

## ESF THEMATIC NETWORK ON SIMPLIFICATION

### REPORT ON SCO PRACTICES

(Draft for the 6<sup>th</sup> Meeting of the Thematic Network - The Hague – 8-9 June, 2017)

#### References:

<b>Member State / Region</b>	<b>FRANCE National OP</b>
<b>Reference number (TN's map of SCO practices)</b>	<b>6</b>

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<b><u>Type of SCO reported</u></b> (Please choose one of these types of SCO: flat rate financing, standard scale of unit costs, lump sum).	<b>STANDARD SCALE OF UNIT COSTS</b>
<b><u>Type of activities covered by the SCO</u></b> (Please indicate what type of activities is targeted by the SCO).	<b>PATHWAYS TO EMPLOYMENT FOR YOUNG NEETS</b>

#### **A. PROJECT DESCRIPTION**

<b>A1. Description of the type of operation</b> (Please describe in brief what types of operations are covered by SCO)
<b>Project : the French Youth Guarantee Scheme</b> A 12-month programme (pathway to employment) for young people neither in education, employment or training. It consists of:

- Advice and counseling, aiming at developing the young person's skills. This aspect is carried out by local public employment services.
- A monthly financial allowance (up to € 452) for every young person, paid out by the State.

The Youth Guarantee Scheme may receive financial support from the Youth Employment Initiative (€ 37.4 million) and the ESF (€ 37.4 million)

**A2. Definition of outputs/results** *(Please give a short definition of outputs and/or results)*

Result : the young person attended the full 12-month programme and the payment of the YEI support is conditional on the achievement of certain goals (→ « positive outcomes ») : the young person enrolled for vocational training or studies ; the young person starts a business ; the young person is hired by a company ; the young person spent at least 80 days in work related situations during the 12-months programme.

**A3. Beneficiaries** *(please indicate the types of beneficiaries involved in the operations covered by SCO)*

Beneficiary : the Ministry of Labour's Department in charge of promoting youth employment. The Department coordinates the local public employment services that implement the operation in the YEI regions.

**A4. Target group(s)** *(Please list target groups within projects covered by SCO)*

Young NEETS under 26

**B. METHODOLOGY AND CALCULATION METHOD**

**B.1 Methodology** *(please indicate which methodology/ies has/have been used: Fair, equitable and verifiable method / use of existing EU schemes for similar types of operation and beneficiary / Use of existing own national schemes for similar types of operations and beneficiaries / use of rates and specific methods enshrined in the regulation or in a delegated act / use of a draft budget /combination of methodologies).*  
*Please indicate if the concerned SCO has been covered by Art. 14(1) ESF)*

The standard scale of unit costs covers the costs of 1 participant in a 12-month programme. This amount takes into account both the costs related to the counselling activities carried out by the local public employment services and the costs of the monthly allowance to the young person.

- Counselling/support costs determined using article 67, (5), c. of the Common Provisions Regulation (1303/2013). Existing own national scheme for similar types of operations and beneficiaries.
- Financial support for the young person attending the programme determined through historical data.

The standard scale of unit cost was covered by a delegated act under article 14 (1) ESF regulation : Delegated Regulation n°2015/2195.

**B.2 Calculation Methods** *(please describe how the calculations have been made)*

- Counselling/support costs (€ 1 600 / person / year) : determined using article 67, (5), c. of the Common Provisions Regulation (1303/2013).
- Financial support for the young person attending the programme (2 000 € / person / year) : determined by analysing the average costs of this allowance in 2014.

**B.3 Data source** *(please indicate the type of data used and the data source)*

- Counselling costs : national regulation (instruction ministérielle du 11 octobre 2013 relative à l'expérimentation Garantie Jeunes prise pour l'application du décret 2013-80 du 1er octobre 2013)
- Financial support for the young person : analysis of the 2014 payment data. Indeed, in 2014, the scheme was funded by the State only.

**C. IMPLEMENTATION OF SCO**

*(Please describe in brief what implementation rules and conditions have been set out)*

The standard scale of unit costs covers the costs of 1 participant in a 12-month programme. This amount takes into account both the costs related to the counselling activities carried out by the public local employment services and the costs of the monthly allowance to the young person. The payment of the YEI support is conditional on the achievement of certain goals (→ « positive outcomes »). There is no positive outcome if the young person has not completed the 12-month programme. Each type of positive outcome has to be proved by supporting documentation. Rules set out in the Delegated Regulation n°2015/2195.

**D. AUDIT TRAIL**

*(Please provide a brief description of the audit trail for the concerned SCO, including documents, key contents/conditions and procedures)*

The payment of the YEI support is conditional on the achievement of certain goals (→ « positive outcomes »). There is no positive outcome if the young person has not completed the 12-month programme.

4 indicators :

The young person enrolled for vocational training or studies  
The young person starts a business  
The young person is hired by a company  
The young person spent at least 80 days in work related situations during the 12-months programme.  
Each type of positive outcome has to be proved by supporting documentation.

The beneficiary (Ministry of Labour's Department for youth employment) collects and compiles the data from the local public employment services and issues the payment claim.

The Ministry of Labour's ESF Department performs the checks on the payment claim and declares the eligible expenditure to the EC.

#### **E. ASSESSMENT BY THE AUDIT AUTHORITY(IES) INCLUDING EVENTUAL EX ANTE ASSESSMENT**

*(If relevant, please explain how the audit authority has been involved in preparation and assessment of the SCO).*

#### **F. IMPACT OR ADDED VALUE FOR THE MA, BENEFICIARIES AND OTHER STAKEHOLDERS**

*(Please explain how you have perceived impact/added value of the SCO for the MA, beneficiaries and other stakeholders).*

Benefits :

- Result-oriented procedure : Focus on the Youth Guarantee's objectives and goals rather than on justifying the incurred costs.
- Simplification : A national calculation method was used to determine part of the standard scale of unit costs (article 67, (5), c). The French authorities are reimbursed as soon as a young person has achieved one of the goals.
- Legal certainty is achieved through this procedure (upstream validation by the Commission)
- Flexibility : The beneficiary is not necessarily paid according to the method used by the Commission to pay the Member State.

## **G. SPECIFIC ISSUES FACED WITHIN CALCULATION AND IMPLEMENTATION OF THE SCO**

*(Please indicate any issues/problems/challenges you have experienced when setting out or implementing the SCO, i.e. high workload, state aid, public procurement, national legislation, revenues etc.)*

- The payment is conditional on a positive outcome. Hence the importance of carefully defining the goals to be achieved and the supporting documentation (easy to provide and of sufficient legal value). It turns out that the administrative burden to justify some of the positive outcomes is still high.
- The amount of support granted to this kind of operations should be high enough.
- Part of the standard scale of unit costs was determined using 2014 data. This kind of data needs to be available and the quality shall be sufficient, so as to enable a sound analysis. In the case of the French Youth Guarantee Scheme, the available data covered only one year of implementation. Due to this lack of available data, the amount of the standard scale of unit cost was underevaluated. This year, France asked the EC for a reevaluation of the amount.
- It took 14 months for the delegated act to be published. It is therefore necessary to think ahead and start the procedure early enough.

## **H. LESSONS LEARNED AND POINTERS**

*(Please indicate any unforeseen practical implications that have emerged and any key lessons you have learned from the development and implementation of the concerned SCO practice).*

- ➔ The positive outcomes should be defined carefully. It is necessary to think ahead (are the supporting documents difficult to provide?). It is important to involve the implementing bodies, to make sure there will be able to provide the documents.

## **I. ANNEXES OR LINKS TO ONLINE DOCUMENTS**

*(Please list documents or links to online documents like complete methodology, calculation methods, documents submitted to the Commission, guidance for MAs and beneficiaries, calls for proposals, audit trail, legal acts etc.).*