Juncker Commission makes 1 billion euro available for the young unemployed

Brussels, 04 February 2015

Today the European Commission proposes to make 1 billion euro from the Youth Employment Initiative available as early as this year. This change will increase by up to 30 times the pre-financing Member States receive to boost youth employment - reaching up to 650 000 young people and helping them get into work, faster.

Valdis Dombrovskis, Vice-President for the Euro and Social Dialogue said: "With today's proposal, the Commission sends a clear signal that youth employment continues to be high on our political agenda. We will advance around 1 billion euro to support the work of Member States in helping to get young people back into work, to return to education or get a traineeship. In doing so, they are not only able to contribute to the economy and society through their skills and dynamism, but they also regain their dignity."

Marianne Thyssen, Commissioner for Employment, Social Affairs, Skills and Labour Mobility, commented: "Our young people need jobs and they need them now. It is unacceptable that today more than one young person out of five on the labour market cannot find a job. By making more funding available sooner, we can get more young people back to work: I am determined to make this happen."

The first priority of this Commission is to strengthen Europe's competitiveness, stimulate investment and create jobs. The 315 billion euro Investment Plan can create millions of new jobs – not least for young people. But even when new jobs are created it is often very difficult for young people to successfully enter the job market. This is why the Youth Employment Initiative (YEI) focuses particularly on getting young people back into work or training. All Member States have committed to the "Youth Guarantee": to provide young people under 25 with a quality job offer, an apprenticeship or training within four months of leaving school or losing a job. Today's announcement will help make that guarantee a reality, in line with the Commission's commitment in its 2015 Work Programme.

Today's proposal would increase the Youth Employment Initiative pre-financing rate in its 2015 budget allocation from 1-1.5% to up to 30%. Member States benefiting from this initiative[1] could therefore receive a third of the 3.2 billion euro allocation immediately after the adoption of dedicated Operational Programmes. Member States are expected to make this funding available immediately to project beneficiaries through advance payments for projects, and this will be closely monitored.

The Commission estimates that this accelerated pre-financing could speed up immediate support and reach out to between 350 000 and 650 000 young people this year; at the current pre-financing rate, in contrast, this figure would be between just 14 000 and 22 000 young people.

This legislative proposal will now be discussed by the European Parliament and the Council, who have to adopt it before it can enter into force.

Background

The Commission's proposal for a Youth Guarantee was presented in December 2012 (see IP/12/1311 and MEMO/12/938), formally adopted as a Recommendation to the Member States by the EU's Council of Ministers on 22 April 2013 (see MEMO/13/152) and endorsed by the June 2013 European Council. All 28 Member States have submitted their Youth Guarantee Implementation Plans (details available here) and are putting in place concrete measures. Implementation of national Youth Guarantee schemes is monitored by the Commission within the framework of the European Semester.

The European Social Fund, with an overall budget of around 86 billion euro in the 2014-2020 period, is a key source of EU funding to implement the Youth Guarantee.

To top up the European Social Fund in Member States with regions where youth unemployment exceeds 25%, the European Parliament and the Council agreed to create a dedicated Youth Employment Initiative (YEI). The YEI funding comprises a 3.2 billion euro specific allocation from a dedicated EU budget line (frontloaded to 2014-15) matched by at least 3.2 billion euro from Member
States' European Social Fund allocations.

The YEI complements the European Social Fund for implementing the Youth Guarantee Recommendation by funding activities to directly help young people not in employment, education or training (NEETs) aged below 25 years, or, where the Member States consider relevant, below 30 years. The Youth Employment Initiative funding can be used to support activities including first job experience, provision of traineeships and apprenticeships, further education and training, business start-up support for young entrepreneurs, second-chance programmes for early school leavers and targeted wage and recruitment subsidies.

Accelerating the implementation of the Youth Guarantee was identified as a key priority of President Juncker’s Political Guidelines.

**For more information**

Legislative proposal on the Youth Employment Initiative

News item on DG Employment website

Memo: EU Youth Guarantee: Questions and Answers

Memo: Q&A: Accelerated pre-financing of the Youth Employment Initiative

Youth Employment Initiative funding map

Info graphic: Youth Employment Initiative

Fact sheet: Youth Guarantee – making it happen

Fact sheet: Addressing youth unemployment in the EU

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[1] Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden, UK.

IP/15/4100