REGULATION (EC) No 1262/1999 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 21 June 1999

on the European Social Fund

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in articular Article 148 thereof,

Having regard to the proposal from the Commission [1],

Having regard to the opinion of the Economic and Social Committee [2],

Having regard to the opinion of the Committee of the Regions [3],

Acting in accordance with Article 251 of the Treaty [4],

(1) Whereas Council Regulation (EC) No 1260/1999 of 21 June 1999 laying down general provisions on the Structural Funds [5] replaces Regulation (EEC) No 2052/88 [6] and Regulation (EEC) No 4253/88 [7]; whereas it is also necessary to replace Council Regulation (EEC) No 4255/88 of 19 December 1988 laying down provisions for implementing Regulation (EEC) No 2052/88 as regards the European Social Fund [8];

(2) Whereas Regulation (EC) No 1260/1999 defines the general arrangements governing the Structural Funds as a whole and it is necessary to define which activities are eligible for financing by the European Social Fund (hereinafter the 'Fund') within the framework of Objectives 1, 2 and 3, referred to in Article 1, first subparagraph, points 1, 2 and 3 of the said Regulation (hereinafter referred to as 'Objectives 1, 2 and 3'), in the framework of the Community initiative for combating all forms of discrimination and inequalities in connection with the labour market, and within the framework of innovative measures and technical assistance;

(3) Whereas it is necessary to define the mission of the Fund in relation to the tasks prescribed in the Treaty and in the context of the priorities agreed by the Community in the fields of human resource development and employment;

(4) Whereas the Conclusions of the Amsterdam European Council in June 1997 and its resolution of growth and employment [9] initiated the implementation of the European employment strategy, the annual guidelines on employment and the process of establishing national action plans for employment;

(5) Whereas it is necessary to redefine the scope of the Fund, in particular following the restructuring and simplification of the Objectives of the Structural Funds, to support the European employment strategy and the national action plans for employment linked to it;

(6) Whereas it is necessary to define a common framework for Fund interventions in all three Structural Fund Objectives in order thereby to ensure consistency and complementarity of actions undertaken pursuant to those Objectives with a view to improving the workings of the labour market and to developing human resources;

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(1) OJ C 176, 9.6.1998, p. 39 and OJ C 74, 18.3.1999, p. 7.
(2) OJ C 407, 28.12.1998, p. 74.
(3) OJ C 51, 22.2.1999, p. 48.
(4) European Parliament opinion of 19 November 1998 (OJ C 379, 7.12.1998, p. 186), Council Common Position of 14 April 1999 (OJ C 134, 14.5.1999, p. 9) and European Parliament Decision of 6 May 1999 (not yet published in the Official Journal).
(5) See page 1 of this Official Journal.
(6) OJ L 185, 15.7.1988, p. 9. Regulation as last amended by Regulation (EC) No 3193/94 (OJ L 337, 24.12.1994, p. 11).
(7) OJ L 374, 31.12.1988, p. 1. Regulation as last amended by Regulation (EC) No 3193/94.
(8) OJ L 374, 31.12.1988, p. 21. Regulation as last amended by Regulation (EEC) No 2084/93 (OJ L 193, 31.7.1993, p. 39).
(9) OJ C 236, 2.8.1997, p. 3.

(7) Whereas the Member States and the Commission ensure that programming and implementation of the actions financed by the Fund in the context of all the Objectives contribute to the promotion of equality of opportunity between men and women and the promotion of the integration and retention of disadvantaged groups and individuals in the labour market;

(8) Whereas the Member States and the Commission also ensure that the social dimension and the employment aspect of the information society are duly taken into account in implementing actions financed by the Fund;

(9) Whereas it is necessary to ensure that operations relating to industrial adaptation take account of the general needs of workers of either sex resulting from economic change and changes in production systems identified or predicted and are not designed to benefit a single firm or a particular industry; whereas particular attention should be devoted to small and medium-sized enterprises and to enhancing access to training and to improving work organisation;

(10) Whereas it is necessary to ensure that the Fund continues to strengthen employment and job qualifications by supporting anticipatory action — as far as possible, counselling, networking and training operations throughout the Community and that in consequence the eligible activities are therefore horizontal and cover the economy as a whole, without an *a priori* restriction to specific industries or sectors;

(11) Whereas it is necessary to redefine the eligible actions in order to increase the effectiveness of the implementation of policy aims in the context of all the Objectives under which the Fund takes action; whereas it is necessary to define the expenditure eligible for Fund assistance within the framework of the partnership;

(12) Whereas it is necessary to supplement and specify the content of plans and forms of assistance, especially following the redefinition of Objective 3;

(13) Whereas the provision of assistance from the Fund at all levels should be based on the Community's social and employment policy priorities and on the priorities laid down in the national action plans;

(14) Whereas arrangements may be introduced whereby local groups, including non-governmental organisations, may gain simple and rapid access to Fund support for operations concerned with combating social exclusion and thereby build up their capacity for action in that field;

(15) Whereas measures of major importance to the Community undertaken at the initiative of the Commission have an important role to play in achieving the general objectives of the Community structural action referred to in Article 1 of Regulation (EC) No 1260/1999; whereas such initiatives should primarily promote policy innovation and transnational cooperation;

(16) Whereas the Fund also contributes to support for technical assistance and innovative measures, and also for preparatory, monitoring and evaluation measures and control in accordance with Articles 22 and 23 of Regulation (EC) No 1260/1999;

(17) Whereas it is appropriate to lay down the powers for adoption of the implementing provisions and to set out transitional provisions;

(18) Whereas Regulation (EEC) No 4255/88 should be repealed,

HAVE ADOPTED THIS REGULATION:

Article 1

Tasks

Within the framework of the task entrusted to the European Social Fund (the 'Fund') by Article 146 of the Treaty and of the tasks entrusted to the Structural Funds pursuant to Article 159 of the Treaty and in accordance with the provisions of Regulation (EC) No 1260/1999, the Fund shall support measures to prevent and combat unemployment and to develop human resources and social integration into the labour market in order to promote a high level of employment, equality between men and women, sustainable development, and economic and social cohesion. In particular, the Fund shall contribute to the actions undertaken in pursuance of the European Employment Strategy and the Annual Guidelines on Employment.

Article 2

Scope

1. The Fund shall support and complement the activities of Member States directed towards developing the labour market and human resources in the following policy fields, in particular in the context of their multiannual national actions plans for employment:

(a) developing and promoting active labour market policies to combat and prevent unemployment, to prevent both women and men from moving into long-term unemployment, to facilitate the reintegration of the long-term unemployed into the labour market, and to support the occupational integration of young people and of persons returning to the labour market after a period of absence;

(b) promoting equal opportunities for all in accessing the labour market, with particular emphasis on those exposed to social exclusion;

(c) promoting and improving:

— training,

— education,

— counselling,

as part of lifelong learning policy to:

— facilitate and improve access to, and integration into, the labour market,

— improve and maintain employability, and

— promote job mobility;

(d) promoting a skilled, trained and adaptable workforce, innovation and adaptability in work organisation, developing entrepreneurship and conditions facilitating job creation, and enhancing skills and boosting human potential in research, science and technology;

(e) specific measures to improve women's access to and participation in the labour market, including their career development, their access to new job opportunities and to starting up of businesses, and to reduce vertical and horizontal segregation on the basis of sex in the labour market.

2. Within the policy fields set out in paragraph 1 the Fund shall take account of:

(a) support for local initiatives concerning employment, in particular initiatives to support local employment and territorial employment pacts;

(b) the social and labour market dimensions of the information society, notably by developing policy and programmes designed to harness the employment potential of the information society and by ensuring equal access to its facilities and benefits;

(c) equal opportunities for women and men as part of the mainstreaming approach.

Article 3

Eligible activities

1. The financial support of the Fund shall mainly take the form of assistance to persons and be devoted to the following activities to develop human resources which may be part of a pathway approach to labour market integration:

(a) education and vocational training — including vocational training equivalent to compulsory schooling, apprenticeships, pre-training, in particular the provision and upgrading of basic skills, rehabilitation in employment, measures to promote employability on the labour market, guidance, counselling and continuing training;

(b) employment aids and aids for self-employment;

(c) in the fields of research, science and technology development, post-graduate training and the training of managers and technicians at research establishments and in enterprises;

(d) development of new sources of employment, including in the social economy (third system).

2. In order to increase the effectiveness of the activities referred to in paragraph 1 assistance may also be given to:

(a) structures and systems:

(i) development and improvement of training, education and skills acquisition, including the training of teachers, trainers and staff, and improving the access of workers to training and qualifications;

(ii) modernisation and improved efficiency of employment services;

(iii) development of links between the worlds of work and education, training, and research establishments;

(iv) development, as far as possible, of systems for anticipating changes in employment and in qualification needs, particularly in relation to new patterns of work and new forms of work organisation, taking into account the need for reconciliation of family and working life and for enabling older workers to have a fulfilling occupation until retirement. This shall not, however, include the financing of early-retirement schemes;

(b) accompanying measures:

(i) assistance in the provision of services to beneficiaires, including the provision of care services and facilities for dependants;

(ii) promoting socio-educational development to facilitate the pathway approach to labour market integration;

(iii) awareness-raising, information and publicity.

3. The Fund may finance activities pursuant to the second subparagraph of Article 2(4) of Regulation (EC) No 1260/1999.

Article 4

Concentration of assistance

1. With due regard to national priorities as laid down in particular in the national action plans for employment as well as to the *ex-ante* evaluation, a strategy shall be set out taking account of all relevant policy fields and paying particular attention to the areas referred to in Article 2(1)(d) and (e). In order to maximise the efficiency of Fund support, its interventions within this strategy and taking into account the priority fields referred to in Article 2(1), shall be concentrated on a limited number of areas or themes and be directed towards the most important needs and the most effective operations.

In allocating appropriations to each intervention by the Funds a joint selection shall be made of the policy fields to be given priority. The measures provided for in Article 2(1) shall, in accordance with national priorities, be taken into account.

2. The programming of Fund interventions shall provide that a reasonable amount of the Fund appropriations made available for the intervention within Objectives 1 and 3 shall be available, in conformity with Article 27 of Regulation (EC) No 1260/1999, in the form of small grants, with special arrangements for access by non-governmental organisations and local partnerships. Member States may choose to implement this paragraph in accordance with financing arrangements set out in Article 29(6) of Regulation (EC) No 1260/1999.

Article 5

Community initiative

1. Pursuant to Article 20 of Regulation (EC) No 1260/1999, the Fund shall, in accordance with Article 21(2) of that Regulation, contribute to the implementation of the Community initiative for combating discrimination and inequalities in connection with the labour market (EQUAL).

2. In accordance with Article 21(2) of Regulation (EC) No 1260/1999, the decisions on the contribution of the Fund to the Community initiative may extend the scope of eligible activities referred to in Article 3 of this Regulation to cover measures which can be

funded by Regulations (EC) No 1261/1999 [1], (EC) No 1257/1999 [2] and (EC) No 1263/1999 [3] so as to permit the implementation of all the measures provided for in the initiative.

Article 6

Innovative measures and technical assistance

1. In accordance with Article 22(2) of Regulation (EC) No 1260/1999, the Commission may finance preparatory, monitoring and evaluation operations in Member States or at Community level which are necessary for the implementation of the operation referred to in this Regulation. They may include:

(a) operations of an innovatory nature and pilot projects concerning labour markets, employment, and vocational training;

(b) studies, technical assistance and the exchange of experience having a multiplier effect;

(c) technical assistance connected with the preparation, implementation, monitoring, and evaluation, as well as control of operations financed by the Fund;

(d) operations directed, within the framework of social dialogue, at staff from enterprises in two or more Member States and concerning the transfer of special knowledge relating to areas of intervention by the Fund;

(e) informing the various partners involved, the final beneficiaires of assistance from the Fund and the general public.

2. In accordance with Article 22(2) of Regulation (EC) No 1260/1999, the scope of the operations referred to in paragraph 1(a) of this Article shall be extended, by a decision for Fund participation, to measures that may be financed pursuant to Regulations (EC) No 1261/1999, (EC) No 1257/1999 and (EC) No 1263/1999, so as to cover all the measuress necessary for the implementation of the innovative actions in question.

[1] See page 48 of this Official Journal.
[2] Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development by the European Guidance and Guarantee Fund (EAGGF) which amends and repeals certain Regulations (OJ L 160, 26.6.1999, p. 80).
[3] See page 54 of this Official Journal.

Article 7

Applications for assistance

Applications for a contribution from the Fund shall be accompanied by a computerised form, drawn up jointly, listing the operations regarding each form of assistance so that it can be followed through from budgetary commitment to final payment.

Article 8

Implementing provisions

All detailed implementing rules for this Regulation shall be adopted by the Commission according to the procedure laid down in Article 49 of Regulation (EC) No 1260/1999.

Article 9

Transitional provisions

The transitional provisions set out in Article 52 of Regulation (EC) No 1260/1999 shall apply *mutatis mutandis* to this Regulation.

Article 10

Review clause

On a proposal from the Commission, the European Parliament and the Council shall review this Regulation by 31 December 2006.

They shall act on this proposal in accordance with the procedure laid down in Article 148 of the Treaty.

Article 11

Repeal

Regulation (EEC) No 4255/88 shall be repealed as from 1 January 2000.

References to the repealed Regulation shall be construed as references to this Regulation.

Article 12

Entry into force

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

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Luxembourg, 21 June 1999.

For the European Parliament
The President
J. M. GIL-ROBLES

For the Council
The President
G. VERHEUGEN