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COUNCIL DECISION
of 17 October 1983
on the tasks of the European Social Fund
(83/516/EEC)

(OJ L 289, 22.10.1983, p. 38)

Amended by:

	Official Journal		
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►**M1** Council Decision 85/568/EEC of 20 December 1985	L 370	40	31.12.1985

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COUNCIL DECISION
of 17 October 1983
on the tasks of the European Social Fund
(83/516/EEC)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 126 thereof,

Having regard to the draft submitted by the Commission [1],

Having regard to the opinion of the European Parliament [2],

Having regard to the opinion of the Economic and Social Committee [3],

Whereas Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund [4], as amended by Decision 77/801/EEC [5], has, pursuant to an opinion of the Commission based on Article 126 of the Treaty, been the subject of a review, as provided for in Article 11 of that Decision; whereas it would be appropriate to replace it by a new Council Decision establishing rules for the Fund;

Whereas the task of the Fund is to participate in particular in the financing of vocational training, the promotion of employment and geographical mobility;

Whereas the Fund must become a more active instrument to promote employment policies; whereas to achieve this the range of people eligible for assistance should be enlarged so as to extend in particular the possibility of assistance to those working as trainers, vocational guidance or placement experts, and development agents;

Whereas the Fund must make a special effort to develop employment, particularly in small and medium-sized undertakings, with a view to modernizing management or production or applying new technologies;

Whereas the Fund, as an instrument of employment policy must, taking due account of the principle of Community solidarity, contribute as effectively and as consistently as possible to the solution of the most serious problems and in particular the fight against unemployment, including structural underemployment and the promotion of employment among the groups most affected;

Whereas, in this connection and without prejudice to the assistance which the categories of persons who are particularly vulnerable on the labour market (in particular women, the handicapped and migrants) must continue to receive, a significant part of the Fund resources must be allocated to measures in favour of youth employment, in particular those who have few employment opportunities or who have been unemployed over a long period;

Whereas it is desirable, in the light of experience, that procedures for granting Fund assistance should be rendered more flexible and simplified in particular by fixing flat rate amounts;

Whereas the Commission shall be responsible for drawing up the guidelines for the management of the Fund so as to ensure a more effective concentration on operations in accordance with Community priorities and with related action programmes in the area of employment or vocational training;

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[1] OJ No C 308, 25. 11. 1982, p. 4.
[2] OJ No C 161, 20. 6. 1983, p. 51.
[3] OJ No C 124, 9. 5. 1983, p. 4.
[4] OJ No L 28, 4. 2. 1971, p. 15.
[5] OJ No L 337, 27. 12. 1977, p. 8.

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Whereas this Decision should be reviewed within a fixed period,

HAS DECIDED AS FOLLOWS:

Article 1

1. The Fund shall assist in the implementation of policies designed to equip the workforce with the skills required for stable employment and to generate employment opportunities. It shall in particular contribute to the socio-vocational insertion and integration of young people and disadvantaged workers, to the adaptation of the workforce to labour-market developments and to technological change and to the reduction of regional imbalances in the labour market.

2. The Fund shall participate in the financing of operations concerning:

(a) vocational training and guidance;

(b) recruitment and wage subsidies;

(c) resettlement and socio-vocational integration in connection with geographical mobility;

(d) services and technical advice concerned with job creation.

Article 2

1. Fund assistance shall be given for operations carried out both by bodies governed by public law and bodies governed by private law.

2. The relevant Member States shall guarantee the successful completion of the operations. However, this provision shall not apply to operations for which Fund assistance covers all eligible expenditure.

Article 3

1. Fund assistance may be granted for operations carried out within the framework of Member States' labour-market policies. These operations shall include in particular those intended to improve employment opportunities for young people, notably by means of vocational training measures after completion of full-time compulsory schooling.

2. Fund assistance may also be granted for specific operations carried out with a view to:

— encouraging the implementation of innovatory projects, as a general rule within the framework of a programme of action adopted by the Council, or

— examining the effectiveness of projects for which Fund assistance is granted and facilitating an exchange of experience.

Article 4

1. Fund assistance may be granted in the first place, in order to promote employment for young people under the age of 25, in particular those whose chances of employment are especially poor, in particular because of a lack of vocational training or inadequate training and those who are long-term unemployed.

2. Fund assistance may also be granted to promote employment for the following persons over the age of 25:

(a) unemployed people, who are threatened with unemployment or who are underemployed and in particular the long-term unemployed;

(b) women who wish to return to work;

(c) handicapped people who are capable of working in the open labour market;

(d) migrant workers who move or have moved within the Community or become residents in the Community to take up work, together with the members of their families;

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(e) people who are employed particularly in small or medium-sized undertakings and who require retraining with a view to the introduction of new technology or the improvement of management techniques in those undertakings.

3. Fund assistance may also be granted for people to be engaged as instructors, vocational-guidance or placement experts or development agents.

Article 5

1. Without prejudice to the following paragraphs, Fund assistance shall be granted at the rate of 50 % of eligible expenditure without, however, exceeding the amount of the financial contribution of the public authorities of the Member State concerned.

2. In the case of operations to further employment in regions where there is an especially serious and prolonged imbalance in employment, such regions to be defined by the Council acting by a qualified majority on a proposal from the Commission, Fund assistance shall be increased by 10 %.

3. In the case of operations under Article 3 (2), the purpose of which is to examine the effectiveness of projects for which Fund assistance has been granted and which are carried out on the initiative of the Commission, assistance shall cover the total eligible expenditure.

4. For the types of expenditure determined by the Council, acting by a qualified majority on a proposal from the Commission, Fund assistance shall be granted on the basis of a flat rate.

5. Fund assistance may not result in over-financing of eligible expenditure.

Article 6

1. The Commission shall adopt, before 1 May of each year and for the three following financial years, in accordance with this Decision, and taking into account the need to promote the harmonious development of the Community, the Fund-management guidelines for determining those operations which reflect Community priorities as defined by the Council and in particular the action programmes in the area of employment and vocational training.

2. The Commission shall forward to the European Parliament and the Council the guidelines drawn up in close consultation with the Member States, taking account of any views expressed by the European Parliament and shall publish them in the *Official Journal of the European Communities*.

Article 7

1. The appropriations intended for Fund assistance to projects of all kinds aimed at the young people mentioned in Article 4 (1) must not be lower in any one year than 75 % of all credits available.

2. The appropriations intended for Fund assistance in respect of specific projects mentioned in Article 3 (2) must not be higher in any one year than 5 % of all appropriations available.

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3. From 1 January 1986 to 31 December 1988, 44,5 % of appropriations available for operations under Article 3 (1) shall be reserved for operations which are eligible and which conform to the Guidelines for the Management of the Fund aimed at promoting employment in Greece, the autonomous regions of Andalucia, the Canary Islands, Castilla-Leon, Castilla-La-Mancha, Extremadura, Galicia, Murcia Ceuta and Melilla, the French overseas departments, Ireland, the Mezzogiorno, Portugal and Northern-Ireland. The remaining appropriations shall be concentrated on operations to promote employment in other areas of high and long-term unemployment and/or industrial and sectoral restructuring.

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Article 8

The assistance provided for in Article 125 of the Treaty shall no longer be granted.

Article 9

1. This Decision shall enter into force on the day following its publication in the *Official Journal of the European Communities*.

2. Decision 71/66/EEC is hereby repealed. However, that Decision and the Decisions taken pursuant to Article 4 thereof shall remain applicable to operations for which applications are submitted before 1 October 1983.

3. The Commission shall adopt the Fund-management guidelines for the first time before 1 December 1983.

Article 10

The Council shall review this Decision by 31 December 1988 at the latest. If appropriate, this Decision shall be amended in the light of a new Commission opinion.

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ANNEX

STATEMENTS TO BE ENTERED IN THE MINUTES

Statement ad Article 3 (2)

'The Commission states that it will continue as at present to promote measures on the reorganization and reduction of working time which could also be included in the operations provided for in Article 3 (2).

The Commission will examine the possibility of utilizing Article 3 (2) for the purpose of maintaining the earnings of workers affected by restructuring or conversion operations and will report back to a future meeting of the Council.'

Council statement ad first indent of Article 3 (2)

'Projects arising from Council resolutions on matters within the province of the Fund may only benefit from Fund assistance in so far as they comply with the eligibility criteria as defined by the rules governing the tasks and operation of the Fund.'

Statement ad Article 4

'Noting that the number of nationals of third countries benefiting from the Fund's assistance is relatively small, the Commission points out that countries receiving migrant workers should make a significant effort to integrate them.'

Statement ad Article 4 (3)

'The Commission states that Fund assistance, restricted to the training of placement experts, excluding any contribution towards the remuneration of public agents will be granted when the functioning of the management of the labour market is in need of improvement.'

Statement ad Article 5 (1)

'The Council states that bodies constituted as profit-making organizations must bear at least 10 % of the eligible expenditure on operations for which they receive Fund aid. Compliance with this principle must be verified when the final payment is made.'

Statement ad Article 6

'The Council and the Commission state that special attention should be given to projects to promote employment in areas in which the unemployment rate is exceptionally high compared with the national average.'

Statements ad Article 7

'The Council asks the Commission to continue its studies with a view to achieving reliable statistical machinery, taking account *inter alia* of the criterion of GDP *per capita*, and to present suitable proposals on the subject before 1 July 1984 to enable the Council to act before 31 December 1984.'

'The Commission declares that it considers that the appropriations referred to in this Article are commitment appropriations.'