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REVIEW OF THE RULES GOVERNING THE TASKS AND OPERATIONS OF THE EUROPEAN SOCIAL FUND

(Communication of the Commission to the Council)

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First Part

BROAD GUIDELINES

I. INTRODUCTION

1. Pursuant to Article 11 of the Council Decision of 1 February 1971 on the reform of the European Social Fund (71/66/EEC) (1), the Council is to review the Decision before 1 May 1977 and amend it if necessary on the basis of a further opinion from the Commission based on Article 126 of the EEC Treaty. The review should not, however, be restricted to this single Decision; it would be timely also to cover the implementing decisions and regulations, so as to ensure that they conform to the basic Decision. At the same time and taking account of experience gained over the course of the last five years certain amendments to the administrative regulations of the European Social Fund can be proposed.

II. PRESENT STRUCTURE OF THE SOCIAL FUND

2. The decision 71/66/EEC makes a distinction between two types of intervention of the Fund, which are set out under Articles 4 and 5:
 - under Article 4, the Fund can intervene in the areas opened by specific decisions of the Council, either where the employment situation is affected or in danger of being affected by measures adopted in a Community framework, or to support joint action to improve the balance between the supply and demand for labour within the Community;
 - under Article 5, without involving further decision by the Council the Fund may intervene when the employment situation is affected by difficulties other than in the implementing regulations defining the criteria for operations which result indirectly from the working of the common market, in certain regions, in certain branches of the economy or in certain groups of undertakings. Fund assistance is granted in such cases particularly to reduce unemployment or under-employment of a long term structural nature.

Since the reform of 1971 about 90 % (2) of Fund aid has been for vocational training operations, while 10 % has been allocated to the relocation of workers.

(1) Decision 71/66/EEC; OJ No. L 28, 4 February 1971

(2) of which more than half is allocated to maintaining the income of trainee workers during training.

3. The separation of interventions into two categories under Articles 4 and 5 of the Decision 71/66/EEC is the result of a political compromise reached at the time of the reform between those who wished the Fund to be simply an accompanying instrument for Community policies and those who, on the contrary, wished the Fund to constitute an aid to Member States to make up their permanent structural deficits.
4. The Commission considers that this compromise, contained in the present structure of Articles 4 and 5 of the Decision 71/66/EEC be not called into question on the occasion of the review.
5. The Fund activities cover those fields in which there are serious employment problems at Community level:
 - persons leaving agriculture; workers in the textiles and clothing industry; migrants; handicapped persons benefiting from measures adopted in the context of the Community action programme; young people under 25 who are unemployed (Article 4);
 - persons who are unemployed or under-employed in underdeveloped regions or regions in decline; women; workers requiring further vocational training because of technical progress; labour force in certain groups of undertakings in difficulty; the handicapped (Article 5).

6. The growing interest of Member States and the public and private bodies responsible for vocational training operations is manifest in a constant increase in available resources; from 235 million u.a. in 1973 to 617 million u.a. in 1977; in all, over two million persons benefited during that period from measures that were assisted by the Fund.
7. The administration of the Fund was however, complicated by certain difficulties:
 - the constant danger of dispersal of intervention;
 - slow adjustment to the demands of the labour market;
 - slowness in the processing of applications and delays in the payment of aid.

The European Parliament, Governments of Member States and the social partners are unanimous in demanding that occasion be taken of the review of the reform decision to resolve these difficulties.

III. SOLUTIONS ENVISAGED

8. The solution of the difficulties referred to above is dependant on the achievement of two objectives:
 - greater consideration of employment requirements and concentration of intervention on the most pressing Community problems;
 - increased effectiveness of the Fund.
- A. Greater consideration of employment requirements and concentration of action on the most pressing Community problems
9. - A better adjustment of Fund intervention to employment requirements can be achieved within the existing structure. For this purpose, the separation of the fields of intervention into two categories, as provided for in Articles 4 and 5 of the Decision, 71/66/EEC should remain. It would be advisable to maintain the areas now open, making necessary amendments to them as required, (e.g. actions on behalf of the handicapped to be grouped in a single field). As and when the labour market so requires, proposals should be presented to the Council for the closure of certain areas or the opening of others under article 4 of the decision 71/66/EEC (e.g. a proposal on opening the Fund to ship-building is before the Council since 1973.

This allows the closing of Fund intervention for fields which have become less urgent and allows a response to the problems encountered by certain sectors in reconversion.

On a more general level, the guidelines drawn up annually by the Commission for the management of the Fund, after consultation with the Fund Committee, should take account of the need to make the Fund one of the instruments of an employment policy. Such guidelines should be published in the Official Journal. A variation in the appropriations allocated to the different areas when the budget is drawn up would make it possible to contribute to the realisations of this objective.

10. - Given budgetary limits, the Fund is not in a position to contribute to the solution of all employment problems in the Community; the means at its disposal are only a small fraction of ^{certain} Member State's expenditure on vocational training. This is why greater concentration than in the past must be sought in the utilisation of available resources. Thus, aid to Member States to rectify their permanent structural deficits, particularly in less developed regions, will be an important objective for a long time to come. Another objective will be to concentrate interventions on certain sectors of industry undergoing restructuring.

The Commission wishes, however, to emphasise that in carrying out this objective, while maintaining regional actions within the framework of Article 5, it will also endeavour to accentuate the regional aspects of operations financed under Article 4 so that the regional impact will not be less than that attained up to the present.

The Commission will verify the regional impact of interventions of the Fund each year in its annual report on the activities of the Fund.

In the case where it may consider that this impact is insufficient, it will take appropriate measures either in the framework of annual budgetary proposals or annual guidelines or in the framework of proposals under Article 4.

Moreover, the Commission envisages a variation in intervention rate for regions which, from the point of view of regional policy, present serious problems in regard to the harmonious development of the totality of economic activity in the Community. It proposes thus to fix the intervention rates at :

- 65% of admissible expenses for actions carried out in the regions characterised by a particularly serious and prolonged imbalance of employment or by the decline of one or more economic sectors of vital importance to be defined by the Council on a proposal from the Commission,
- 50% of admissible expenses for actions realised in the other regions.

In addition, the possibility of a rate of intervention of 35 % should be provided for independently of the regions where operations are carried out, in order to support better employment conditions and the creation and maintenance of employment.

Current regulations prescribe that assistance granted under Article 5 of the Decision 71/66/EEC in any year may not be less than 50 % of the total appropriations available but that in the long-term, the greater proportion must be reserved for operations under Article 4 of the same Decision. In order to permit a fuller concentration of aid from the Funds on the most acute employment problems it is desirable to abolish the existing limits (3) and to entrust to the Community institutions, and especially the Budgetary Authority, the task of determining, each in its field of competence, the strategy of the Fund; the best means of reaching this objective is through the annual guidelines for management and the budget.

In addition, aid should also be concentrated in the next few years on young persons under 25 years of age who are unemployed and seeking their first job.

B. Increased effectiveness of the Fund

11. The current system of aids and administrative procedures are singularly complex; they are considered as the primary reasons for the delays that deprive the Fund of its effectiveness. The solution of this serious problem lies in the

- simplification of the system of aids and the replacement of existing regulations by rules that are better suited to the varied national situations (a system of fixed unit costs to be determined by the Commission on the basis of data provided by the Member States would also replace aid granted on the basis of the actual cost of the operation);

(3) Article 9(2) of Decision 71/66/EEC

- presentation of grouped applications by Member States; a grouping of the majority of applications rather than a series of individual applications makes it easier to assess Member States' policies of employment in the areas of Fund intervention;
- approval at the start of the exercise of a major portion of the budget particularly for grouped projects; current delays in the examination of applications have prevented Member States from estimating in good time the amount of aid that could be counted on from the Fund;
- granting of advances as soon as operations are approved on application from the Member States certifying that the operations in question have begun; this would involve a better delimitation of the responsibilities of Member States and the Commission in this area;
- establishment of a follow-up procedure for operations and control of effectiveness of aids.

C. Provision for new openings in the future

12. The proposals to be submitted for the application of the guidelines outlined above will be limited in immediate scope, as has always been the case, to fund intervention in support of aids centred essentially on vocational training and the geographic and vocational mobility of the labour force.

But going beyond the immediately operational rules; these proposals will contain openings for the future and more precisely:

- the possibility for the Council, on a proposal from the Commission to apply new aids extending beyond the fields of vocational training and mobility;
- the possibility to modify, as necessary, the decision 71/66/EEC and to entrust new tasks to the Fund, particularly in the framework of Article 123 of the EEC Treaty.

Such aids and new tasks could be defined, for example, in debates in the European Parliament, the Council, the Economic and Social Committee, the Standing Committee on Employment or the Tripartite Conference. The aids would be directed particularly at the promotion of better conditions of employment and at contributing towards the creation and maintenance of employment for workers in certain sectors in

difficulty to enable them to obtain stable jobs in economically healthy sectors.

IV. CONCILIATION PROCEDURE

By reason of the financial implications which could be involved, certain proposals and particularly amendments proposed to Article 9 of Decision 71/66/EEC and Article 4 of Regulation (EEC)858/72 (advances) could give rise to conciliation between the European Parliament and the Council with the agreement of the Commission, according to the procedure envisaged in the "common declaration" of the three institutions of 4th March 1973 (4).

(4) OJ No. C 89 of 22 April 1975, p.1

Second part ANALYSIS AND PROPOSALS

I. CONTENT OF THE REVIEW

13. In addition to this Communication, the Commission is forwarding to the Council:

- an opinion relating to the amendments to be made to the Council Decision of 1 February 1971 on the reform of the European Social Fund (71/66/EEC) (5) - Annex I,
- a proposal for the amendment of Council Regulation (EEC n° 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund (6) - Annex II,
- a proposal to amend Council Regulation (EEC) n° 858/72 of 24 April 1971 on certain administrative and financial procedures for the operation of the European Social Fund (7) - Annex III,
- a proposal to amend the Council Decision of 19 December 1972 on assistance from the European Social Fund to persons leaving agriculture to pursue non-agricultural activities 74/428/EEC (8) - Annex IV ,

(5) OJ No L 08 of 4 February 1971, p.15

(6) OJ No L 249 of 10 November 1971, p.54

(7) OJ No L 101 of 28 April 1972, p.3

(8) OJ No L 291 of 28 December 1972, p.158

- a proposal to amend the Council Decision of 9 February 1976 on assistance from the European Social Fund on behalf of persons working in the textile and clothing sectors (76/206/EEC) (9) - Annex V,
 - a proposal to amend the Council Decision of 27 June 1974 on assistance from the European Social Fund on behalf of migrant workers (74/327/EEC) (10) - Annex VI,
 - a proposal to amend the Council Decision of 27 June 1974 on assistance from the European Social Fund on behalf of handicapped persons (74/328/EEC) (11) - Annex VII
 - a proposal to amend the Council Decision of 22 July 1975 on assistance from the European Social Fund on behalf of persons affected by employment difficulties (74/459/EEC) (12) - Annex VII,
 - a proposal to maintain in operation the decision of the Council with respect to Article 4 of the Council Decision 1 February 1971 concerning the reform of the European Social Fund - Annex IX.
14. The Commission consulted the European Social Fund Committee in connection with the contents of this Communication on 2 December 1976 and on 10 March 1977.
15. Pursuant to Articles 126 and 127 of the EEC Treaty, provision is made for consultation with the European Parliament and the Economic and Social Committee in connection with the Opinion of the Commission on amendments to Decision 71/66/EEC and the proposals concerning amendments to certain implementing provisions of this Decision (14). As regards the proposals to amend the specific Decisions relating to certain interventions of the Fund,
- the Commission considers it necessary to obtain the Opinion of the European Parliament and the Economic and Social Committee. Moreover, it could be envisaged also, that with the agreement of the Commission, certain amending proposals could be the subject of conciliation between the European Parliament and the Council.

(9) OJ No. L 39 of 14 February 1976, p.39

(10) OJ No. L185, 9 July 1974, p. 20

(11) OJ No. L 185, 9 July 1974, p. 22

(12) OJ No. L 199, 30 July 1975, p. 36 (the young)

II. The European Social Fund after the 1971 reform

The implementing phase of the Decision No. 71/66/EEC was certainly particularly difficult; moreover it was prolonged, owing mainly to the needs arising out of the enlargement of the Community and further aggravated by the volume and nature of claims submitted following the economic recession and its effects on the labour market. The results of the reform are however posi

17. It was possible to turn the Fund into a flexible instrument of

Community employment policy: its action is aimed at :

- supporting, in the field of employment policy, measures adopted in the context of Community policies,
- improving the balance between supply and demand on the Community labour market,
- combatting unemployment and prolonged under-employment of a structural nature.

Thus, on the basis of the series of Decisions taken by Community institutions, the activities of the Fund cover the groups of persons encountering the main employment problems at Community level: farmers leaving the land; workers in the industrial and clothing sectors whose skills must be readjusted; migrant workers; the handicapped, unemployed persons under 25^{women,} workers affected by the difficulties encountered by certain groups of enterprises; workers in underdeveloped regions or regions with declining activities; workers who are forced to adapt owing to technical progress. In view of the effect of economic recession and structural imbalances in the Community, interventions by the Fund were integrated to an increasing extent with all other actions taken to combat unemployment of young people and to improving the structure of the labour market in regions where economic development is particularly difficult. This can be seen both in the budgetary allocations to the Fund and in the aid agreed by the Commission.

18. The appropriations made available to the Fund have more than doubled since 1973: from 235 million u.a. in 1973 to 617 million u.a. in 1977. (13)

This development meets economic and social needs and reflects the growing interest in the Fund shown by Member States and the public or private bodies responsible for operations aimed at promoting the vocational and geographic mobility of workforces.

A total of over two million persons have benefited from operations assisted by the Fund.

The Fund is beginning to play an important part in certain Member States and in a relatively high number of regions and bodies responsible for vocational training operations. Member States with a weaker economic structure have particularly benefited from assistance from the Fund.

The volume of claims has progressively increased and, since the 1976 financial year, is more than double the amount of available appropriations. This obviously gives rise to considerable difficulties in the management of the Fund. Nevertheless, the Commission is now better placed to select, in close cooperation with the Fund Committee, the most effective operations from an employment policy standpoint.

19. The management of the Fund was complicated by a series of difficulties due partly to provisions in force and partly to the procedures for implementing these provisions. Such difficulties complicate the task of the Commission and the Fund Committee as much as that of the Member States and bodies responsible for operations. Although the Commission was able to improve the operation of the Fund in the course of the last few years, some of the problems can only be resolved by amending provisions in force and particularly by a better distribution of responsibilities between the Commission and the administrations of the Member States.

More specifically, the increased financial means made available to the Fund has shown the need ^{to} improve its management procedures.

(13) The amount of 617 m.u.a. for 1977 includes commitment credits for the 2nd and 3rd years of pluriannual operations, in accordance with the Financial Regulation of 21 December 1976 amending Financial Regulation 73/91/ECSC, EEC, Euratom, applicable to the General Budget of the European Communities (76/919 ECSC, EEC, Euratom) [OJ No. L362 of 31 December 1976, p152] This Regulation provides that credits destined for pluriannual programmes are attributed to the year in which the Commission approves the application.

20. As already indicated above, the structure of the Fund is the result of a global compromise arrived at by the founding Member States of the Community on the reform of the Fund in 1971. The review of Decision No. 71/66/EEC and the provisions adopted pursuant to that Decision should not call into question the advantages presented to the Community by the compromise. Given the present system, it is possible to improve the operating rules and their application and thus to strengthen the impact of the Fund. Moreover, it seems appropriate to take into consideration other possibilities of intervention which go beyond vocational training and geographic mobility of workers and which should be drawn up in a broader framework of employment policy.

III. Fields of Intervention of the Fund

A. The apportioning of interventions of the Fund as laid down in Articles 4 and 5 of Decision 71/66/EEC

21. Interventions by the Fund as provided for in Decision 71/66/EEC must strengthen, in the field of employment, the measures taken in the context of Community policies (e.g. common agricultural policy) or improve the adjustment of supply and demand on the Community labour market (e.g. by training persons particularly affected by the recession). Intervention by the Fund pursuant to Article 5 of Decision 71/66/EEC should, for its part, help to eliminate structural unemployment and under-employment (e.g. in regions where economic development is particularly difficult).

This is one of the elements of the compromise which resulted in the reform of 1971.

22. The formal distribution of Fund intervention laid down in Articles 4 and 5 of Decision 71/66/EEC has occasionally been criticized.

In the light of experience, it should first be pointed out that it is only the political will shown by Community institutions in applying Decision 71/66/EEC that determined both the groups of persons or fields to which the Fund may lend assistance and the extent of such assistance.

It should also be pointed out that the fields of intervention in Article 4 are opened and closed to Fund assistance by Council decision on Commission proposals. Given the number of economic sectors which are meeting economic difficulties, it is urgent that wider use be made of the possibilities offered by Article 4.

Similarly, under Article 5, the fields in which the Fund may take action can to a great extent be modified without it being necessary to amend the provisions of Decision 71/66/EEC. In addition, the budgetary authority can determine the amount of aid granted to the various fields of intervention by sub-dividing the items to which the appropriations are allocated (this has been the case since the 1976 financial year).

Lastly, note should be taken of the importance of action taken by the Fund to eliminate structural regional unemployment and under-employment, pursuant to Article 5 of Decision 71/66/EEC, and of action concentrated in regions with the greatest economic imbalances. Thus, since the creation of the European Regional Development Fund, the Social Fund has been constantly supporting Community regional policy in the employment field.

23. The Commission considers that it is not appropriate to review the principle of the distribution of intervention as laid down in Articles 4 and 5 of Decision 71/66/EEC,

B. The budgetary aspect of the distribution of aid granted by the Fund as laid down by Articles 4 and 5 of Decision 71/66/EEC

24. Pursuant to Article 9(2) of Decision 71/66/EEC, credits for action under Article 5 will not in any year be less than 50 % of the total credits available. This apportionment of credits is the subject of the review of Decision 71/66/EEC. In this respect, the Council adopted the principle that, in the long term, the greater part of the available credits must be reserved for action under Article 4.
25. The application of these provisions has hitherto not given rise to any difficulties : on the one hand, since 1972, the annual budget made provision for more credits for action under Article 5 than for action under Article 4 of Decision 71/66/EEC (14). On the other hand the development

(14) In this context, it should also be pointed out that the Commission had no difficulty in fulfilling the obligation laid down by Article 2 of Regulation (EEC) N° 2396/71. Pursuant to this provision, for each financial year, 60 % of the appropriations available for assistance from the Fund pursuant to Article 5 of Decision are reserved as matter of priority for operations which are aimed at eliminating long-term structural unemployment and underemployment in regions which are slow to develop.

budget of the Fund has shown a distinct and more or less constant upward trend in action provided for under Article 4: in 1977, the part of the budget allocated to action under Article 5 was only 56 % compared with 82 % for the 1972 financial year.

26. It is nevertheless questionable whether this trend should continue. It is possible that the measures aimed at reducing unemployment of young persons will require an increase in the budgetary means allocated to action provided for under Article 4 of Decision 71/66/EEC, but it is impossible, both in the medium and the long-term, to estimate whether the appropriations available for action under Article 4 should be greater than the appropriations allocated to action under Article 5. The elimination of regional imbalances will long remain one of the major tasks of the Community. The measures aimed at encouraging the vocational and geographical mobility of workers will continue to play an essential role in this respect.

Moreover, the efforts of the Commission to emphasise the regional aspects of operations financed under Article 4 of Decision 71/66/EEC (cf. n° 41) will contribute to ensuring that a substantial part of the available credits will be allocated for operations carried out in regions where retarded development or the decline of principal activities give rise to prolonged and serious employment imbalance.

It is therefore not advisable to retain the budgetary provision regarding the relationship between action taken under Articles 4 and 5 as laid down in Decision 71/66/EEC. Whilst maintaining an adequate balance between such actions, the allocation of appropriations should rather be carried out in the context of the adoption of the annual budget taking account of the need to ensure that the regional impact should not be less than that attained up to the present.

27. The Commission considers it necessary to delete Article 9(2)(2) of Decision 71/66/EEC.(Annex I)

C. Modification of areas of intervention

- a) Women (Article 1(2) of Regulation (EEC) No. 2396/71)

28. The provisions governing the Fund do not adequately deal with the problem of the intergration of women into employment. In accordance with Article 1(2) of Regulation (EEC) No. 2396/71, aid may be given from the Fund for the integration or reintegration of women over 35 in employment in the fields of intervention provided for in Article 5 of Decision (EEC) 71/66 (underdeveloped regions, groups of enterprises in difficulty, adaptation to the demands of technical progress).

The problem of the integration of women into employment is, however, broader than this and the Fund should be able to aid particularly urgent measures to help female labour:

- courses designed to help women over 35 to acquire basic skills or to refresh training skills acquired earlier;
- programmes seeking to promote for women, regardless of age, acces to jobs traditionally reserved for male labour;

- traditionally reserved for male labour;
- training of counsellors, trainers and placement specialists for female workers.

29. The Commission considers it necessary to amend Article 1 of Regulation (EEC) No. 2396/71. (Annex II)

(b) the Handicapped (Decision 74/328/EEC and Article 1(3) of Regulation (EEC) No. 2396/71).

30. The sole fact that aid to the integration of the handicapped into a working environment may be granted under both Article 4 and Article 5 of Decision 71/66/EEC raised in practice certain problems of delimitation between the scope of both provisions.

Furthermore, the conditions laid down in Article 1 (3) of Regulation (EEC) No. 2396/71 are very general. Consequently, the mass of eligible claims introduced considerably exceeds that of appropriations available. The Commission therefore had to apply selection criteria increasingly severe and, for claims of the same value, applied linear reductions, although the assistance granted was not of course to serve any purpose other than to finance or reimburse expenditure which would have been effected in any case.

31. Thus, the possibilities of vocational promotion for the handicapped offered by Article 1(3) of Regulation (EEC) No. 2396/71 should be partly inserted into the interventions under Article 4 of Decision 71/66/EEC, whilst the provisions of Article 1(3) of Regulation (EEC) No. 2396/71 would be abolished. Aid granted by the Fund should primarily be aimed at promoting employment of the handicapped in cases where the structures are the least developed. At the same time, the time limit for the application of Decision 74/328/EEC, (10 July 1977) should be abolished. It is on the occasion of the examination of the annual report on the activities of the Fund that the Community institutions should examine the question whether this decision ought to remain in force.

32. The Commission considers it necessary to :

- abolish Article 1(3) of Regulation (EEC) No. 2396/71, (Annex II)
- amend Article 1 of Decision 74/328/EEC, (Annex VII)
- extend the validity of Decision 74/328/EEC/ (Annexes VII and IX)

(c) Migrant workers (Decision 74/327/EEC)

33. In view of the development of the labour market since the entry into force of Decision 74/327/EEC and the consequent restrictions imposed by the Member States on immigrants from third countries, the migrant population of the Community, although decreasing, tend to prolong their stay in the host countries. Problems of assimilation or integration into social and professional life take on increasing importance both for migrants wishing to settle permanently and new arrivals who almost all come from Community countries.

With this in mind and in order to promote the free movement of workers in the Community, the time limit for the application of the Decision, fixed for 10 July 1977, should also be abolished on the same terms as for Decision 74/328/EEC (Examination at the time of the discussion of the annual report - see item 31).

34. The Commission considers it necessary to extend the validity of Decision 74/327/EEC (Annexes VI and IX)

(d) Youth (Decision 75/459/EEC)

35. In view of the demographic situation and the development of the labour market, the training and employment of young persons poses a major problem that will continue to exist until the 1980's. It would therefore be advisable to abolish the time limit for the application (4 August 1977) of Decision 75/459/EEC on the same terms as for Decision 74/328/EEC (See Item 31).

36. The Commission considers it necessary to extend the validity of Decision 75/459/EEC. (Annexes VIII and IX)

(e) Persons working in the textile and clothing sectors whose vocational qualifications must be adapted (Decision 76/206/EEC)

37. In view of the direction taken by the common / ^{commercial} policy and the present structure of the textile and clothing sectors, it will be necessary to continue to implement measures aimed at the vocational adjustment of workers. It would therefore be advisable to abolish the time limit of 2 July 1977 for the application of the provisions of Decision 76/206/EEC on the same conditions as for Decision 74/328/EEC (See Item 21).

38. The Commission considers it necessary to extend the validity of Decision 76/206/EEC. (Annexes V and IX)

(f) Persons leaving agriculture (Decision 72/428/EEC)

39. Decision 72/428/EEC does not require amendments. It does not provide for a termination date of application. The question of whether the decision ought to remain in force should be examined in the same conditions as for Decision 74/328/EEC (examination in the framework of the Annual Report - see Item 31).
40. The Commission does not consider it necessary to amend the content of this Decision. (Annexes IV -IX)

(g) Concentration of Interventions under Article 4 of Decision 71/66/EEC

41. In its concern for the greatest possible concentration in the use of available credits, the Commission will endeavour to accentuate the regional aspects of operations financed under Article 4 of Decision 71/66/EEC.

D. Participation by the Fund in operations on behalf of persons pursuing activities in a self-employed capacity

42. Pursuant to Article 3(1) of Decision 71/66/EEC, assistance from the Fund may be granted to employed persons; however, the Council can decide in special cases that such assistance may be granted to persons pursuing activities in a self-employed capacity. Such exceptions are provided for :
- in the areas of intervention opened under Article 4 of Decision 71/66/EEC in favour of :
 - . persons leaving agriculture (Article 1(2) of the Decision 72/428/EEC),
 - . self-employed persons in charge of textile or clothing undertakings in particular small craft undertakings (Article 1(2) of Decision 76/206/EEC),
 - . handicapped persons (Article 2(2) of Decision 74/328/EEC);
 - in the areas of intervention opened under Article 5 of Decision 71/66/EEC in favour of :
 - . handicapped persons (Article 1(1) of Regulation (EEC) n° 2398/71),
 - . persons directly engaged in agriculture in a self-employed capacity (Article 1(1) of Regulation (EEC) N° 2398/71).

43. Experience has shown that the provisions of Regulation (EEC) N° 2398/71 are inadequate. It is also necessary, particularly in the context of measures on regional development, to encourage the training of persons wishing to set up or ^{acquire} small undertakings, in particular ones involving small craft undertakings.

The practical difficulty that arises in this respect concerns the problem of legally defining such persons : neither Community law nor Member States laws provide any valid reference basis and it seems to be difficult to create an ad hoc definition in this respect.

It is therefore necessary to find a solution which is both pragmatic and which opens the Fund to persons in charge of small undertakings, in particular, small craft undertakings.

The Commission would apply this concept in cooperation with national administrations and the Fund Committee in order to avoid any misuse that could result from the extension of the scope as regards persons covered of Article 5 of Decision 71/66/EEC.

It is nevertheless advisable to insert into Regulation (EEC) N° 2396/71 the main points of amended Regulation (EEC) N° 2398/71 in order to clarify the texts (In view of the regrouping of the two areas of intervention that have hitherto existed and are referred to above under Items 30, 31 and 32. The reference to handicapped persons should be deleted).

44. The Commission considers it necessary to
- abolish Regulation (EEC) N° 2398/71, (Annex II)
 - supplement Reg. (EEC) N° 2396/71. (Annex II)

IV. Assistance from the Fund

A. The amount of participation.

45. As regards participation by the Fund in expenditure, Article 8 of Decision 71/66/EEC makes the following provisions :
- assistance from the Fund is granted at the rate of 50 % of expenditure in support of operations by public authorities, bodies governed by public law and joint social institutions entrusted with tasks in the public interest;

- assistance is also granted to an amount equal to any expenditure taken over by the public authorities for operations by bodies or other entities governed by private law, on condition that the public authorities guarantee the completion of such operations.

Consequently, in both cases the Fund participates to an amount equal to the expenditure borne by the public budgets (and possibly, in the first case, to the expenditure of institutions treated as administrations and bodies governed by public law).

These provisions gave rise to objections in two respects :

46. The fact of distinguishing between operations by public authorities (or similar bodies) and operations by bodies governed by private law resulted in difficulties in the execution of decisions to grant assistance, particularly during the checking of claims for payment. In a number of cases, part of the expenditure is entirely borne by the public authorities (e.g., income maintenance allowances) and another part is borne by the private body with assistance from the public authority. Thus, in practice, the respective responsibilities of the public authorities and the private bodies are liable to be confused.

This situation must be improved : the Fund must continue to intervene on behalf of operations by private bodies but only the public authorities should represent themselves to the Commission as the person responsible for financing the operation. Only the contribution from the public authorities should serve as a basis for calculating assistance from the Fund. The public authorities should therefore consider as public expenditure in the financing plan all the amounts borne by them and the amount of aid requested from the Fund.

47. The Commission considers it necessary to amend Article 8 of Decision 71/66/EEC. (Annex I)

B. The Rate of Intervention

48. In a certain number of Community regions, the opportunities that the Fund provides for encouraging the vocational training and retraining of adults are - compared with the stage of development of such regions - scarcely used or at least insufficiently used. The principal reason for the over-limitation of financial resources in the regions of greatest structural disequilibria. In a number of cases, operations granted assistance from the Fund could not be carried out or could be carried out only in part because it was impossible for the public authorities to provide the promoters with the necessary funds in time. It is specially in the regions that the need for coordination of the Community's financial instruments takes on its full justification.

49. It therefore appears necessary to create an extra stimulus for certain regions to be developed as a priority.

In regions characterised by particularly serious and prolonged disequilibria of employment or by the decline of one or several economic sectors of vital importance, the rate of Fund assistance for all fields of intervention should be raised from 50% to 65%. The Decision 71/66/EEC should allow the Council, on a proposal from the Commission, to determine the regions concerned.

50. Moreover, it is as well to look to the possibility of fixing an intervention rate of 35% for those aids which, independently of where the operations are carried out, can be envisaged as promoting better working conditions, and notably contributing to the creation and maintenance of employment.

51. The Commission considers it necessary to
- amend Article 8 of Decision 71/66/EEC (Annex I)

C. Simplified system for the allocation of aid

52. Article 3 of Regulation (EEC) N° 2396/71 defines the general categories of operations that are eligible for assistance from the Fund. These categories are described in a List (Regulation N° 2397/71) which gives a precise definition of the various types of authorized aids. This method has not proved practicable. It gave rise to a number of difficulties in the examination of claims for assistance and their approval and in the checking of claims for payment, as regards the interpretation and delimitation. The management of the Fund was considerably hampered, affecting both the Commission's services and those of the Member States. Rules currently in force also stipulate that assistance must be granted on the basis of the real cost of the operation. This involves, in the checking and payment procedures, knowing the real cost actually incurred in the case of every individual covered by an operation.

A simplification of the aids system without involving too great a departure from the principle of real costs might be sought in the following manner:

53. The ^{regulation of} categories of operations listed in Article 3 of Regulation (EEC) N° 2396/71 should be amended so that the provisions become operational.

The list of aids in Regulation (EEC) N° 2397/71 would be deleted.

Thus the rules governing aids would have greater flexibility. It also means that the types of aid would have to be defined with greater precision than in Article 3.(1) of Regulation (EEC) N°2396/71. This may be achieved by adopting parts of the present list of aids. In addition, the possibility of fixed sum payments of eligible expenditure (dealt with below) would help to determine more accurately the categories referred to in the regulation.

54. The costs taken over under the various types of aid thus determined will be gradually defined on a flat-rate basis in accordance by decision of the Commission.

As regards vocational training, for example, the costs normally break-down into :

- training allowances payable to trainees during training,
- running costs of the courses (expenses of personnel, rent of buildings, use of teaching material etc.).

For training allowances, which represent the greater part of total training costs, a flat rate could be established in the vast majority of cases as the average, either for all training in a particular country or region or for training according to categories of person or again for training according to professional level.

Running costs are not generally very homogeneous in composition and vary considerably according to the level of teaching imparted as well as the constitution of the training bodies and their location. Fixing flat rates in these cases on the basis of averaging is therefore more difficult. However, as running costs are generally proportional to training allowances, it should be possible to fix flat-rates which would take account of the various types of training and the make-up and location of the training bodies.

55. The Commission will request Member States to submit for approval expenditure calculated on a flat-rate basis and eligible under Community regulations. Before fixing the rates in question, the Commission will obtain the opinion of the Fund Committee. The Commission may re-examine the rates on its own initiative or at the request of a Member State. There will be periodic checks. Where flat rates are authorized, assistance may be granted from the Fund only on the basis of such rates.

As regards a series of expenditure there are, in certain Member States at least, unit costs for expenditure connected with training and retraining already established or recognized by their administrations. Where such unit costs do not exist, the possibility of obtaining Community assistance would seem to justify their creation. In addition to the fact that this solution would simplify administrative matters at the level of the Community and the Member States, it would also in the long term help to reduce costs. (This concept is already mentioned in Article 3 (3) of Regulation N° 2396/71, but this provision has had no practical consequences as yet).

56. The decisions taken pursuant to Article 4 of Decision 71/66/EEC should be amended to accord with the new regulation on aids.
57. The Commission considers it necessary to :
- amend Article 3 of Regulation (EEC) No. 2396/71; (Annex II)
 - revoke Regulation (EEC) No. 2397/71 as amended by Regulation (EEC) No. 1761/74; (Annex II)
 - amend Article 3 of Decision 72/428/EEC, Article 2 of Decision 76/206/EEC, (Annex V) Articles 1(2) 2(2) and 3(2) of Decision 74/327/EEC, Article 3 of Decision 74/328/EEC and Article 3 of Decision 75/459/EEC. (Annex VIII)

58. These are aids which although coming within the notion of "facilitating employment" in the sense of Article 123 of the EEC Treaty are not, strictly speaking, within the field of vocational training. These could be direct aids for the maintenance or creation of employment or other types of intervention designed to enable workers to acquire stable jobs in healthy economic sectors. Moreover, they could also be, analogous to existing ECSC measures, aids for the maintenance of incomes for a determined period, of persons who have lost their jobs or whose employment has been reduced or suspended and who are waiting for training or jobs.

Taking into account the complex nature of these kinds of intervention and of the need to evaluate all their implications, the Commission does not consider it possible to apply these aids immediately having regard to their substantial budgetary implications. The Commission, however, reserves the possibility to present to the Council, at the appropriate time, the necessary proposals to put into operation the aids considered necessary to permit the Fund to continue to take account of employment exigencies, such as will be defined by the Community institutions, the Standing Committee on Employment and the Tripartite Conference.

- ~~59. The Commission considers it necessary to amend Article 3 of Regulation (EEC) No. 2396/71 (Annex II)~~

V. Improvement of procedures

A. Difficulties

60. The procedures for granting and paying aid from the Fund did not, in the first few years following the reform in 1971, fulfill their expected role as a Community instrument capable of improving the structure of the labour market.
61. There were various reasons for this, including the following :
- the services of the Commission and the administrations of Member States adapted only slowly and with difficulty their working methods to the demands

of reform both in the organisation of their internal work and in relation to each other;

- a system of cooperation between the Commission and the Fund Committee was set up only gradually;
- a series of provisions on the working methods of the Fund do not correspond at the technical level with the aim of the reform.

62. It is as well to underline some of the consequences of the causes outlined above:

- the Community institutions do not have sufficient knowledge of the context surrounding the measures for which the Member States seek Fund assistance. Thus their understanding of the economic impact of the Community appropriations which are committed remain too limited.
- Moreover, the Community institutions do not have a sufficient vision of the medium term financial needs. Budgetary planning is thus made difficult. This has the further consequence that the Commission guidelines concerning the selection of operations which may receive Fund aid are subject to fluctuations. Too often they have to be adjusted to financial requirements alone
- National administrations, and the responsible public and private bodies cannot forecast the result of applications for Fund aid
- The procedures for allocation and payment of Fund aid are still too slow.
- Applications are too often imprecise and incomplete. Certain central administrations send the Commission the applications prepared by the promoters without making any evaluation. A large number of payment requests are sent in late. The Fund administration has been over-preoccupied by the need to avoid losing credits on account of these delays.
- The possibility provided for in Article 4 of Regulation (EEC) no. 858/72 for making payments on account of up to 85 % of total aid allocated, as and when operations are carried out, is not really useful. The obligation to present to the Commission a detailed breakdown of expenditure would appear to act counter to the accelerator and simplifying effect which payments on account were intended to introduce.

- In certain cases one runs the danger of overestimating the need for Fund subsidies. This rests on the fact that the operational programmes reflect over-ambitious needs or that the necessary means for self-financing during the year are absent. The result is that over the financial year the amounts already committed by the Fund have to be used for purposes other than those foreseen, and that amounts equal to those released have to be re-allocated during the financial year in question, or even for the following budgetary year (glissements).

63. During these last few years, some of the problems raised have been resolved to greater satisfaction, Thus,

- The Commission has since the end of 1975 - albeit in a small number of cases - been able to approve applications in respect of operations which did not start until the following year.
- Co-operation between the Commission services and the national administrations has improved. One of the reasons has been the introduction on a trial basis of application and payment forms, and the preparation of sheets showing the financial characteristics of the applications for aid. In the light of this experience, the Commission may now go ahead and make these forms compulsory. (Their adjustment, if such were deemed necessary following the review of Fund rules, should not present any problems).
- The improvement to the financial regulation (15) and in particular the distinction included between commitment appropriations and payment appropriations should reduce the annoying problem of forward shifting of appropriations ("glissements").
- The Commission services are making increasing use of data processing for the treatment of financial information and other technical data. In the medium term this should bring about speedier procedures, a reduction in errors and a more rational use of Fund staff. In this respect it should equally be remembered that it has been possible since the end of 1976 to combine together, at the moment of approval of quarterly allocations, more than one hundred individual decisions in one global Decision.

However, further improvements must be sought elsewhere and in a more far-reaching manner.

(18) cf. footnote no. 16.

B. Content and functioning of the procedure envisaged.

1. Commission guidelines on interventions of Fund

64. The guidelines established hitherto by the Commission on the selection of operations eligible for assistance from the Fund should be continued and developed in greater depth.

These guidelines must make it possible to:

- provide the administrations of Member States and the public and private promoters of operations eligible for assistance in good time with the broad lines according to which applications are examined by the Commission,
- inform the other Community institutions of the broad lines of administration of the Fund adopted by the Commission.

The guidelines are adopted in the light of the economic and social situation in the Community and in particular to labour market trends. They define the order of priority to be adopted when the Fund intervenes.

The guidelines should be defined for one year and constitute a valid basis for three years.

The Commission will review the guidelines in the first quarter of each year and adapt them if necessary to any changes that have occurred, for a further three years. Changes can be admitted in the course of a financial year only in exceptional circumstances. In the framework of each review the Commission will consult the Fund Commission about the guidelines proposed for adoption.

In future, guidelines will be published in the Official Journal of the European Communities.

65. The Commission considers that the above-mentioned considerations do not require any changes in the provisions governing the operation of the Fund.

2. Fund Budget

66. The Fund Committee will be involved at the appropriate time in the drawing up of the draft general budget relating to the Fund.

Thus its members will be in a position on a national level to give valid statements on estimated requirements and the means to be provided. Consultation on the draft will thus be the subject of a real debate.

The Commission will consult the Committee before presenting the draft budget for the following year to the budgetary authority. As in the past, it will forward the Opinion of the Committee to the budgetary authority.

67. The Commission is of the opinion that the above-mentioned considerations do not entail amendments to the provisions governing the operation of the Fund.

3. Applications for assistance and selection of operations

(a) Information to be provided by the Member States to the Commission relating to foreseeable requests

68. Member States will be obliged to communicate to the Commission before 1 August of each year a provisional programme of expenses relating to the following financial year. They must state the areas of intervention, the estimated volume of applications for each area and the main characteristics of each application. In addition, they must state exactly how these measures contribute qualitatively and quantitatively to their overall employment policies.
69. These data will enable the competent services of the Commission and the Member States to jointly establish the draft outline programme for each area of intervention. (Cf. No 71) The contacts that these services have already set up with the administrations of Member States and the promoters of operations to deal with the preparatory stage of the applications will increase in regularity and transparency.

The purpose of these data is also to :

- facilitate the discussions of Community institutions on the budget for the following year,
- provide the Commission with basic data for the review of guidelines (see Item 52) and the preparation of the draft budget for the second subsequent year.

70. The Commission considers it necessary to supplement Regulation (EEC) No. 2396/71. (Annex II)

(1) Content of applications and date of presentation

71. The Commission must be able to decide on most of the applications concerning operations for the following financial year as soon as the new budget has been adopted (December/January).

This is possible only if the system of presenting individual applications is modified to permit the submission of a series of applications grouping together individual applications according to area of intervention. This does not mean that the basic requirements of Article 5(2) of Regulation (EEC) No. 2396/71 should be abolished.

Applications must be forwarded to the Commission before 1 October of the year preceding the budgetary year in which the operations are to be carried out.

Nevertheless, the introduction of a system of grouped applications does not prevent Member States from introducing ungrouped applications.

Such applications should concern operations :

- that can be financed by appropriations from the Fund initially allocated to operations agreed by the Commission under the grouped applications system, but which have not been carried out,
- of which help to cope with the consequences of exceptional events, natural catastrophes in particular,
- of which are of interest as an example to other establishments or regions (in particular, operations carried out by regions or local bodies or by private promoters).

Such applications may be presented in accordance with the procedure in force up to now, before or during the budgetary year in which the operations are to take place.

72. The Commission considers it necessary to amend Article 5 of Regulation (EEC) No. 2396/71.(Annex II)

(c) Selection of operations

73. The Commission will decide on the selection of applications in the same way as in the past by applying the guidelines after consulting the Fund Committee.

The grouped applications system, however, allows the major part of the finance available to be allocated as soon as the budget has been adopted.

Then in the course of the budgetary year, it must be able to decide on the utilization of the balance in the context of one or more decisions.

With a view to the coordination of the financial instruments of the Community, the Commission will examine whether and to what extent priority can be given to operations which benefit from assistance from several of these financial instruments.

74. The Commission considers it necessary to amend Article 3 of Regulation (EEC) No. 858/72. (Annex III)

4. Payment of aid

75. In order to simplify and speed up the payment procedures, the following measures should be urgently adopted:

76. - Provision should be made for the granting of real advances. For this purpose, any Commission decision to approve an application will result in the payment of an initial advance of 30% of the amount agreed on the receipt of a request from the Member State, which shall certify that the operation has begun. A second advance of 30% could be made when half of the operation has been completed. If the operation is not carried out, or only in part, less than that covered by the advance, the person responsible for financing the operation will reimburse the amount overpaid. It should be pointed out that, (See No. 46) in the case of private operations, only public authorities and organisations will be considered by the Commission as the persons responsible for financing the operations. Sums paid in error must be returned to the Community. Where appropriate, sums received in error by the body with financial responsibility should be deducted from sums due to it by the Community.

The difference between the advance and the total amount of aid is paid after the submission of the final accounts. In view of the advantages that this system provides for financial authorities, the present system of payments on account should not be continued.

The responsibility of the Member States for the justification of the claims for payment must be strengthened :

- only the Member State concerned may present a claim,
- the Member State alone may guarantee the Commission that the information given in the claim is exact in respect of its content and its accounts. It must expressly state that the operations for which payment is claimed have been carried out and have incurred the expenditure forming the subject of the claim.

The Commission will have the right - pursuant to regulations in force - to make a random, on the spot check of the accuracy of data given in the claim.

77. The conception of grouped applications for aid (see Item 71) does not necessarily mean that claims for payment will be dealt with similarly. To enable the Commission to assess the exact use of Community budgetary means before the operation is completed, claims for payment should be presented for each individual operation in the forms provided for this purpose by the Commission.
78. The Commission considers it necessary to amend Articles 3 and 4 of Regulation (EEC) No. 858/72. (Annex III).

5. Control of effectiveness

79. Provision should be made for a simple procedure enabling the Commission, in cooperation with the administrations of Member States to verify the effectiveness of aid granted by the Fund. The Fund Committee should also be associated with this procedure.
80. Within the framework of its competence as prescribed by Article 13 of Regulation (EEC) No. 2396/71, the Commission will invite the Member States to submit reports at the end of each year summarising the results of operations in which the Fund has participated financially. These reports will comprise in particular information on the quality of training, its direct effects, and the integration in the labour market of workers that have benefited from the training. (If necessary, the Commission could, in subsequent years, verify the medium-term effect of such integration).

The Commission will forward the reports to the Fund Committee and include them in the annual reports of the Fund.

81. In a limited number of carefully selected cases and in the presence of representatives of the Member State concerned, officials of the Commission will carry out on the spot checks on the results of operations that have received assistance from the Fund. The Commission will invite three members of the Committee to take part in accordance with a procedure to be determined with the Committee.

It will forward the results of these checks to the Fund Committee once the Member State in question has had at least one month to take a position in the matter. It will also cover this subject in the annual report of the Fund.

82. The Commission will already start to apply measures on effectiveness controls in the current budgetary year regardless of the outcome of the review of the rules governing the tasks and operation of the Fund.
83. The Commission is of the opinion that the above considerations do not entail any amendments to the provisions governing the operation of the Fund.

ANNEX I

to doc. V/197/fin/77

Commission opinion to the Council on the basis of
Article 126 of the EEC Treaty on amending the Council
Decision of 1 February 1971 on the reform of the
European Social Fund.

1. In accordance with Article 11 of the Council Decision of 1 February 1971 on the reform of the European Social Fund (71/66/EEC) (1), the Council shall review this Decision not later than five years after the date of its entry into force and, if necessary, amend it on the basis of a further Opinion of the Commission based on Article 126 of the Treaty.

In the framework of this opinion, the Commission is submitting to the Council for this review, proposals for amendments to the said Decision which are considered necessary in the light of the experience of the past five years.

2. The application of Article 8 of the Decision 71/66/EEC, which makes a distinction between, on the one hand, actions carried out by public administrations, public law bodies and joint social institutions, and on the other hand, actions carried out by private law bodies, has given rise to certain difficulties, as regards grants made to private law bodies, in the demarcation of the respective responsibilities of the public authorities and the promoters of the operations.

In order to improve this situation, the Commission proposes that, in such cases, it should be only the public authorities which present themselves as financially responsible for the operations, and that only their contribution plus the amount requested from the fund should serve as the basis for calculating Fund intervention. Article 8 of the Decision 71/66/EEC would be amended in consequence.

3. In the light of the weak financial capacity of a certain number of regions in the Community which have the most severe structural difficulties, or are faced with the decline of one or several economic sectors of vital importance, it is essential to further concentrate interventions on the employment problems in these regions.

The Commission considers it necessary to raise the rate of intervention to 65% for actions in all the fields of intervention in these regions, which should be defined by the Council on the basis of a Commission proposal.

The Commission is furthermore of the opinion that the range of rates of intervention should be modified to include a lower rate in the case of aids intended to improve working conditions and to create and maintain jobs in particular. The Commission proposes that a rate of 35% should be foreseen for these aids.

(1) O J No. L 28 4 February 1971, p 15

Article 8 needs supplementing in order to introduce the principle of variable rates of intervention.

4. The provisions of Article 9 of the Decision 71/66/EEC carry over into the area of budgetary appropriations the distinction between operations of an Article 4 or Article 5 character, by providing for a distribution of appropriations according to a predetermined balance.

Taking account on the one hand of the current and future importance attached to operations to eliminate regional disequilibria and, on the other hand, of the need to enable the Community institutions to determine, within the framework of the budgetary procedure, the size of the assistance granted to the various fields of intervention in relation to the requirements of the employment situation, the Commission proposes to drop the principle of a predetermined distribution of appropriations between Article 4 and Article 5 operations and consequently to remove the paragraph 2(2) of Article 9 of the Decision 71/66/EEC.

5. In order to ensure that the Fund may continue to play a significant role in supporting an active manpower policy at Community level, the Commission proposes to maintain for the future the possibility of amending the Decision and of entrusting the Fund, if need be, with new tasks within the framework of the mandate fixed by Article 123 of the Treaty.

Article 11 of the Decision 71/66/EEC is to be amended with this in view.

Draft Decision amending the Council Decision of
1 February 1971 on the reform of the European Social
Fund (1)

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 opinion of the Commission;

Having regard to the opinion of the European Parliament (2);

Having regard to the opinion of the Economic and Social Committee (3);

Whereas under Article 11 of the Decision of 1 February 1971 on the reform
of the European Social Fund, this Decision, after review by the Council,
may be amended on the basis of a further opinion of the Commission based on
Article 126 of the Treaty;

Whereas, in respect of bodies or other entities governed by private law,
only the amount charged to the public authorities is to be considered
as expenditure eligible for Fund assistance;

Whereas Fund intervention should be concentrated to a greater extent on the
most acute problems at Community level in regions where there is a serious
and prolonged imbalance of employment, or a decline of one or several economic
sectors of vital importance;

Whereas the predetermined breakdown of appropriations for intervention under
Articles 4 and 5 of the Council decision of 1 February 1971 on the reform of
the European Social Fund does not give sufficient flexibility to meet the
needs of the trends in the employment situation and whereas the breakdown of
appropriations should be carried out in the context of budget decisions;

Whereas it is necessary, in order to respond to the needs arising from
developments in the labour market, to envisage the possibility of adapting
the Council decision of 1 February 1971 on the reform of the European Social
Fund amended by the Council decision of and to confer on the
Fund, should the occasion arise, new tasks within the framework of Article 123
of the Treaty;

HAD ADOPTED THIS DECISION :

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- (1) O J. No L 249 of 10 November 1971, p 54
(2) O J No L 28 of 4 February 1971, p 15
(3) O J. No

Article 1

Article 8 is amended to read as follows :

- "1. Assistance from the Fund shall be granted in support of operations carried out
- (a) by public authorities, by bodies governed by public law and by joint social institutions entrusted with tasks in the public interest;
 - (b) by bodies or other entities governed by private law, on condition that the public authorities of the Member State concerned guarantee completion of such operations; in such case, the expenditure taken over directly by the public authorities or by bodies governed by public law, plus the amount requested from the Fund, shall be regarded as eligible for Fund assistance.
2. The rate of intervention of the Fund is fixed at :
- (a) 65% of the eligible expenditure on actions carried out in regions where there is an especially serious and prolonged imbalance of employment, or a decline of one or several economic sectors of vital importance, and which are to be defined by the Council on the basis of a proposal of the Commission,
 - (b) 50% of the eligible expenditure on actions carried out in the other regions,
 - (c) 35% of the eligible expenditure on aids intended to promote better working conditions or to contribute in particular to the creation or maintaining of employment."

Article 2

Paragraph 2(2) of Article 9 is deleted.

Article 3

Article 11 is amended to read as follows :

"In accordance with Article 126 of the Treaty and on the basis of a further Commission Opinion, the Council shall, if the occasion arises, review this Decision with a view in particular to defining the new tasks to be entrusted to the Fund".

Done at Brussels,

For the Council,

ANNEX II

to doc. V/197/fin/77

Proposal for a Council regulation (EEC)
amending Council Regulation (EEC) No 2396/71 of
8 November 1971 implementing the Council Decision of
1 February 1971 on the reform of the European Social
Fund

/17.3.77/

EXPLANATORY MEMORANDUM

1. These proposals to amend Regulation (EEC) No. 2396/71 are part of a set of choices and proposals that the Commission is presenting to the Council in connection with its communication (document COM/V/197/77) on the review of the rules governing the tasks and operation of the European Social Fund.

In particular, they relate to :

- the expansion of the scope for intervention on behalf of women;
- the reclassification and expansion of the scope for intervention on behalf of persons pursuing activities in a self-employed capacity;
- changes in the types of intervention which may qualify for Fund assistance;
- the granting of Fund assistance on the basis of fixed unit costs;
- the presentation of grouped applications.

2. Under Article 1(2) of Regulation (EEC) No. 2396/71, Fund assistance for operations to promote the integration or reintegration into employment of women over thirty-five years is subject to the conditions governing operations on behalf of unemployed or underemployed persons in regions in difficulty, of workers for whom adapted qualifications are necessary as a result of technical progress, and of the labour force in certain undertakings in difficulty. These criteria have formed an obstacle to the admissibility of applications for assistance presented by the Member States.

Further, the widespread unemployment at present affecting all the Member States of the EEC has especially affected female workers whose skills are ill-suited to the requirements of the labour market.

Lastly, in the Commission communication to the Council on equality of treatment for male and female workers (access to employment, vocational training and promotion and working conditions), the Commission proposed that "Fund intervention should concentrate on activities of a genuinely developmental and innovative nature aimed at overcoming specific obstacles to the employment of women and that it should be directed towards programmes where the provision of training opportunities for women are complemented by the dissemination of information and by appropriate vocational guidance (including the training of specialised personnel)"

The Commission considers that the possibilities of intervention by the Fund under Article 5 of the Council Decision No. 71/66/EEC should be expanded by accepting participation in operations designed to :

- develop beyond the traditional limits careers offered to women;
- provide non-discriminatory but stimulating vocational guidance and to make especially those responsible for training aware of the need for such guidance.

Further, if Fund intervention in support of operations for the integration or reintegration of women into employment is to become operational, the conditions to which such intervention has hitherto been subject should be eliminated.

3. Measures to promote the integration of handicapped persons into employment are provided for in Article 5(1) of Decision No. 71/66/EEC and in a specific Council Decision pursuant to Article 4, but problems arise in defining the scope of these two Decisions. Further, as the definitions in Article 1(3) of Regulation No. 2396/71 are too general, it is not always possible to distribute the appropriations satisfactorily. The reclassification under Article 4 of the Decision No. 71/66/EEC of all Fund intervention in support of handicapped persons, as advocated in a Commission proposal (see Annex IX of document No. V/197/77) entails the deletion of Article 1(3) of Regulation No. 2396/71.
4. On the basis of Article 3(2) of Decision No. 71/66/EEC, which provides for the possibility of extending the field of application in special cases to persons who are to pursue activities as self-employed persons, the Council decided that Fund assistance could be granted under Article 5 of the Decision No. 71/66/EEC to handicapped persons (Article 1(1) of Regulation (EEC) No. 2398/71) and to persons engaged in agriculture in a self-employed capacity (Article 1(1) of Regulation (EEC) No. 2398/71). Experience has shown that the training of persons who wish to set up or take over small undertakings, and small-scale craft businesses in particular, should be encouraged under regional development measures. For the sake of clarity, the Commission considers that the special cases coming under Article 5 of the decision No. 71/66/EEC and accepted under Article 3(2) of Decision 71/66/EEC should now be covered by Regulation (EEC) No. 2396/71. In view of the proposal contained in the preceding paragraph the reference to handicapped persons should be deleted.

5. The system of aids currently in force has considerably encumbered the administration of the Fund, by giving rise to many difficulties of interpretation and definition and the obligation to calculate assistance on the basis of the actual cost of operations. The Commission proposes to make the system more flexible. Further, the Commission proposes to abolish the detailed list of types of aid set out in Regulation (EEC) No. 2396/71. The various types of aid are defined in Article 3 of Regulation (EEC) No. 2396/71 and thus become operational. Some of them, however, which are more complex and costly, being concerned with the maintenance of income levels or the promotion of better employment conditions in regions which are less developed, will only be made operational, when they prove necessary, by the Council, on a proposal from the Commission.

The Commission proposes that the expenditure taken over in respect of the various types of aid should be calculated on a unit cost basis. Unit costs can be established, for example, for most vocational training systems on the basis of average costs for wage compensation plus a given percentage for operating costs. If necessary, this percentage could be varied according to the type of training, the status of the bodies concerned or their geographical location.

Provision should also be made to the effect that these unit costs are to be fixed after consultation of the Fund Committee.

6. With a view to improving the procedures for the granting and payment of Fund assistance, the Commission considers that provision should be made for certain obligations relating to the timing and presentation of applications, the particulars to be given and the grouping of applications.

Applications for assistance should be submitted to the Commission before 1 October of the year which precedes the budget year in which such operations are to be carried out. These applications will group together operations which share the same characteristics within a given area of intervention and form part of the same intervention context. The procedure for grouped applications will enable the Commission to commit the major part of the available budget resources immediately after adoption of the budget.

Member States will still have the possibility of presenting non-grouped applications of an exceptional nature (e.g. natural catastrophes), with developmental aims or in replacement of operations which were not carried out but were included in a grouped application.

With respect to emergencies, on which the Commission is empowered to decide immediately on receipt of the application, it is obvious that the Committee must be informed of any decisions taken by the Commission without prior consultation.

Article 5 of Regulation (EEC) No. 2396/71 is therefore to be amended.

Proposal for a Council regulation amending Council Regulation (EEC)
No 2396/71 of 8 November 1971 implementing the Council Decision of
1 February 1971 on the reform of the European Social Fund (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 127 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (2),

Having regard to the Opinion of the Economic and Social Committee (3),

Whereas, in its Decision of 1 February 1971, the Council undertook the reform of the European Social Fund and whereas, pursuant to Article 11 of that Decision, it amended the latter on the basis of a further opinion of the Commission, established pursuant to Article 126 of the Treaty,

Whereas, on the one hand the provisions required to implement the said Decision should be adopted to take account of amendments to that Decision,

Whereas on the other hand, in the light of experience and the development of the employment situation in the Community, it is desirable to improve the general rules governing the action and operation of the Fund;

Whereas there is a need, particularly in the context of regional development, to expand the range of measures on behalf of persons who are to manage a small business, and small-scale craft undertakings in particular; whereas this Regulation should furthermore also cover all those categories of persons who are to pursue activities as self-employed persons and who may qualify for assistance from the Fund under Article 5 of the Council Decision of 1 February 1971, as amended by the Council Decision of _____; whereas, consequently, Council Regulation (EEC) No. 2398/71 of 8 November 1971 on assistance from the European Social Fund for persons who are to pursue activities in a self-employed capacity (4) must be repealed,

Whereas the range of measures to promote the integration of women into employment should be expanded;

Whereas the types of aids that may receive Fund assistance should be defined so that they may become immediately operational; whereas, therefore, Council Regulation (EEC) No. 2397/71 of 8 November 1971 on aid which may qualify for assistance from the European Social Fund (5), as last amended by Regulation (EEC) No 1761/74 of 27 June 1971 (6) must be repealed; whereas, to make it possible to take future employment requirements into account, guidelines should be given on other types of assistance to be defined according to requirements;

Whereas Fund assistance for the various types of intervention should be granted on the basis of unit costs defined in collaboration with the Member States,

Whereas the procedure for presenting applications for aid should be adapted and provision made for their grouping together by area of intervention so that the Commission can decide on a large proportion of the applications at the beginning of the financial year;

(1) OJ No L 249, 10 November 1971, p 54

(2) OJ No L

(3) OJ No L

(4) OJ No L 249, 10 November 1971, p 61

(5) OJ No L 249, 10 November 1971, p 58

(6) OJ No L 185, 9 July 1974, p 1

HAS ADOPTED THIS REGULATION :

Article 1

Article 1 of Regulation (EEC) No 2396/71 is amended as follows :

1. paragraph 1 unchanged
2. paragraph 2(a) and (b) unchanged
3. paragraph 2(c): "are directed towards the integration or reintegration into employment of the following groups of people, after the employment services of the Member State or States concerned have acknowledged these operations as valid :
 - workers who are difficult to place in employment again on account of their age;
 - young people, under twenty-five years who are unemployed through lack of qualifications, or whose qualifications are no longer in demand;
4. paragraph 3 : "Irrespective of the conditions and limits laid down in paragraph 1, assistance may be granted from the Fund for :
 - operations in favour of women over thirty-five years of age who wish to take up an occupation for the first time or whose qualifications after a lapse of time are no longer those in demand;
 - operations designed to promote the access of women of all age groups to occupations that are traditionally reserved for male labour and in which possibilities of employment exist;
 - training of counsellors, instructors and specialists in the placement of female labour".
5. paragraph 4 unchanged.

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Article 2

Article 1bis is added to Regulation (EEC) No 2396 as follows :

"Assistance may be granted from the Fund pursuant to Article 1 of this Regulation for operations which are carried out on behalf of :

- persons directly engaged in a self-employed capacity in agriculture, who are to pursue activities as self-employed persons;
- persons who set up and run small undertakings, and small scale craft undertakings in particular".

Article 3

Article 3 of Regulation (EEC) No. 2396/71 is amended as follows :

"1. Assistance may be granted from the Fund pursuant to Articles 4 and 5 of the Council Decision of 1 February 1971 for the following types of aid :

- (a) aid to facilitate the training of persons who need to acquire, expand, adapt or improve their professional knowledge and ability which is intended to cover :
 - expenditure in respect of the preparation, operation, and management of training courses, including the training of instructors;
 - the costs of attendance at courses, including the cost of providing trainees with an income;
- (b) aid to facilitate the transfer of persons, together with their families, who are obliged to change their place of residence in order to pursue a professional or trade activity;
- (c) aid to facilitate the integration into a new social and working environment of persons together with their families, who are obliged to change their place of residence in order to pursue a professional or trade activity;
- (d) aid to eliminate obstacles which make it difficult for handicapped and older persons to take up available employment.

2. Assistance from the Fund may also be granted, under the conditions and within the limits to be defined by the Council on a proposal from the Commission, for types of aid intended to :
- (a) maintain, for a fixed period, the income of persons who have lost their jobs or whose activities have been reduced or suspended, and who are awaiting training or employment;
 - (b) promote better working conditions and to contribute to maintaining or creating employment for :
 - - persons employed in regions which, because they are less developed, suffer a serious and prolonged imbalance in employment
 - persons affected by employment difficulties in some economic branches
 - categories of persons who have special placement difficulties
 - (c) help inform and guide persons seeking employment or re-employment.

In granting the aids referred to under (a) and (b) above, priority shall be given to operations which are co-financed by several Community instruments".

3. Assistance from the Fund may not be granted to finance the initial training of young people immediately after completion of their term of compulsory schooling; nevertheless, assistance from the Fund may be granted for young people who, although available on the labour market, are unable to find work because of lack of qualifications or because there is no demand for the qualifications they possess.
4. The Commission shall grant assistance from the Fund on the basis of unit costs to be defined by the Commission on the basis of information provided by the Member States. Where the aids referred to in paragraph 1(a) above are concerned, such costs shall be established, in respect of expenditure to provide an income for trainees, on the basis of the average costs recorded for all forms of training in a given Member State or region, or for a given group of people. As regards other expenditure, the costs shall be established in proportion to the expenditure on trainee income at a rate to be determined, account being taken of the type of training".

Article 4

The following paragraph is added to Article 5 of Regulation (EEC) No 2396/71 :

- "3. Before 1 October each year, Member States shall submit their applications, grouped together by area of intervention, for operations to be carried out as from 1 January of the following year. Individual applications may be submitted after this date provided that they relate to operations which have an exemplary character or help to deal with the consequences of exceptional events, or are substituted for operations that have been approved but not implemented".

Article 5

Article 10 of Regulation (EEC) No 2396/71 is amended as follows :

- "1. The Commission shall consult the Committee in advance on :
- (a) unchanged
 - (b) unchanged
 - (c) unchanged
 - (d) unchanged
 - (e) unchanged
 - (f) unchanged
 - (g) the determination of unit costs;
 - (h) the desirability of putting Article 126 of the Treaty once again into effect.

Article 6

Council Regulation (EEC) Nos 2397/71 and 2398/71 are repealed.

Article 7

This Regulation shall enter in force on

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

Done at Brussels,

For the Council

Proposal for a regulation amending Council Regulation
(EEC) No 858/72 of 24 April 1972 on certain administrative
and financial procedures for the operation of the European
Social Fund

EXPLANATORY MEMORANDUM

1. Experience shows that the procedures for granting and paying assistance from the Fund are not suited to the requirements of a financial instrument whose objective is to contribute quickly and efficiently to stimulating employment and the geographical and occupational mobility of workers in the Community.

The quest for greater efficiency has led the Commission to propose that, prior to the examination of applications for assistance, guidelines should be given in good time to the authorities in the Member States and to public and private promoters of aid measures, indicating the main criteria according to which applications will be assessed.

In the quest for greater speed, the Commission proposes that the major proportion of the appropriations available should be committed at the beginning of the financial year during which the operations will be carried out.

Thus, there is no longer any point in retaining the provision according to which the Commission decides four times a year, the objective of which was to ensure a balanced distribution of appropriations throughout the year.

2. The desire to improve procedures has also led the Commission to propose that the system of payments on account as the operation progresses should be replaced by the payment of advances. The system of payment on account which cannot be made without submission of a detailed statements of expenditure, means that payment is delayed and subject to risks, because any check during an operation is too complicated. The payment of advances, on the other hand, has the advantage of simplicity and speed. Payment of the balance occurs after the Member State in question has submitted an application for payment accompanied by a final statement of expenditure.

Where the introduction of the system of advances results in the payment of sums in error, because the approved operation has not been carried out as planned, it seems only normal that these sums should be recovered, by means of compensatory deductions if necessary .

Proposal for a regulation amending Council Regulation (EEC) No 858/72
of 24 April 1972 on certain administrative and financial procedures
for the operation of the European Social Fund (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and
in particular Articles 127 and 209 thereof;

Having regard to the proposal from the Commission;

Having regard to the Opinion of the European Parliament (2);

Having regard to the Opinion of the Economic and Social Committee (3);

Whereas pursuant to the Council Decision of 1 February 1971 on the reform
of the European Social Fund (4) as last amended by the Council Decision of
(5), and whereas pursuant to Council Regulation (EEC) No 2396/71
of 8 November 1971 (6), as amended by Council Regulation (EEC) No (7)
and in particular Article 8 thereof, Regulation (EEC) No 858/72 laid down the
administrative and financial procedures for the operation of the Fund;

Whereas in order to simplify and speed up the procedures for the granting and
payment of assistance from the Fund, such procedures should be changed and should
in particular provide for the possibility of payment of advances at the request
of the Member State concerned;

Whereas provision should be made for the Member States alone to be competent
to submit applications for payment to the Commission and to guarantee their
accuracy;

HAS ADOPTED THIS REGULATION :

Article 1

The text of Article 3 is replaced by the following text :

- "1. The Commission shall acknowledge receipt of all applications for assistance.
It shall decide on applications for assistance properly submitted and shall
notify the Member State in question, which shall inform the party financially
responsible for the operation, of all decisions giving or refusing approval.
2. Decisions giving approval shall specify the total amount of the appropriations
made available as assistance from the Fund and, where appropriate, the amounts
granted in annual installments".

(1) OJ No L 101, 28 April 1972, p 3
(2) OJ No
(3) OJ
(4) OJ No L 28, 4 February 1971, p
(5) OJ No
(6) OJ No L 249, 10 November 1971, p 54
(7) OJ No

Article 2

The text of Article 4 of Regulation (EEC) No 858/72 is replaced by the following text :

"1. An amount equal to 30% of the assistance granted shall be paid to the party financially responsible for the operation at the request of the Member State concerned which will certify that the operation has begun. A second advance, for an equal amount, may be paid once the Member State has certified that half the operation has been carried out under the conditions of the agreement decision. In the case of decisions on pluriannual operations, payments will be made in yearly instalments. The balance shall be paid after the Commission has received an application for payment drawn up by the Member State in question and accompanied by a general statement of expenditure over the period covered by the successful application for assistance. The Member State shall guarantee its factual authenticity, the accuracy of the particulars given in the application for payment.

2. The Commission shall inform the Member State concerned of any payment made.

3. Any sums paid in error shall be recovered, if necessary by compensatory deductions from a subsequent payment".

4. The Commission may suspend payment of / assistance for an operation if a check reveals either irregularities, or an essential change in the nature or details of that operation which had not been submitted to the Commission for approval.

Article 3

This Regulation shall enter into force on

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

Done at Brussels,

For the Council

ANNEX IV
to doc. V/197/fin/77

Proposal for a Council decision amending the
Council Decision of 19 December 1971 on
assistance from the European Social Fund
for persons leaving agriculture to pursue
non-agricultural activities

EXPLANATORY MEMORANDUM

In its proposal for a Council regulation amending Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund (Annex II to the Commission communication to the Council, No V/197/77), the Commission proposes that the list of aids referred to in Article 6 of the proposal be made immediately operational. It therefore proposes to repeal Council Regulation (EEC) No 2397/71 of 8 November 1971, amended by Council Regulation (EEC) No 1761/74 of 27 June 1974 on aid which may qualify for assistance from the European Social Fund.

These changes entail the proposed amendment to Article 3 of the Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities (72/428/EEC).

Proposal for a Council Decision

amending Council Decision 72/428/EEC of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971, amended by the Council Decision of on the reform of the European Social Fund², and in particular Articles 3 and 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament³,

Having regard to the opinion of the Economic and Social Committee⁴,

Whereas the aids which may qualify for immediate assistance from the Fund are now defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund (5), as last amended by Regulation (EEC) No (6) and whereas Council Regulation (EEC) No 2397/71 of 8 November 1971 on aid which may qualify for assistance from the European Social Fund (7) as amended by Regulation (EEC) No 1761/74 (8), has been repealed;

Whereas Article 3 of the Council Decision of 19 December 1972 on assistance from the European Social Fund for persons leaving agriculture to pursue non-agricultural activities should consequently be amended;

HAS DECIDED AS FOLLOWS :

Article 1

Article 3 of the Council Decision of 19 December 1972 is amended to read as follows :

"The types of aid eligible for assistance from the Fund pursuant to this Decision are those defined in Article 3 of Council Regulation (EEC) No. 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Regulation (EEC) No.

Article 2

This Decision shall enter into force on

Done at Brussels,

For the Council

(1) OJ No L 291, 28 December 1972, p 58

(2) OF No L 28, 4 February 1971, p 15

(3) OJ No

(4) OJ No

(5) OJ No L 249, 10 November 1971, p 54

(6) OJ No

(7) OJ No L 249, 10 November 1971, p 58

(8) OJ No L 185, 9 July 1974, p 1

5A

ANNEX V.

to doc. V/1977 Fin/77

Proposal for a Council decision amending
the Council Decision of 9 February 1976
on intervention by the European Social Fund
in favour of persons occupied in the textile
and clothing sectors

EXPLANATORY MEMORANDUM

1. In its communication to the Council (Document V/197/77) on the review of rules governing the tasks of the European Social Fund, the Commission considers that in view of trends in the common trade policy and the present structure of the textile and clothing sector, it is necessary to continue to provide vocational retraining for the labour force in this sector and that in order to do so it is not necessary to amend the contents of ^{the} Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in textile and clothing industries (76/206/EEC).

2. The average number of jobs lost in the textile sector was 100 000 a year during the period from 1971 to 1974. Since January 1974, when the multi-fibre agreement entered into force, the average annual loss has amounted to 200 000 jobs

Traditional features of the textile sector have been relatively low rates of pay, a large manual labour force (80 % of the total number of persons employed) and a labour-intensive production apparatus. The latter has changed rapidly following the introduction of new techniques. Despite the steady reduction in the total work force, shortages of labour have occurred, sometimes quantitative, but more often qualitative in line with the needs of an increasingly capital-intensive industry.

Employment imbalances in the textile and clothing industries make it necessary, both because of their scope and because of the nature of the measures which they involve, that the Social Fund should continue to provide assistance for these two sectors.

3. Moreover, the Commission considers that no time limit should be fixed for the application of decisions taken by the Council pursuant to Article 4 of Decision 71/66/EEC, but that these decisions should be reviewed on the basis of a Commission proposal, in line with developments in the application of these Decisions of which the Commission will take note in the annual report to the Council and the European Parliament.

4. In its proposal for a Council regulation amending Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, the Commission envisages making immediately operational the list of aids referred to in Article 3 of this proposal.

The Commission therefore proposes (Annex III to the Commission Communication to the Council No V/197/77) to repeal Council regulation (EEC) No 2397/71 of 8 November 1971, as amended by Council Regulation (EEC) No 1761/74 of 27 June 1974 on aid which may qualify for assistance from the European Social Fund .

These changes entail the proposed amendment of Article 2 of Decision 76/206/EEC.

Proposal for a Council Decision amending the Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industry (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971, as amended by the Council Decision of _____ on the reform of the European Social Fund (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3)

Having regard to the opinion of the Economic and Social Committee (4),

Whereas aid which may qualify for assistance from the European Social Fund is now defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971 on the reform of the European Social Fund (5), as last amended by Regulation (EEC) No _____ (6), and whereas Council Regulation (EEC) No 2397/71 of 8 November 1971 on aid which may qualify for assistance from the European Social Fund (7), amended by Regulation (EEC) No 1761/74 (8) has been repealed;

Whereas Article 2 of the Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries as last amended by the Council Decision of _____ (9)

Whereas the time limit referred to in the second paragraph of Article 3 of the Council Decision of 9 February 1976 expires on 31 December 1977;

Whereas the employment situation in the textile and clothing sectors of the Community continues to be affected by quantitative and qualitative imbalances and it appears necessary to continue the specific joint action aimed at ensuring a better adaptation of labour supply and demand in this sector;

Whereas, moreover, no time limit should be set for the implementation of decisions taken pursuant to Article 4 of the Council Decision of 1 February 1971 as the Council, on a proposal from the Commission, may decide to repeal such decisions, in particular in the light of the annual report on the Fund which, presented by the Commission to the Council and the European Parliament, gives full details on the current situation regarding the implementation of these decisions;

- (1) OJ No L 3, 14 February 1976, p 39
- (2) OJ No L 28, 4 February 1971, p 15
- (3) OJ No _____
- (4) OJ No _____
- (5) OJ No L 249, 10 November 1971, p 54
- (6) OJ No _____
- (7) OJ No L 249, 10 November 1971, p 58
- (8) OJ No L 185, 9 July 1974, p 1
- (9) OJ No L _____

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HAS DECIDED :

Article 1

Article 2 of the Council Decision of 9 February 1976 is amended to read as follows :

"The types of aid eligible for assistance from the Fund pursuant to this Decision are those defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Regulation (EEC) No.

Article 2

The second paragraph of Article 3 of the Decision of 9 February 1976 is deleted.

Article 3

This Decision shall enter into force on...

Done at Brussels,

For the Council

ANNEX VI

TO DOC. V/197/fin/77

Proposal for a Council decision amending the
Council Decision of 27 June 1974 on action
by the European Social Fund for migrant workers

EXPLANATORY MEMORANDUM

1. In its communication to the Council (Document V/197/77) on the review of the rules governing the tasks and operation of the European Social Fund, the Commission considers that, despite the labour market trends and the restrictions imposed on the immigration of workers originating in non-Member countries, the problems posed by migrant labour are far from being solved and that the assistance should continue as provided by the Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers (74/327/EEC) in the same form.

2. From 1973 to 1975 the migrant population employed in the Community Member States fell by only 8 % and the rate of decrease did not speed up in 1976. The effect of the proportionally higher numbers of Community nationals re-employable in their country of origin was partially offset by the placement of migrant workers in jobs. Migrants from non-Member countries continue to be employed before the recession - for three-quarters of the immigrant labour force.

There is also a tendency throughout the Community for migrant workers to stay longer. Action undertaken in the various host countries to assist the social integration of immigrants, in particular those of the second generation, is thus assuming greater importance.

3. In addition, the Commission considers that no time limit should be fixed for the application of decisions taken by the Council under Article 4 of Decision 71/66/EEC, but that these decisions should be reviewed on a proposal from the Commission, in line with developments in the application of these Decisions, of which the Commission will take note in its annual report to the Council and the European Parliament

4. In its proposal for a Council regulation amending the Council regulation (EEC) N° 2396/71 of 8 November 1971 in application of the Council Decision of 1 February 1971 on the reform of the European Social Fund (Annex II of the Commission communication to the Council N° V/197/77), the Commission envisages making directly applicable the list of aids referred to in Article 6 of this proposal. The Commission therefore proposes to repeal Council Regulation (EEC) No 2397/71 of 8 November 1971 amended by Council Regulation (EEC) No 1761/74 of 27 June 1974 on aid which may qualify for assistance from the European Social Fund (Annex II to the Commission Communication to the Council No V/197/77).

These changes entail the proposed amendment to Articles 1(2), 2(2) and 3(2) of Decision 74/327/EEC.

Proposal for a Council decision amending Council Decision
of 27 June 1974 on action by the European Social
Fund for migrant workers (74"327/EEC) (1) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971 as amended by
the Council Decision of on the reform of the European Social Fund (2),
and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the opinion of the European Parliament (3),

Having regard to the opinion of the Economic and Social Committee (4)

Whereas aid which may qualify for immediate assistance from the Fund is now
defined in Article 3 of Council Regulation (EEC) No 2396 /71 implementing
the Council Decision of 1 February 1971 on the reform of the European Social
Fund, as last amended by Regulation (EEC) No (6); whereas Council
Regulation (EEC) No 2397/71 of 8 November 1971 on aid which may qualify for
assistance from the European Social Fund(7) as amended by Regulation (EEC)
No. 1761/74⁸ has been repealed;

Whereas Articles 1, 2 and 3 of the Council Decision of 27 June 1975 on action by the
European Social Fund for migrant workers as last amended by the Council of
.....(9)

Whereas the period referred to in the second paragraph of Article 4 of the
Council Decision of 27 June 1974 expires on 31 December 1977.

Whereas the imbalances in employment within the Community continued to call for
specific joint action for migrant workers and members of their families ;

Whereas the Council, in its Resolution of 9 February 1976, adopted an action
programme for migrant workers and members of their families (10);

Whereas, moreover, no time limit should be set for the implementation of
decisions taken pursuant to Article 4 of the Council Decision of 1 February 1971
as the Council, on a proposal from the Commission, may decide to repeal such
decisions, in particular in the light of the annual report on the Fund which,
presented by the Commission to the Council and the European Parliament, gives
full details on the current situation regarding the implementation of these
decisions;

(1) OJ N° L 185, 9 July 1974, p 20
(2) OJ N° L 28, 4 February 1971, p 15
(3) OJ N°
(4) OJ N°
(5) OJ N° L 249, 10 November 1971, p 54
(6) OJ
(7) OJ No L 249, 10 November 1971, p 54
(8) OJ N° L 185, 9 July 1974, p 20.,
(9) OJ N°
(10) OJ N° C 34 14 February 1976, p 2

HAS DECIDED AS FOLLOWS :

Article 1

1. Article 1(2) of the Council Decision of 27 June 1974 is amended to read as follows :

"The types of aid eligible for assistance from the Fund pursuant to paragraph 1 are those defined in Article 3 of Council Regulation (EEC) No 2396/72 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Regulation (EEC) No ".

Article 2

2. Article 2(2) of the Council Decision of 27 June 1974 is amended to read as follows :

"The types of aid provided for in Article 3(1)(b) and (c) of Council Regulation (EEC) No 2396/71 of 8 November 1971, are eligible for assistance from the Fund under paragraph 1".

Article 3

Article 3(2) of the Council Decision of 27 June 1974 is amended to read as follows :

"The types of aid provided for in Article 3(1) (a), (b) and (c) of Council Regulation (EEC) No 2396/71 are eligible for assistance from the Fund under paragraph 1".

Article 4

The second paragraph of Article 4 of the Council Decision of 27 June 1974 is deleted.

Article 5

This Decision shall enter into force on...

Done at Brussels,

For the Council

ANNEX VII
to doc. V/197/fin/77

Proposal for a Council decision amending
the Council Decision of 27 June 1974
on action by the European Social Fund
for handicapped persons

EXPLANATORY MEMORANDUM

1. Under the rules currently in force, the Social Fund may grant assistance for handicapped persons :
 - under Article 5 of the Council Decision 71/66/EEC, pursuant to Article 1(3) of Council Regulation (EEC) N° 2396/71 of 8 November 1971 implementing the said Decision. On this basis, and irrespective of the conditions and limits laid down for the implementation of Article 5 of the above-mentioned Decision, the Fund grants assistance towards measures on behalf of handicapped persons who, it is thought, will be able to take up gainful employment after rehabilitation ;
 - under Article 4 of the Council Decision of 1 February 1971, pursuant to the Council Decision 71/66/EEC, as regards short-term demonstration projects aimed at improving the quality of vocational rehabilitation facilities and the basic and advanced training of the persons involved in the social and vocational rehabilitation of handicapped persons and those specializing in the training of instructors.

2. The fact that assistance may be granted under various heads for the same category of person does not simplify the management of the Social Fund or increase efficiency. The unlimited scope of Article 1(3) of Council Regulation (EEC) N° 2396/71 has meant that the total amount requested in the eligible applications is generally much higher than the appropriations available, while it is impossible to choose between applications.

The Fund administration thus has to resort to methods of sifting applications which are without qualitative significance and involve the risk of spreading the funds too thinly.

3. The Commission considers that Article 1(3) of Council Regulation (EEC) N° 2396/71 should be repealed and that the Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons should be adjusted accordingly, in such a way as to enlarge its scope whilst preserving the underlying principle of selectivity. The Commission considers that the Social Fund should be able to grant assistance under Article 4 of the Decision 71/66/EEC for operations implementing and enlarging short-term demonstration projects so that it can contribute, where this is needed, to the development of new rehabilitation facilities or to the quantitative or qualitative improvement of existing facilities.
4. In addition, the Commission considers that no time limit should be fixed for the application of decisions taken by the Council under Article 4 of Decision 71/66/EEC but that these decisions be reviewed on a proposal of the Commission, in line with developments in the application decisions, which the Commission will take note of in its annual report to the Council and to the European Parliament.

5. In its proposal for a Council regulation amending Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, the Commission envisages making directly applicable the list of aids referred to in Article 3 of this proposal. It therefore proposes to repeal Council Regulation (EEC) No 2397/71 of 8 November 1971 amended by Council Regulation (EEC) No 1761/74 of 27 June 1974 on aid which may qualify for assistance from the European Social Fund (Annex II to the Commission Communication to the Council No V/197/77).

These changes entail the proposed amendment of Article 3 of Decision 74/328/EEC.

Proposal for a Council Decision amending Council Decision 74/328/EEC of 27 June 1974 on action by the European Social Fund for handicapped persons (74/328/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971, as amended by the Council Decision of on the reform of the European Social Fund (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3),

Having regard to the Opinion of the Economic and Social Committee (4),

Whereas Council Regulation (EEC) of 8 November 1971 implementing the Council Decision of 1 February 1971 (5), as last amended by Council Regulation (EEC) No of (6), no longer defines the criteria applicable to operations for eligibility for assistance from the Fund under Article 5 of the Council Decision of 1 February 1971 concerning handicapped persons, but whereas the possibility should be retained of taking action to contribute to the development of new permanent facilities or the improvement of the quantity and quality of existing facilities within the framework of a specific joint action under Article 4 of the said Decision;

Whereas aids which are eligible for immediate assistance from the Fund are now defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as last amended by Regulation (EEC) No. ; whereas Council Regulation (EEC) No 2397/71 of 8 November 1971 on aid which may qualify for assistance from the European Social Fund (7), as amended by Regulation (EEC) No 1761/74 (8) has been repealed;

Whereas, consequently, Article 3 of the Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons, as last amended by the Council Decision of , should be amended;

Whereas the period referred to in the second paragraph of Article 4 of the Council Decision of 27 June 1974 expires on 31 December 1977;

Whereas the employment situation regarding handicapped persons calls for specific joint action on behalf of the handicapped to be continued, in order to improve the balance between the supply of and the demand for manpower within the Community;

Whereas, moreover, no time limit should be set for the implementation of decisions taken pursuant to Article 4 of the Council Decision of 1 February 1971 as the Council, on a proposal from the Commission, may decide to repeal such decisions, in particular in the light of the annual report on the Fund which, presented by the Commission to the Council and the European Parliament, gives full details on the current situation regarding the implementation of these decisions;

(1) OJ No L 185, 9 July 1974, p 22

(2) OJ No L 28, 4 February 1971, p 15

(3) OJ No

(4) OJ No

(5) OJ No L 249, 10 November 1971, p 54

(6) OJ No

(7) OJ No L 185, 9 July 1974, p 1

HAS DECIDED :

Article 1

The following is added to Article 1(2) of the Council Decision of 27 June 1974 between the existing first and second indents :

" - longer-term projects, based on the lessons learned from short-term demonstration projects and designed to contribute to the development of new permanent facilities or to improve the quantity and quality of existing facilities."

Article 2

Article 3 of the Council Decision of 27 June 1974 is amended as follows :
"The types of aid eligible for assistance from the Fund pursuant to this Decision are those defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, as amended by Regulation (EEC) No "

Article 3

The second indent of Article 4 of the Council Decision of 27 June 1974 is deleted.

Article 4

This Decision shall enter into force on

Done at Brussels,

For the Council

ANNEX VIII
to doc. V/197/fin/77

Proposal for a Council decision amending the Council
Decision of 22 July 1975 on action by the European
Social Fund for persons affected by employment
difficulties

EXPLANATORY MEMORANDUM

1. In its communication to the Council (Document V/197/77) on the review of the rules governing the tasks and operation of the European Social Fund, the Commission considers that, given the demographic and labour market situation, the Fund must continue to grant assistance for young people and that it is not necessary for this purpose to amend the text of the Council Decision of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties (75/459/CEE).
2. Since 1970, in all the Member States, unemployment among young people has increased at a faster rate than employment in general. By the end of 1976 persons aged under 25 years accounted for almost one-third of the total figure of about 5,5 million persons fully unemployed in the Community. The percentage of young people remaining unemployed for over six months has increased at a disturbing rate over the past two years. The demographic situation, moreover, points to an increase in the number of young people entering the labour market up to 1985.

The specific factors determining unemployment among young people are obviously linked with the quantitative imbalances caused by the trends in economic growth and in demand; there are also structural factors which can be seen in the way that such unemployment reflects qualitative discrepancies between the education/training system and the labour market and in the way it results from growing inflexibility on the labour market.

Particularly in the field of vocational training the Fund must continue to grant assistance to support operations designed to correct such imbalances, these being priority operations in all the Member States.

3. In addition, the Commission considers that no time limit should be fixed for the application of the decision taken by the Council under Article 4 of Decision 71/66/EEC, but that these decisions be reviewed, on a proposal from the Commission, in line with developments in the application of these decisions, which, the Commission will take note of in its annual report to the Council and the European Parliament.
4. In its proposal for a Council regulation amending Council Regulation (EEC) No 2396/71 of 8 November 1971 implementing the Council Decision of 1 February 1971 on the reform of the European Social Fund, the Commission envisages making directly applicable the list of aids referred to in Article 3 of this proposal. The Commission therefore proposes to repeal Council Regulation (EEC) No 2397/71 of 8 November 1971 amended by Council Regulation (EEC) No 1761/74 of 27 June 1974 on aid which may qualify for assistance from the European Social Fund (Annex II to the Commission Communication to the Council No V/197/77).

These changes entail the proposed amendment to Article 3 of Decision 75/459/EEC.

Proposal for a Council decision amending the Council
Decision of 22 July 1975 on action by
the European Social Fund for persons affected by
employment difficulties (75/459/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES ,

Having regard to the Treaty establishing the European Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971, as amended by the
Council Decision of..... on the reform of the European Social Fund (2),
and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3),

Having regard to the Opinion of the Economic and Social Committee (4),

Whereas the aids eligible for immediate assistance from the Fund are now defined in
Article 3 of Council Regulation (EEC) No 2396/71 implementing the Council Decision of
1 February 1971 on the reform of the European Social Fund (5), as last amended by
Regulation (EEC) No; whereas Council Regulation (EEC) No 2397/71 of
8 November 1971 on aid which may qualify for assistance from the European Social Fund (7),
as amended by Regulation (EEC) No 1761/74, has been repealed;

Whereas Article 3 of the Council Decision of 22 July 1975 on action by the European
Social Fund for persons affected by employment difficulties, as last amended by the
Council Decision of; should therefore be amended;

Whereas the period referred to in the second paragraph of Article 5 of the Council
Decision of 22 July 1975 expires on 31 December 1977;

Whereas the employment situation regarding young people under 25 years of age, who are
unemployed or seeking employment, is still affected by quantitative and qualitative
imbalances and calls for further specific joint action to improve the balance between
supply of and demand for manpower within the Community;

Whereas, moreover, no time limit should be set for the implementation of decisions
taken pursuant to Article 4 of the Council Decision of 1 February 1971 as the Council,
on a proposal from the Commission, may decide to repeal such decisions, in particular
in the light of the annual report on the Fund which, presented by the Commission to the
Council and the European Parliament, gives full details on the current situation regarding
the implementation of these decisions;

HAS DECIDED AS FOLLOWS :

Article 1

Article 3 of the Council Decision of 22 July 1975 is amended as follows :

"The types of aid eligible for assistance from the Fund pursuant to this Decision are
those defined in Article 3 of Council Regulation (EEC) No 2396/71 of 8 November 1971
implementing the Council Decision of 1 February 1971 on the reform of the European
Social Fund, as amended by Regulation (EEC) No".

- (1) OJ No L 199, 30 July 1975, p 36
(2) OJ No L 28, 4 February 1971, p 15
(3) OJ No
(4) OJ No
(5) OJ No L 249, 10 November 1971, p 58
(6) OJ No

- (7) OJ No L 249, 10 November 1971, p 58
(8) OJ No L 185, 9 July 1974, p 51
(9) OJ No

Article 2

The second paragraph of Article 5 of the Council Decision of 22 July 1975 is deleted.

Article 3

The Decision shall enter into force.....

Done at Brussels,

For the Council

ANNEX IX

to doc.V/197/fin/77

Commission proposals to the Council amending
Decisions taken by the Council pursuant to
Article 4 of the Council Decision of 1 February
1971 on the reform of the European Social Fund

EXPLANATORY MEMORANDUM

Pursuant to Article 4 of Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund, the Council has taken a series of specific decisions designating the areas in which the Fund may intervene.

The Decisions concerned are :

- Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers (74/327/CEE) (1);
- Council Decision of 27 June 1974 on action by the European Social Fund for handicapped persons (74/328/EEC) (2);
- Council Decision of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties (75/459/EEC) (3);
- Council Decision of 9 February 1976 on intervention by the European Social Fund in favour of persons occupied in the textile and clothing industries (76/206/EEC) (4);

Each of these Decisions applies to operations the plans for which have received the approval of the Commission before the expiry of a given period.

The dates of expiry are as follows :

- 14 July 1977 in respect of migrant workers ;
- =- 14 July 1977 in respect of handicapped persons ;
- 4 August 1977 in respect of persons affected by employment difficulties;
- 14 August 1977 in respect of persons occupied in the textile and clothing industries.

Without prejudice to the review of Decision 71/66/EEC provided for in Article 11 of that Decision, the Commission proposes that the Council extend the term of validity of the above Decisions until 31 December 1977

(1) OJ. N° L 185 , 9 .7.1974, p 20
(2) OJ N° L 185, 9.7.1974, p 22
(3) OJ N° L 199, 30.7.1975, p 36
(4) O. N° L 39, 14.2.1976, p 39

Proposal for a decision amending the
validity of Council Decision of 27 June 1974
on action by the European Social Fund for
handicapped persons (74/328/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to ^{the} Council Decision of 1 February 1971 on the reform of the European
Social Fund (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3)

Having regard to the Opinion of the Economic and Social Committee (4)

Whereas the Decision of 27 June 1974 on action by the European Social Fund for
handicapped persons expires three years after its entry into force, namely on
14 July 1977;

Whereas any interruption in the financing of operations under the said Decision
should be avoided, without prejudice to the application of Article 11 of the
Decision of 1 February 1971;

HAS DECIDED AS FOLLOWS :

Article 1

The second paragraph of Article 4 of the Council Decision of 27 June 1974 is replaced
by the following text :

"It shall apply to operations approved by the Commission before 31 December 1977".

Article 2

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

Done at Brussels,

For the Council

(1) OJ No L 185, 9.7.1974, p 22

(2) OJ No L 28, 4.2.1971, p 15

(3) OJ No

(4) OJ No

Proposal for a decision amending the Council Decision of 27 June 1974 on action by the European Social Fund for migrant workers (74/327/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Council Decision of 1 February 1971 on the reform of the European Social Fund (2), and in particular Article 4 thereof;

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3)

Having regard to the Opinion of the Economic and Social Committee (4),

Whereas the Decision of 27 June 1974 on action by the European Social Fund for migrant workers expires three years after its entry into force, namely on 14 July 1977;

Whereas any interruption in the financing of operations under the said Decision should be avoided, without prejudice to the application of Article 11 of the Decision of 1 February 1971;

HAS DECIDED AS FOLLOWS :

Article 1

The second paragraph of the Council Decision of 27 June 1974 is replaced by the following text :

"It shall apply to operations approved by the Commission before 31 December 1977".

Article 2

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

Done at Brussels,

For the Council

-
- (1) OJ No L 185, 9 July 1974, p 20
(2) OJ No L 28, 4 February 1971, p 15
(3) OJ No
(4) OJ No

Proposal for a decision amending the
Council Decision of 22 July 1975
on action by the European Social Fund for persons
affected by employment difficulties
(75/459/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to Council Decision 71/66/EEC of 1 February 1971 on the reform of the European Social Fund (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3),

Having regard to the Opinion of the Economic and Social Committee (4)

Whereas the Decision of 22 July 1975 on action by the European Social Fund for persons affected by employment difficulties expires two years after its entry into force, namely on 4 August 1977;

Whereas any interruption in the financing of operations under the said Decision should be avoided, without prejudice to the application of Article 11 of the Decision of 1 February 1971;

HAS DECIDED AS FOLLOWS :

Article 1

The second paragraph of Article 5 of the Council Decision of 22 July 1975 is replaced by the following text :

"It shall apply to operations approved by the Commission before 31 December 1977".

Article 2

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

Done at Brussels,

For the Council

(1) OJ. N° L 199, 30.7.1975, p. 36

(2) OJ. n° L 28, 4.2.1971, p. 15

(3) OJ No

(4) OJ No

Proposal for a decision amending the
Council Decision of 9 February 1976
on intervention by the European Social Fund in
favour of persons occupied in the textile and
clothing industries (76/206/EEC) (1)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community,

Having regard to the Council Decision of 1 February 1971 on the reform of
the European Social Fund (2), and in particular Article 4 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament (3)

Having regard to the Opinion of the Economic and Social Committee (4),

Whereas the Decision of 9 February 1976 on intervention by the European Social Fund
in favour of persons occupied in the textile and clothing industries expires 18 months
after its entry into force, namely on 14 August 1977;

Whereas any interruption in the financing of operations under the said Decision
should be avoided, without prejudice to the application of Article 11 of the Decision
of 1 February 1971;

HAS DECIDED AS FOLLOWS :

Article 1

The second paragraph of Article 3 of the Council Decision of 9 February 1976 is
replaced by the following text :

" it shall apply to operations approved by the Commission before 31 December 1977."

Article 2

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

Done at Brussels,

For the Council

(1) OJ N° L 39, 14.2.1976, p 39

(2) OJ n° L 28, 4.2.1971, P 15 .

(3) OJ No

(4) OJ No