Cour des comptes

Chambres régionales & territoriales des comptes

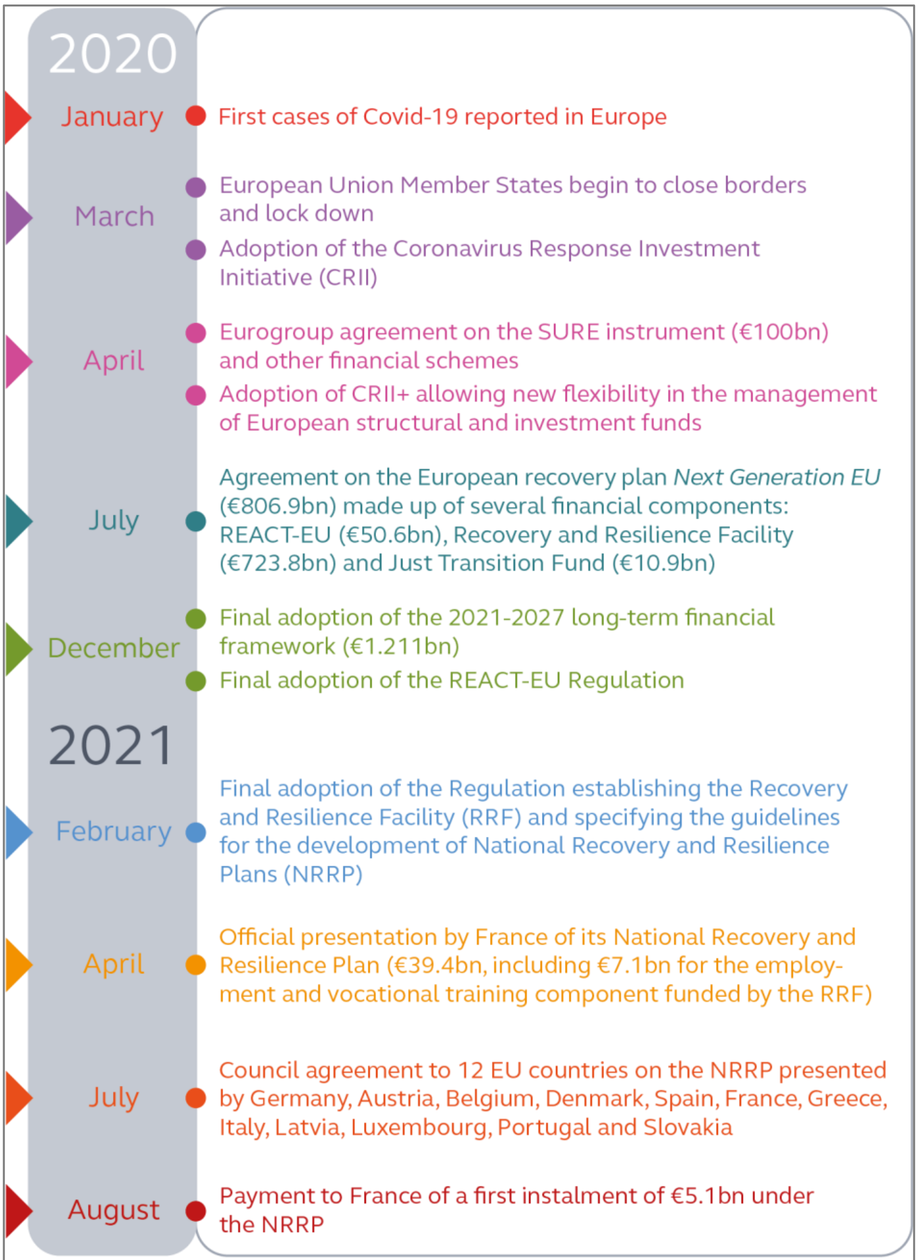
Implementation of measures provided by the European Union to support employment

Executive summary

2022 Annual Public Report

Faced with the covid 19 pandemic, from mid-March 2020, the European Union offered Member States employment and economic support measures intended to reinforce their response to emergency of the crisis then to recovery challenges.

Timeline of the measures taken by the European Union to deal with the health crisis up to August 2021



Figures are in euros, 2020 rates.

Source: Court of Accounts

Rapid appropriation by the ministry of labour of emergency measures put in place by the European Union

From March 2020, in coordination with the Secretariat General for European Affairs and the National Agency for Territorial Cohesion, the Ministry of Labour played an active role in ensuring that the measures announced at European level were quickly implemented. However, despite the flexibility measures granted by the European Commission (such as temporary authorisation for 100% funding, retroactive co-funding of investments to strengthen crisis response capacities, transfer of resources between cohesion policy funds and between regions), this first phase was marked by persistent management difficulties. The Ministry will have to overcome those difficulties to benefit fully from the future resources of the Recovery Plan.

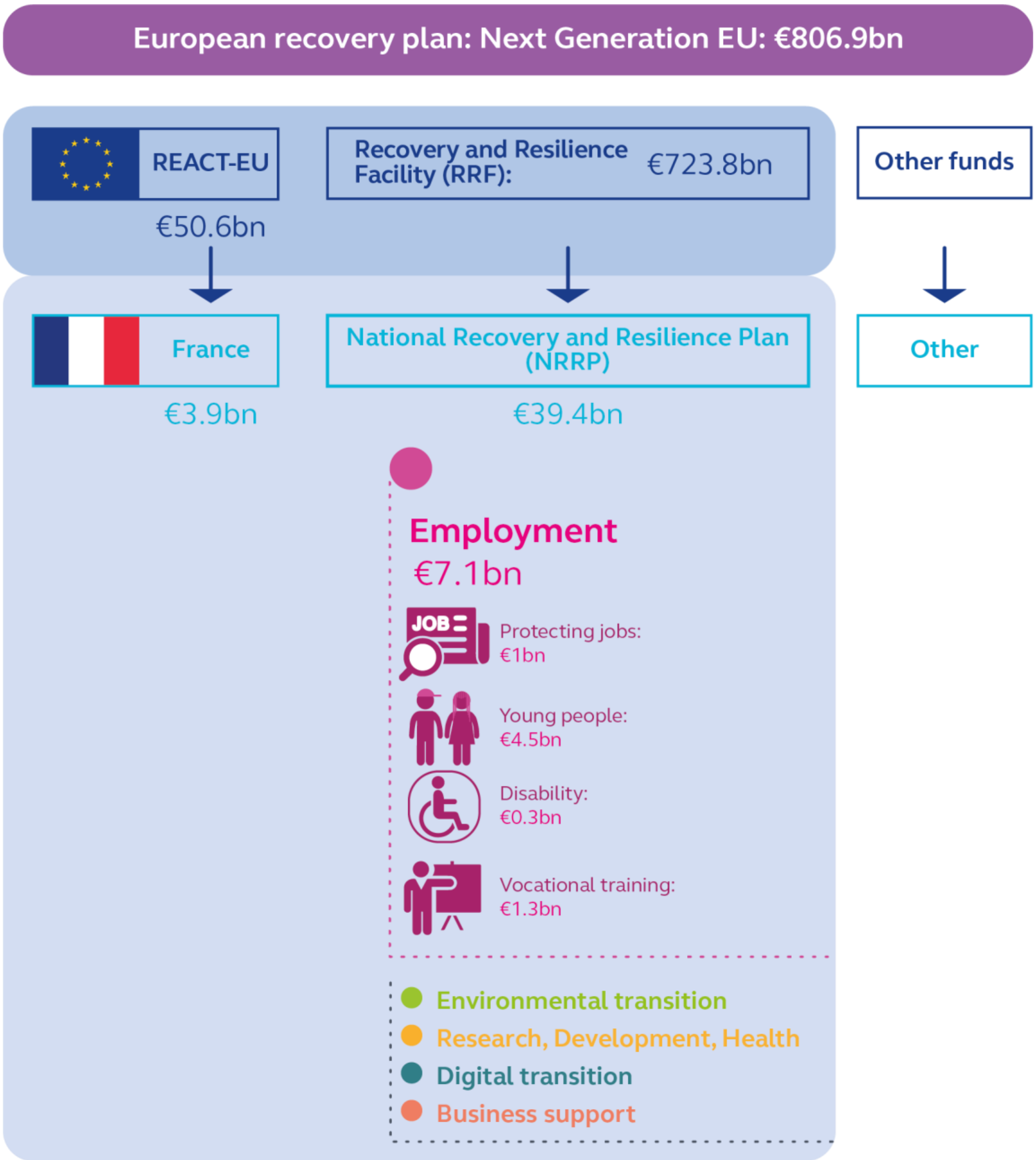
The Court's audit also showed that France had redirected budgetary resources from the European Social Fund (ESF) to measures to support workers and vulnerable groups proportionately less than its EU partners (the former redirecting €146 million, including around €30 million directly allocated to support employment; the latter, €4.1 billion for all Member States).

France also stood out due to a dispersion of funding to a multitude of measures and project owners, which complicates the management and audit of the corresponding funds.

Strong challenges for the future in coordinating and evaluating the Recovery Plan

Under the Next Generation EU European recovery package, France could benefit from €43.3 billion under "REACT-EU" (€3.9 billion provided in 2021 and 2022) and the Recovery and Resilience Facility (€39.4 billion over the 2021-2026 period). The European financial resources allocated as regards the Facility contribute up to 40% for the financing of “France Relance” Recovery Plan (amounting to €100 billion). Around 18% of the corresponding amount (i.e. €7.1 billion) is financing measures in favour of employment, young people, people with disabilities and vocational training.

18% of European Union financing for NRPP is intended to support jobs



Source: Court of Accounts

During the 2021-2026 period, this significant European financial contribution will have to be managed according to a particularly tight schedule, requiring rigorous coordination and monitoring of projects. The temporary flexibility in the use of the funds in the emergency of the crisis, the overlapping of programming periods and the multiplication of new funding schemes, all add to the complexity of management, and generate additional workload for the various departments, while risk management culture remains weak within the Ministry of Labour. The Ministry will have to organise itself to avoid difficulties in management, coordination and capacity to absorb funds.

Monitoring and evaluation of the 15 measures within its remit in the National Recovery and Resilience Plan also constitute major challenges, European financial resources being conditional on fulfilment of qualitative objectives and quantitative targets negotiated between France and the European Commission.

The Court would like to remind the Ministry of Labour of the vigilance it must apply in order to fulfil these obligations throughout the implementation of the National Recovery and Resilience Plan until 2026 in order to benefit from the expected resources.

Recommendations

The Court also makes the following recommendations:

1. strengthen the steering of operations benefiting from European funding during the 2021-2026 period *(ministry of labour, Employment and Economic Inclusion)*;

2. anticipate operational difficulties in terms of management and control in order to ensure sound use of European funding, in particular during the 2021-2023 period *(ministry of labour, employment and economic Inclusion, in conjunction with the National Agency for Territorial Cohesion [ANCT] and the inter-ministerial committee for audit coordination* [*CICC])*;

3. ensure rigorous monitoring and evaluation of the measures implemented as part of the National Recovery and Resilience Plan in order to take full advantage of European financial resources *(ministry of Labour, employment and economic inclusion)*.