local level											
Baseline	2014	2015	2016	2017	2018	2019	2020	Target			
Milestones foreseen								2023			
185	900	900	900	900	900		2 250	2 250			
	Actual results										
	0	31	3 970	13 017	27 644						

Methodology: Note 1: The overachievement of this indicator is mainly due to Italy, which accounts for 68 % of all projects targeting public administrations or public services at national, regional or local level. This could be explained by different interpretations of the definition of this indicator. While some Member States will count one project even if this project covers several public administration, other Member States will count each public administration supported under one project.

Source: Annual Implementation Reports

Unit of measure: Projects per year (cumulative)

Expenditure related outputs

Outputs	Number of outputs foreseen (F) and produced (P)										
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
Number of projects	F	225	225	225	225	225	225	225	225	225	225
	P	0	931	3 039	9 047	14 627					

Specific Objective 5: Promoting specific support to young NEETs (15-24)

Performance

By the end of 2018, project selection rates are high with an average at 84 % and in many Member States already at or above 100 % (Belgium, Czech Republic, Hungary, Ireland, Lithuania, Latvia, Poland, Slovenia and Slovakia). However, Romania (1 %), Greece (45 %), and United Kingdom (68 %) are still considerably behind the EU average. In the case of Romania, a number of structural features, such as political fragmentation and limited capacity at the level of the Managing Authority, affected implementation of both the ESF and YEI. In order to increase the performance of the measures providing support to young NEETS, the following measures are currently under implementation for Romania: updating by means of a programme modification of the upper limit of the eligibility age for young persons from 24 to 29 years, updating the total values for the target group and the corresponding

indicators based on the current demographic challenges, targeting the interventions to the regions with the biggest population of NEETS, developing complementary measures so that the attractiveness of the interventions is increased, further promoting the interventions at the level of the target group as well as improving the performance of the operations which are currently under implementation both under ESF and YEI.

While project selection rates measure the share of budgets committed by Managing Authorities for implementation, the implementation rates measure the extent to which eligible project funds have been declared to the Managing Authorities. On average 52 % of the budgets have been declared to Managing Authorities.

In regards to outputs, as implementation of YEI programmes is maturing, the rate of growth in comparison to the previous year is stabilising. By the end of 2018, 2.7 million young people had benefitted from YEI support. At the EU level, participants are well balanced from a gender perspective, with an equal share of men and women reached by the interventions.

The immediate results of YEI support point to over 1.8 million unemployed or inactive persons having completed a YEI intervention. Moreover, 1.1 million young participants were employed or got a qualification at the end of the YEI-supported measure.

Out of the 444 common result indicators measuring progress for YEI, 406 have a target. By the end of 2018, 339 indicators are progressing towards the targets.

Indicator 1: Number of participants aged 15-24 benefiting from ESF								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
2007-2013	Milestones foreseen							2023
23.10	15.50	15.50	15.50	15.50	15.50		20.30	20.30
	Actual results							
	0.33	0.72	3.10	6.60	11.30			

Methodology: It should be noted that the output indicator 1 cover participants benefitting from ESF under all thematic objective whilst the other indicators (2 to 5) refer exclusively to the YEI supported actions. In compliance with Article 16 of the ESF Regulation (EU) No 1304/2013, Member States may decide to extend the YEI target group to include young persons under the age of 30.

Note 1: ‘Number of participants’ measures the number of participations per operation. Over the programming period, one person can participate in several ESF operations and be counted more than once. Compared to the 2007-2013 period definitions on the number of participations have been clarified to prevent double reporting of participations by the same individual in several activities within a single operation and to exclude indirect participants such as those benefiting from change in a system. This change in the definition of ‘participants’ is one of the reasons for lower achievements.

Note 2: Moreover, the cumulative achievement of the 2007-2013 programming period included a large amount of participants who were reported well after 2013.

Note 3: In the current stage of the economic cycle, the labour market pulls people in employment without public support, and outreach in this thematic objective is more difficult.

All these factors explain the downward revision of the target to 20.3 million participants, which is the extrapolation of the annual increases of the last two years.

Source: Annual Implementation Reports

Unit of measure: Million (cumulative)

Indicator 2: Unemployed participants who complete the YEI supported intervention								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2020
			750 000				2 100 000	2 100 000
	Actual results							
	21 163	144 502	579 759	1 214 269	1 791 955			

Methodology: The target and the 2020 milestone have been reviewed downwards on the basis of the implementation results of the previous years. It is worth noting that youth unemployment rates have dropped, thus leading to a lower number of participants seeking support under the YEI. Moreover, YEI-supported participants are typically the farthest away from the labour market and therefore more difficult to be reached.

Source: Annual Implementation Reports

Indicator 3: Unemployed participants in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2020
			347 000				1 100 000	1 100 000
	Actual results							
	8 843	74 052	266 754	622 687	876 937			

Methodology: This indicator is not a direct subset of indicator 2 as it may also include participants who did not complete the intervention.

Source: Annual Implementation Reports

Indicator 4: Inactive participants not in education or training who complete the YEI supported intervention								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2020
			220 000				540 000	540 000
	Actual results							
	6 527	30 331	132 474	258 559	314 108			

Methodology: The target and the 2020 milestone have been reviewed downwards on the basis of the implementation results of the previous years. It is worth noting that youth unemployment rates have dropped, thus leading to a lower number of participants seeking support under the YEI. Moreover, YEI-supported participants are typically the farthest away from the labour market and therefore more difficult to be reached.

Source: Annual Implementation Reports

Indicator 5: Inactive participants not in education or training in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention								
Baseline	2014	2015	2016	2017	2018	2019	2020	Target
	Milestones foreseen							2020
			107 000				260 000	260 000
	Actual results							
	2 395	23 439	79 320	153 788	203 964			

Methodology: This indicator is not a direct subset of indicator 4 as it may also include participants who did not complete the intervention. The target and the 2020 milestone have been reviewed downwards on the basis of the implementation results of the previous years. It is worth noting that youth unemployment rates have dropped, thus leading to a lower number of participants seeking support under the YEI. Moreover, YEI-supported participants are typically the farthest away from the labour market and therefore more difficult to be reached.

Source: Annual Implementation Reports

Expenditure related outputs

Outputs	Number of outputs foreseen (F) and produced (P)							
		2014	2015	2016	2017	2018	2019	2020
Number of participants	F	290 000	580 000	725 000	725 000	580 000	337 500	337 500
	P	137 000	364 000	817 000	1 131 000	191 000		

4. Contribution to Europe 2020 Strategy and mainstreaming of policies

Contribution to Europe 2020 headline targets

Table Contribution to Europe 2020 headline targets

75 % of the population aged 20-64 should be employed
The share of early school leavers should be under 10 % and at least 40 % of the younger generation should have a tertiary degree
20 million less people should be at risk of poverty

Contribution to mainstreaming of climate action

Relevant objective/output

Relevant objective/output	Budget 2019	Budget 2020
Climate actions under ESF investment priorities	1 600,0	1 600,0
Total	1 600,0	1 600,0

Programmation climate action

2014-2018					2019-2020 estimates		Total
2014	2015	2016	2017	2018	2019	2020	
	22,5	135,9	383,7	1 201,9	1 600,0	1 600,0	4 944,0

(*)The appropriations for the year 2014 have been reviewed to take account of the transfer to subsequent years of the allocations not used in 2014 (reprogramming exercise carried-out in 2015 in accordance with Article 19 of the Multiannual Financial Framework Regulation).

Justification

Climate change expenditure within ESF can be tracked through the ESF secondary theme 01 'supporting the shift to a low-carbon, resource efficient economy' indicated in the Implementing Regulation (EU) No 215/2014. The intervention fields in Annex I of

Regulation (EU) No 215/2014 match the ESF investment priorities defined in Article 3 of the ESF Regulation. Unlike for the ERDF categories of intervention which have the support to climate objectives as their primary objective, one cannot establish ex ante an automatic link between one ESF investment priority and the impact on climate objectives.

Climate actions can be undertaken under the majority (if not all) of the ESF investment priorities (whether it is in the context of SME support, Vocational Education and Training systems, life-long learning, youth employment measures, etc.). It is for this reason that the Commission decided to use for the ESF an additional dimension to track climate change expenditure: the ESF secondary theme. All expenditure under the ESF secondary theme has a 100 % coefficient.

For the programming period 2014-2020, Member States have earmarked in their operational programmes EUR 1.2 billion (EU allocation) for the shift to a low-carbon and resource efficient economy. This represents a conservative estimate based on Member States' declarations in their operational programmes.

Here, Member States set estimates for the EU share and not for the EU and national share together. However, reporting is done solely on the basis of total costs (EU and national share together). In order to follow the progress towards the target, the ESIF-related DGs have created a report that allows for the systematic application of the co-financing rate from the programmes to the information declared in the financial data. It provides a more accurate picture of the ESF contribution (EU only) to low-carbon, resource efficient economy and allowed for comparison with the amounts programmed.

As a result, by end of December 2019, already above EUR 2 billion of eligible ESF expenditure declared (EU share) was reported by Member States as having contributed to the shift to a low carbon, resource efficient economy. This represents 169 % of the amount set in the operational programmes. In terms of projects selected, the EU amount was already EUR 5 billion, which is more than double the amount set in the programmes.

Gender mainstreaming

Gender mainstreaming is a horizontal principle of the ESI Funds. The Member States and the Commission must promote it throughout the preparation, implementation, monitoring and evaluation of the operational programmes. The Annual Implementation Reports submitted in 2019 had to assess the implementation of the actions addressing this principle. Moreover, under ESF, Member States have the obligation to programme targeted actions aimed at increasing the sustainable participation and progress of women in employment. The ESF has a dedicated investment priority for equality between men and women in all areas, including in access to employment, career progression, reconciliation of work and private life and promotion of equal pay for equal work. Member States have earmarked EUR 1.6 billion for 2014-2020 (EU share) under this priority.

Specific targeted actions can yet be programmed under any other ESF investment priority. Across all investment priorities, the indicative amount for targeted actions for gender equality captured through the ESF secondary theme in programmes was EUR 5.6 billion (EU share).

In their operational programmes, Member States set a target for the EU share and not for the EU and national co-financing. However, reporting is done solely on the basis of total costs (EU and national share together). In order to follow progression towards the target, the ESIF-related DGs have created a report that allows for the systematic application of the co-financing rate from the programmes to the information declared in the financial data. It provides a more accurate picture of the ESF contribution (EU only) to gender equality.

By end of December 2019, the volume of the projects supported under the dedicated gender equality investment priority (EU share) was about EUR 499 million of declared EU eligible expenditure. Under the other ESF investment priorities, an additional EUR 744 million has been allocated to gender equality projects. In total, EUR 1.7 billion under the ESF have effectively been dedicated to projects for gender equality between 2014 and 2019 (EU expenditure declared). In terms of selected projects, EUR 2.4 billion have been committed to gender equality projects across all investment priorities.

It is also important to underline that all ESF personal data (annex I ESF Regulation) is broken down by gender. The participation of women and men in ESF supported activities is equally distributed at EU level (48 % men and 52 % women). There are however some differences between Member States depending notably on the types of activities at stake.

To support Member States in their efforts to mainstream gender equality at all stages of the programme, the European Community of Practice on gender mainstreaming, supported by the ESF, developed by end 2013 a gender mainstreaming standard ⁽⁹⁾ in view of the future programming period.

5. Programme contribution to the Sustainable Development Goals ⁽¹⁰⁾

SDG 1 End poverty in all its forms everywhere

Sustainable development is embedded in the ESF's mission. Through measures investing in job creation, quality employment, education, and combating social exclusion and discrimination, which also target the most marginalised members of European societies, the ESF contributes directly to ending poverty in all its forms everywhere.

⁽⁹⁾ <http://standard.gendercop.com/>

⁽¹⁰⁾ This section should be read in conjunction with the 'Key achievements' section.

SDG 2 End hunger, achieve food security and improved nutrition and promote sustainable agriculture

By investing in measures promoting job creation, quality employment, education, and measures combating social exclusion and discrimination, which also target the most marginalised members of European societies, the ESF contributes directly to ending hunger across the EU.

SDG 3 Ensure healthy lives and promote well-being for all at all ages

The ESF also contributes to ensuring healthy lives and promoting the well-being for all at all ages by investing in projects promoting job creation, quality employment, education, training and vocational training for skills and lifelong learning, and combating social inclusion and discrimination.

SDG 4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

In addition, ESF investments under Education Thematic Objective contribute to ensuring inclusive and equitable quality education and promote lifelong learning opportunities for all.

SDG 5 Achieve gender equality and empower all women and girls

Importantly, the ESF Regulation strongly reflects the EU's commitment to eliminate inequalities between women and men following a combined approach of gender mainstreaming and specific activities for women in different fields and the principle of equality between the sexes is a key horizontal one of ESF programmes, thus contributing to achieving gender equality and empower all women and girls (SDG 5).

SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

ESF investment in the adaptation of workers and skilling is crucial, as jobs may be created, other jobs will be lost, and yet other jobs will require different skills as they are 'greened' in order to promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all (SDG 8) and make cities and human settlements inclusive, safe, resilient and sustainable (SDG11).

SDG 9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

ESF investments under Education Thematic Objective contribute to building resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation (SDG 9), by supporting the development of necessary skills in the transition to a low carbon economy will have consequences for the labour market, for employment, and for the skills required for the new 'green' jobs and greening of existing jobs in the future.

SDG 10 Reduce inequality within and among countries

The ESF helps job creation to enhance SDGs in particular through supporting existing companies to develop their activities in the environmental sector, enhancing entrepreneurship oriented toward the green economy or providing technical, administrative and financial support that encourages companies to provide 'green jobs', in particular to the most disadvantaged groups. Moreover, the ESF is the EU's main fund to reduce the gap in living standards between regions and between people and to promote economic and social cohesion across Europe thus aiming to reduce inequality within and among countries (SDG 10).

SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable

See under *Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all*

SDG 12 Ensure sustainable consumption and production patterns

The European Social Fund can support efforts to strengthen sustainable consumption and production patterns (SDG 12) and action to combat climate change and its impacts (SDG 13) at all stages of life from raising children's awareness in schools, to supporting trainings for green skills and green entrepreneurship and also social inclusion through green careers.

SDG 13 Take urgent action to combat climate change and its impacts

See above.

SDG 16 Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

The ESF contributes to promoting peaceful and inclusive societies for sustainable development, providing access to justice for all and build effective, accountable and inclusive institutions at all levels (SDG 16) through investment under Institutional Capacity Thematic Objective. The ESF finances the strengthening of institutional capacity and the efficiency of public administration with a view to reforms, better regulation and good governance, especially in the economic, employment, education, social, environmental and judicial fields through measures mainly consisting of training for public institutions.

6. Information about financial instrument(s) and trust fund(s) financed by the Programme

By the end of 2018, overall 51 financial instruments (FIs) were operational under the ESF in 8 Member States (Bulgaria, Germany, Italy, Hungary, Lithuania, Poland, Portugal and Slovakia), 18 more than by the end of 2017.

The ESF FIs received financial support from 28 operational programmes out of 34, which originally planned to implement revolving schemes, representing 82 % of the programmes having indicative amounts planned for FIs.

In the current programming period, Member States planned approximately EUR 912 million to implement FIs in several programmes. So far, these contributed already to FIs for EUR 815 million, including EUR 573 million of ESF ⁽¹⁾. Compared to the previous reporting exercise (2017), the ESF committed resources increased by around 46 % (+ EUR 258 million), especially in Italy (+ EUR 109 million) and Portugal (+ EUR 80 million).

Of the committed resources, EUR 223 million were already paid to FIs. Private co-financing was reported by only 6 FIs in Lithuania and Poland. Payments to final recipients were well over twice the amount paid by the end of 2017; for the first time payments were performed in Bulgaria and Hungary.

As a matter of fact, FIs are finally developing their potential within the ESF and the data shows that the potential of FIs is now much better exploited than in the past. This confirms DG EMPL’s supposition that ESF Managing Authorities would have delayed their implementation to the second half of the current programming period due to the highly technical nature of the setup of FIs.

It should be also stressed that FIs cannot be taken as an alternative to ESF grants, due to the specific nature of ESF activities (small projects, specific target groups, limited or no direct financial return on investment, etc., all elements which circumscribe per se the use of FIs). Yet, for a number of operations with potential financial viability, they represent beyond any doubt a resource-efficient way of deploying cohesion policy resources in pursuit of the Commission political objectives.

7. Programme related additional information

Programmes’ implementation 2014-2020

Thematic objectives of the Common Strategic Framework	Commitments 2014-2020 EUR million (1)	Cumulative payments declared by Member- states at end 2019 (2)	(2)/(1) %
1.Promoting sustainable and quality employment and supporting labour mobility*	32 086.1	18 447.7	57.5 %
2.Promoting social inclusion, combating poverty and any discrimination	22 454.6	13 057.8	58.2 %
3. Investing in education, training and vocational training for skills and life-long learning	26 134.2	15 456.2	59.1 %
4. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	4 030.4	1 640.3	40.7 %
5. Promoting specific support to young NEETs (15-24) **	4 556.2	3 074.5	67.5 %
Technical Assistance***	3 692.8	1 823.2	49.4 %
TOTAL ****	92 954.3	53 499.7	57.6 %

* Corresponding to Thematic Objective 8 in the Common Strategic Framework (CSF) although excluding the YEI specific allocation which is shown on a separate line (5.)

** These appropriations do relate to the YEI specific allocation only. This objective was created to plan and report on the YEI results in the Management Plans and Annual Activity Reports although it does not exist in the CSF (part of Thematic Objective 8 in the CSF).

*** Technical assistance of the Member States as foreseen by Article 119 of the Common Provisions Regulation (EU) No 1303/2013

⁽¹⁾ The difference being national public and/or private co-financing.