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**A7-0151/2014**

3.3.2014

## REPORT

on: Are tools in place to monitor the effectiveness of European Social Fund spending on older workers? (Court of Auditors Special Report 25/2012) (2013/2173(INI))

Committee on Budgetary Control

Rapporteur: Zigmantas Balčytis

Rapporteur for the opinion (\*):  
Danuta Jazłowiecka, Committee on Employment and Social Affairs

(\* ) Associated committees – Rule 50 of the Rules of Procedure

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on: Are tools in place to monitor the effectiveness of European Social Fund spending on older workers (Court of Auditors Special Report 25/2012) (2013/2173(INI))**

*The European Parliament,*

- having regard to the European Court of Auditors Special Report 25/2012 ‘Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?’,
  - having regard to the European Foundation for the Improvement of Living and Working Conditions, and, more particularly, its 2012 analysis of employment trends and policies for older workers in the recession,
  - having regard to the contribution of the European Agency for Health and Safety at Work on priority groups, in particular older workers,
  - having regard to the 2013 Eurofound study on the role of governments and social partners in keeping older workers in the labour market,
  - having regard to the first international survey on adult skills carried out by the Commission and the OECD in 2013 as part of the Programme for the International Assessment of Adult Competencies (PIAAC),
  - having regard to the guiding principles of the new European Social Fund regulations for the 2014-2020 programming period adopted by Parliament on 20 November 2013,
  - having regard to Rules 48 and 119(2) of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on Employment and Social Affairs (A7-0151/2014),
- A. whereas population ageing, changing working conditions, the incentives for early retirement that still exist, the financial crisis and changes in production patterns, as well as demand for increasing competitiveness, call for strong responses to enable older workers to remain active in the labour market, including when they wish to do so beyond retirement age;
- B. whereas the Lisbon Agenda defined an ‘older worker’ as any person of working age between 55 and 64 years old;
- C. whereas in 2012 the employment rate for people aged 55 to 64 was less than 50 % in the European Union (54.4 % for men and 41.8 % for women) and whereas in certain Member States it dropped to as low as around 30 %; whereas this trend could be caused by a number of factors such as outdated skills and qualifications, employers’ attitudes towards older workers, difficulties with reconciling professional and family life, and declining health;

- D. whereas an older labour force and longer working lives can make a positive contribution to recovery and future growth;
- E. whereas older people are indispensable in terms of passing on knowledge and experience to future generations;
- F. whereas the Lisbon Agenda<sup>1</sup> and the Europe 2020 strategy<sup>2</sup> adopted in 2010, which establishes the European Union's economic and social strategies, include action plans for greater growth and more jobs, and set goals, in particular regarding employment;
- G. whereas maintaining the employability of older workers, as well as keeping a high proportion of the population in work until later in life, is crucial to addressing demographic challenges and reaching the EU target of 75 % of the 20- to 64-year-old population in employment by 2020;
- H. whereas it is necessary, in order to support recent changes in pension systems resulting from the raising of the retirement age, to introduce measures in the labour market and in the workplace to encourage longer careers and enable people to continue working until the retirement age;
- I. whereas, as a result of the current demographic shift, with a rise in the average age of the population, those aged 55 to 64 will make up an ever increasing share of workers in Europe;
- J. whereas several years of economic and financial crisis have meant that the European Social Fund's (ESF) measures are more important than ever as one of the tools for tackling high unemployment, and lessons learned from implementing previous measures will be vital when the new programmes are put in place from 2014;
- K. whereas the ESF, which during the programming period 2007-2013 accounted for 8 % of the total EU budget, is a key financial instrument intended to help Member States achieve EU employment policy and social inclusion objectives, and whereas reliable data are necessary in order to assess how effectively ESF resources are spent;
- L. whereas regarding the period from 2007 to the end of 2013, neither the Member States nor the Commission can establish how many older workers have gained new qualifications, found or kept a job after participating in an action funded by the ESF;
- M. whereas the lifelong learning measures promoted by the ESF are, on the whole, well suited to keeping people in employment (e.g. by employability training or retraining);
- N. whereas older workers account for less than 5 % of participants in the lifelong learning activities of the ESF, which is evidence of lower levels of participation in training programmes but not of a lack of training or qualifications on the part of those workers;

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<sup>1</sup> The aim of the Lisbon Agenda was to make the EU 'the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion' by 2010.

<sup>2</sup> Europe 2020, launched in 2010, replaces the Lisbon Agenda. It is about delivering [smart](#), [sustainable](#), and [inclusive](#) growth. The strategy focuses on five goals to be achieved by 2020 in the areas of employment, innovation, education, poverty reduction and climate/energy.

- O. whereas the Member States designate Managing Authorities (MAs) to implement the multiannual Operational Programmes (OPs), prepared by the Member States following consultations with stakeholders and bilateral meetings with the Commission and which were finally adopted in the form of Commission decisions, and which set up and maintain systems for financial management and control systems to carry out programming, checks, monitoring and reporting;
- P. whereas OPs generally cover various groups of unemployed people (young people, older workers, the long-term unemployed and those not in employment, education or training (NEETs));
- Q. whereas the implementation of the ESF must comply with the EU's Financial Regulations, in particular the fundamental principles of sound financial management, i.e. economy, efficiency and effectiveness;
1. Is concerned by the fact that in the OPs, for the period 2007-2013, the definition of 'older workers' is not used consistently; notes that many MAs do not use in their respective OPs the definition of 'older workers' as defined in the Lisbon Agenda, namely any person of working age between 55 and 64 years old, but instead use different age groups; is of the opinion that the definition of "older workers" should be adapted to the maximum legal pension age in the respective Member States;
  2. Regrets the fact that no complete and reliable data, including data disaggregated by gender, are available as a basis for assessing the effectiveness of ESF spending on older workers; takes the view that the use of ESF appropriations must be transparent; stresses that the information on funded programmes, achievement of their objectives and the amount budgeted should be available to citizens in an easily accessible manner on public websites;
  3. Acknowledges that, depending on their own specific socioeconomic and demographic situations, Member States use different age groups to define older workers; considers it regrettable, however, that this definition is not always consistently applied throughout the whole programming process in a given Member State; encourages the Member States, therefore, to make sure, in the forthcoming programming period (2014-2020), that the age groups used for needs analysis are the same as the age groups used in the programmes and/or in the related actions and targets;
  4. Stresses that the implementation of the ESF must comply with the EU Financial Regulation and, in particular, with the fundamental principles of sound financial management such as effectiveness, which should be understood as meaning the attainment of the specific objectives set and the achievement of the intended results;
  5. Calls on the Member States to rely more on quantitative and qualitative data when analysing the socioeconomic situation of older workers and to provide for a measurable causal link between actions identified within operational programmes and the objectives pursued, which would facilitate the verification of consistency among identified needs, chosen strategy and the specific goals set, and make it possible to take sound decisions with regard to the future;

6. Regrets that the data necessary for evaluating the current employment situation for older workers, assessing future development and adopting measures to achieve the established objectives provided by the Member States are unreliable and of unsatisfactory quality; calls for measures to be adopted that will motivate the Member States to submit reliable and high-quality data;
7. Notes that the regulatory framework (2007-2013) provides for financial data at priority axis level only and that none of the OPs under review has a priority axis specifically for 'older workers'; regrets the difficulty in assessing precisely how much funding has been allocated to the actions to which it was dedicated, in particular for 'older workers';
8. Notes that for the period 2007-2013, no priority theme dealing with initiatives for older workers, such as 'encouraging active ageing and prolonging working lives', is included in the OPs, mainly because of differing interpretations of the form a priority of this kind should take;
9. Is of the opinion that specific groups of workers, such as those working in shifts or in heavy industry, need specially adapted programmes and projects that differ from those in less physical jobs, such as workers in service industries and sectors; further points out that gender should be incorporated as a policy factor;
10. Strongly believes that the experience of older workers is an asset that should be used in the best possible way, not only so that individual workers are able to remain active in the labour market in their own job but also so that they can use this acquired experience when changing jobs;
11. Is concerned about the fact that, in the OPs, 'older workers', although identified as a target group, did not always have their own indicators or target values, leading to a situation where it is difficult or even impossible to assess the effectiveness of the measures addressing the needs of older workers; notes that, when indicators are in fact present in projects, they refer mostly to output, such as the number of participants and results, rather than to any specific impacts;
12. Calls on the Commission to put more emphasis on the fight against age discrimination of older workers and to use its prerogatives under existing legal instruments to tackle blatant forms of age discrimination in certain Member States and in certain sectors of the economy;
13. Calls for measures to assess not just employability but also progress in terms of skills (including 'soft' skills), higher self-esteem and greater motivation; notes that imparting life skills and providing informal training can make a major contribution in this respect;
14. Calls for all barriers that hamper active ageing to be monitored and removed and for lifelong learning to be supported, particularly with regard to the acquisition of new qualifications and technical skills, such as computer and foreign language skills; stresses that active ageing and life-long learning among older men and women should become regular features of working life and that these policies should be constantly monitored,

evaluated and improved;

15. Calls, in the new OPs, for a more uniform approach to the choice of target groups and the use of labour market data at national level, in order to set ambitious but realistic targets; notes, given the future importance of the growing cohort of older workers, that preparations for the OPs should also include a dialogue on the prioritisation of target groups;
16. Is concerned about the fact that some of the goals and indicators used in the projects had no direct connection with the ESF interventions, making it difficult to assess their performance, for example determining their success or failure with regard to achieving the macro-economic targets set in the OPs, given that this is beyond the remit of the ESF's actions, as they depend to a large extent on external factors such as the economic environment, social protection schemes and conditions for local public or private investment;
17. Finds it regrettable that none of the OPs included medium-term milestones, nor established an appropriate hierarchy among the different quantified goals to be reached, which would have allowed MAs to implement corrective action as soon as possible;
18. Deplores the fact that the Commission is therefore unable to report adequately on the overall results and impact of activities aimed at improving the situation for older workers in Member States funded by the ESF;
19. Strongly believes that the Commission should reinforce the way OP performance is assessed; strongly encourages the introduction of a clearly stated set of standardised performance data (which is reliable, verifiable and timely) for future programmes, which could be, when appropriate, aggregated at EU level for the programming period 2014-2020;
20. Welcomes the fact that the new focus of the Common Strategic Framework funds for the next programming period 2014-2020 is on results, under which any measure proposed must be designed to achieve a specific objective;
21. Stresses that setting clear priorities in the new OPs with a view to achieving results will enable synergies to be found between the various funds and other sources of financing, thereby helping to ensure that measures to achieve the proposed objectives are as effective as possible at both national and transnational level;
22. Believes it necessary for the indicators used under the new OPs to include alerts in respect of financial and physical factors, and welcomes the fact that these are subject to special monitoring so that the reasons for any deviation from a given threshold in respect of the programmed objectives is analysed by the evaluation unit in cooperation with the intermediary bodies for the programmes, with a view to determining whether the deviations are caused by temporary situations or structural problems requiring more in-depth analysis or, where necessary, modifications to the programme;
23. Believes it also necessary to monitor whether or not changes occur in the socio-economic

context and in the national and/or Union priorities, and whether problems arise when the OPs are being implemented which require a programme to be evaluated and substantially modified;

24. Calls for the systematic use of relevant performance indicators such as operational goals, result targets and specific impact targets to be included from the project condition stage so that the 2014-2020 ESF programmes can improve not only the amount and quality of the data collected on ‘older workers’ in the labour market but also the decision-making process;
25. Calls on the Member States, in the next programming period, to apply and complement as appropriate the common indicators provided for in the ESF Regulation in order to establish how many older workers, disaggregated by gender, have participated in ESF-funded projects with a focus on workplace adaptation, acquisition of skills, an improved labour-market situation for individuals, or finding a job, and how many of them have gained new qualifications, improved their situation on the labour market or found a job after having benefited from projects financed by the ESF;
26. Recalls that, overall, it is necessary for the projects to properly reflect the OPs’ goals in order to reduce the risk of not meeting the initial objectives set; calls for MAs to systematically check the existence of this link in order to select the best projects;
27. Strongly encourages stakeholders to improve methodology where appropriate in order to move on from a simplistic approach concerning disbursement or actual costs to an integrated approach towards best performance in management projects;
28. Invites the Commission to verify the submission and quality of the data supplied by the OPs more thoroughly and to produce a guide containing operational advice which is made available to the Member States;
29. Takes the view that any monitoring system should rely on the effective documentation of checks carried out on the OPs in order to obtain a satisfactory level of insurance;
30. Welcomes the fact that MAs generally defined the monitoring data they required clearly; recalls, nevertheless, that monitoring and evaluation systems should allow for the timely and periodic verification of progress made towards the established objectives and for the possibility of reacting quickly to significant divergences from them;
31. Calls for more precise regulatory requirements regarding the evaluations requested from the MAs, and for OPs a minimum set of topics, to be covered in the evaluation process to be defined; calls for efforts to be made to ensure that lessons learned from programme management are duly taken into account in future decision making;
32. Calls on the Commission gradually to rebalance and enhance its management tools so as to move from simply monitoring compliance – on the basis of legality/regularity principles – towards measuring the progress in achieving the target values and the performance of the use of ESF in the forthcoming period 2014-2020; recalls that successfully establishing a robust performance framework, with clear and measurable aims and targets which provide accountability and results, is key to maximising the impact



on growth and jobs and requires common and equivalent efforts from the Commission and the Member States;

33. Welcomes the Commission's proposal to improve the performance assessment of OPs in the 2014-2020 programming period and the inclusion of a set of common output and result indicators, including long-term result indicators, in the ESF regulation;

34. Encourages the Commission, in this regard, to step up its collaboration with other international institutions, such as the OECD, on the basis of specific assessments for disadvantaged groups or vulnerable workers categories and by identifying concrete measures to help Member States better define key priorities, strategies and sustainable projects eligible for ESF funding in the forthcoming 2014-2020 period;

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35. Instructs its President to forward this resolution to the Council and the Commission.

24.1.2014

## **OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

for the Committee on Budgetary Control

on: Are tools in place to monitor the effectiveness of European Social Fund spending on older workers? (Court of Auditors Special Report 25/2012) (2013/2173(INI))

Rapporteur(\*): Danuta Jazłowiecka

(\*): Procedure with associated committees – Rule 50 of the Rules of Procedure.

### **SUGGESTIONS**

The Committee on Employment and Social Affairs calls on the Committee on Budgetary Control, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas population ageing, changing working conditions, the incentives for early retirement that still exist, the financial crisis and changes in production patterns, as well as demand for increasing competitiveness, call for strong responses to enable older workers to remain active in the labour market, including when they wish to do so beyond retirement age;
- B. whereas in 2012 the employment rate among people aged 55-64 was less than 50 % in the European Union (54.4 % for men and 41.8 % for women) and whereas in certain Member States it dropped to as low as around 30 %; whereas this trend could be caused by a number of factors such as outdated skills and qualifications, employers' attitudes towards older workers, difficulties with reconciling professional and family life, and declining health;
- C. whereas an older labour force and longer working lives can make a positive contribution to recovery and future growth;
- D. whereas older people are indispensable in terms of passing on knowledge and experience to future generations;
- E. whereas the European Social Fund (ESF), which during the programming period 2007-2013 accounted for 8 % of the total EU budget, is a key financial instrument

intended to help Member States achieve EU employment policy and social inclusion objectives, and whereas reliable data are necessary in order to assess how effectively ESF resources are spent;

- F. whereas maintaining the employability of older workers, as well as keeping a high proportion of the population in work until later in life, is crucial to addressing demographic challenges and reaching the EU target of 75 % of the 20- to 64-year-old population in employment by 2020;
- G. whereas the lifelong learning measures promoted by the ESF are on the whole well suited to keeping people in employment (e.g. by employability training or retraining);
  1. Regrets the fact that no complete and reliable data, including data disaggregated by gender, are available as a basis for assessing the effectiveness of ESF spending on older workers; takes the view that the use of ESF appropriations must be transparent; stresses that the information on funded programmes, achievement of their objectives and the amount budgeted should be available to citizens in an easily accessible manner on public websites;
  2. Stresses that the implementation of the ESF must comply with the EU Financial Regulation and, in particular, with the fundamental principles of sound financial management such as effectiveness, which should be understood as meaning the attainment of the specific objectives set and the achievement of the intended results;
  3. Welcomes the Commission's proposal to improve the performance assessment of operational programmes in the 2014-2020 programming period and the inclusion of a set of common output and result indicators, including long-term result indicators, in the ESF regulation;
  4. Calls on the Member States, in the next programming period, to apply and complement as appropriate the common indicators provided for in the ESF Regulation, in order to establish how many older workers, disaggregated by gender, have participated in ESF-funded projects with a focus on workplace adaptation, acquisition of skills, an improved labour-market situation for individuals, or finding a job, and how many of them have gained new qualifications, improved their situation on the labour market or found a job after having benefited from projects financed by the ESF;
  5. Calls on the Member States to rely more on quantitative and qualitative data when analysing the socioeconomic situation of older workers and to provide for a measurable causal link between actions identified within operational programmes and the objectives pursued, which would facilitate the verification of consistency among identified needs, chosen strategy and the specific goals set, and make it possible to take sound decisions with regard to the future;
  6. Acknowledges that, depending on their own specific socioeconomic and demographic situations, Member States use different age groups to define older workers; considers it regrettable, however, that this definition is not always consistently applied throughout the whole programming process in a given Member State; encourages the Member States, therefore, to make sure, in the forthcoming programming period (2014-2020), that the age

groups used for needs analysis are the same as the age groups used in the programmes and/or in the related actions and targets;

7. Calls for measures to target not just employability, but also progress in terms of skills (including 'soft' skills), higher self-esteem and greater motivation; notes that imparting life skills and providing informal training can make a major contribution in this respect;
8. Calls for all barriers that hamper active aging to be monitored and removed and for lifelong learning to be supported, particularly with regard to the acquisition of new qualifications and technical skills, such as computer and foreign language skills; stresses that active ageing and life-long learning among older men and women should become regular features of working life and that these policies should be constantly monitored, evaluated and improved;
9. Calls, in the new operational programmes, for a more uniform approach to the choice of target groups and the use of labour market data at national level, in order to set ambitious but realistic targets; notes, given the future importance of the growing cohort of older workers, that preparations for the operational programmes should also include a dialogue on the prioritisation of target groups.

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	23.1.2014
<b>Result of final vote</b>	+: 33 -: 2 0: 0
<b>Members present for the final vote</b>	Edit Bauer, Phil Bennion, Pervenche Berès, Philippe Boulland, Alejandro Cercas, Ole Christensen, Derek Roland Clark, Frédéric Daerden, Karima Delli, Sari Essayah, Richard Falbr, Thomas Händel, Marian Harkin, Stephen Hughes, Danuta Jazłowiecka, Ádám Kósa, Jean Lambert, Olle Ludvigsson, Thomas Mann, Elisabeth Morin-Chartier, Csaba Óry, Konstantinos Poupakis, Licia Ronzulli, Elisabeth Schroedter, Joanna Katarzyna Skrzydlewska, Gabriele Stauner, Jutta Steinruck, Ruža Tomašić
<b>Substitute(s) present for the final vote</b>	Georges Bach, Philippe De Backer, Kinga Göncz, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Anthea McIntyre, Ria Oomen-Ruijten

## RESULT OF FINAL VOTE IN COMMITTEE

<b>Date adopted</b>	18.2.2014
<b>Result of final vote</b>	+: 26 -: 0 0: 0
<b>Members present for the final vote</b>	Marta Andreasen, Inés Ayala Sender, Zigmantas Balčytis, Ryszard Czarnecki, Tamás Deutsch, Martin Ehrenhauser, Jens Geier, Gerben-Jan Gerbrandy, Ingeborg Gräßle, Rina Ronja Kari, Bogusław Liberadzki, Jan Mulder, Monika Panayotova, Crescenzo Rivellini, Paul Rübig, Petri Sarvamaa, Theodoros Skylakakis, Georgios Stavrakakis, Michael Theurer
<b>Substitute(s) present for the final vote</b>	Philip Bradbourn, Karin Kadenbach, Marian-Jean Marinescu, Olle Schmidt
<b>Substitute(s) under Rule 187(2) present for the final vote</b>	Peter Jahr, Iosif Matula, Godelieve Quisthoudt-Rowohl, Marie-Thérèse Sanchez-Schmid