

FRAMEWORK

**SOCIAL
BOND**

*Protect and support
sustainable employment*

May 2020

Social Bond Framework

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I- Unédic's socio-economic mission and contribution

1. Introduction

1. Presentation of Unédic

Unédic, a paritarian management body, is a non-profit organisation (*association de loi 1901*) whose mission of managing the Unemployment Insurance system is structured by the law.

Since 1958, the Unemployment Insurance system protects all private sector workers and some public sector workers when they lose their employment. Unemployment Insurance pays them a benefit and promotes their return to work thanks to various assistance it provides. Operating as insurance, the system provides them compensation the amount of which depends on their former salary. However, the Unemployment Insurance system is also a solidary system, since it mutualises risk and proportionally better compensates the loss of a low salary than the loss of a high salary. The system also finances jobseekers' supplementary retirement credits and the budget of Pôle Emploi, which is the organisation that provides job search support to jobseekers and responds to companies' recruitment needs¹.

Unédic's public interest mission is in line with the actions of the other players in the public employment service and is one of the essential social and economic protection mechanisms in France. Eight union and employer organisations are members of Unédic's governance and are responsible for its direction and management.

Leveraging a wide range of expertise, Unédic advises the social partners which negotiate the unemployment insurance rules. Unédic secures both the rules, by drafting regulatory texts, and financing to ensure that benefits are paid. Unédic directs the payment of benefits alongside the public agencies (responsible for collecting contributions and paying benefits) and evaluates the unemployment insurance programmes using indicators and studies. The social partners ensure that Unédic carries out its missions while observing the principles of diligence, neutrality and transparency so that the Unemployment Insurance system may be managed in a responsible and exemplary way².

Unedic is managed by a Board of Directors and a Bureau. These paritarian bodies, which are made up of an equal number of employee and employer representatives, manage the Unemployment Insurance system and cause Unédic to operate. There are also two commissions responsible for ensuring rigor in management.

The payment of benefits (unemployment benefits, allowances and participation in other social programmes) represent over 90% of Unédic's expenditures. Its other expenditures allow for the

¹ Pôle Emploi acts as the point of contact for jobseekers. This organisation supports jobseekers and is responsible for calculating and paying unemployment benefits and independent worker allowances on Unédic's behalf. Pôle Emploi determines the sanctions that apply to jobseekers when they fail to satisfy their obligations.

² In accordance with the 2012 agreement modernising labour-employer decision making.

financing of 65% of Pôle Emploi's budget, with the rest of that budget being financed by the French state.

The Unemployment Insurance system's position is particularly sensitive to growth, employment and unemployment. Unédic takes out borrowings in deficit periods in order to ensure that it can pay benefits.

2. The fundamentals of Unemployment Insurance in France

The organisation and mission of the Unemployment Insurance system are inextricably linked to the fight against poverty and exclusion, which is conditioned upon access to employment. The workplace is an area for socialising and collective interaction, all while being a place of economic production.

Starting in 1945 and up to 1958, the payment of unemployment benefits to jobseekers (which does not fall within the scope of the ordinance of 4 October 1945 relating to social security) was financed through the assistance of communal or regional funds.

On the initiative of General De Gaulle, on 31 December 1958 a national inter-professional agreement was signed by the labour unions representing employees and the Conseil National du Patronat Français, an employer representative organisation. This agreement created a special benefit system for unemployed workers in industry and trade which was based on the contribution model and social insurance principles initiated by Chancellor Otto Von Bismarck at the end of the nineteenth century³.

The Unemployment Insurance system is a mandatory social insurance programme to which private sector employers and some public sector employers pay contributions in order to protect their employees when they lose their employment. It is therefore a contribution-based system that is founded on inter-professional solidarity insofar as contributions, which are proportional to wages and salaries, are mutualised irrespective of sector or profession and that the Unemployment Insurance system better compensates the loss of a low salary than it does a high salary.



Thanks to these resources, employees who are involuntarily deprived of work can benefit from replacement income that takes the form of a benefit that is conditioned upon having worked for a sufficiently long period. The amount of the benefit is determined by applying a replacement rate to the salary earned during a reference period that preceded the end of the employment contract, which period varies depending on the beneficiary's age. The replacement rate is proportional to the salary: lower salaries are applied a more favourable replacement rate than high salaries. On average,

³ For more information about the Bismarck and Beveridge models, see : <https://www.unedic.org/publications/bismarck-beveridge-deux-modeles-de-lindemnisation-du-chomage-en-europe>

replacement income represents 72% of the former net salary. This income is paid monthly for a period that can last up to two years, and up to three years for the oldest beneficiaries. Unemployment insurance therefore secures career paths by providing replacement income to active individuals during periods in which they are unemployed and facilitates professional retraining.

In addition to unemployment benefits, other measures exist to respond to the wider range of situations and professional aspirations: personalised support to encourage the retraining of individuals who were laid off, payment of benefits to persons who are enrolled in professional retraining programmes, or allowances aimed at creating or taking over a business. The payment of compensation allows beneficiaries to free up time and thus better invest themselves in searching for employment. The support and advice provided by Pôle Emploi's counsellors help individuals access more sustainable, high-quality employment that is more in line with the needs of companies. Human support is an essential factor of the Unemployment Insurance system in France.

In addition, the implementation of the renewable entitlements scheme in 2014 contributes to securing career paths. It incentivises periods of employment by providing benefits via the Unemployment Insurance system over longer periods.

Pôle Emploi's financing is defined by law. Its means are essential to the functioning of the principal public employment entity, which has 55,000 employees in 900 branches across the French territory. Unédic's financing of Pôle Emploi, which has continuously increased since it was created, contributes to more personalised services and fortified support assistance for those who most need it. A multi-year tripartite convention between Unédic, the French state and Pôle Emploi sets priorities and objectives with respect to return to employment, quality of services, support to jobseekers and companies. The current tripartite convention covers the 2019-2022 period⁴.

3. Management by the Social Partners in a framework organised by Law

The law defines the principles that govern the Unemployment Insurance system and provides that the implementation of these principles results from an agreement entered into by the organisations that represent employers and labour.

Since 1958, the French State has entrusted to the social partners the responsibility of managing the Unemployment Insurance system (management carried out through Unédic) and of jointly defining the rules governing the system. The rules so defined relate in particular to setting contribution rates, the conditions jobless workers must satisfy in order to claim benefits, benefit amounts and the length of time during which benefits are paid.

The representative inter-professional organisations at the national level are:

- 5 labour union organisations: CFTD, CFTC, CFE-CGC, CGT and FO;
- 3 professional employer organisations: CPME, Medef and U2P.

These organisations negotiate the rules governing the payment of benefits and contributions to the Unemployment Insurance system. In general, these negotiations take place every two to three years. Regular renegotiation allows the rules to be adapted to changes in the labour market whilst taking into account the economic and social context.

⁴ [Link](#) to the 2019-2022 State-Unédic-Pôle Emploi tripartite convention

Before negotiations take place, the government sends the social partners a framing document that specifies objectives with respect to the financial trajectory, the negotiation period and, as the case may be, objectives regarding regulatory changes⁵.

If an agreement is reached at the end of the negotiation process, the social partners' political agreement (the national interprofessional agreement) is transposed and set out in an unemployment insurance convention and in several related texts. In order to become effective and enforceable, the texts must be approved by the French Prime Minister. If no agreement is reached at the end of the negotiations between the social partners, the government defines the unemployment insurance rules through a decree approved by the *Conseil d'Etat*.

The importance of Unédic in the public employment service system led it to organise itself in a way in which regular exchanges with the French State are maintained:

- The government is directly involved in the framing and approval of management decisions regarding the Unemployment Insurance system;
- The French Parliament examines Unédic's data with respect to both the system's implementation and the factors that determine its financial situation.
- Unédic's debt issuances benefit from a guarantee by the French state, which is necessary due to Unédic's legal status and its role in the financial management of the Unemployment Insurance system. The Parliament and the French Ministry of Finance define the framework within which the debt is managed;
- The entities responsible for deploying services and benefits and for collecting contribution, which for the most part is carried out by public institutions.
- The State control bodies verify sound management.

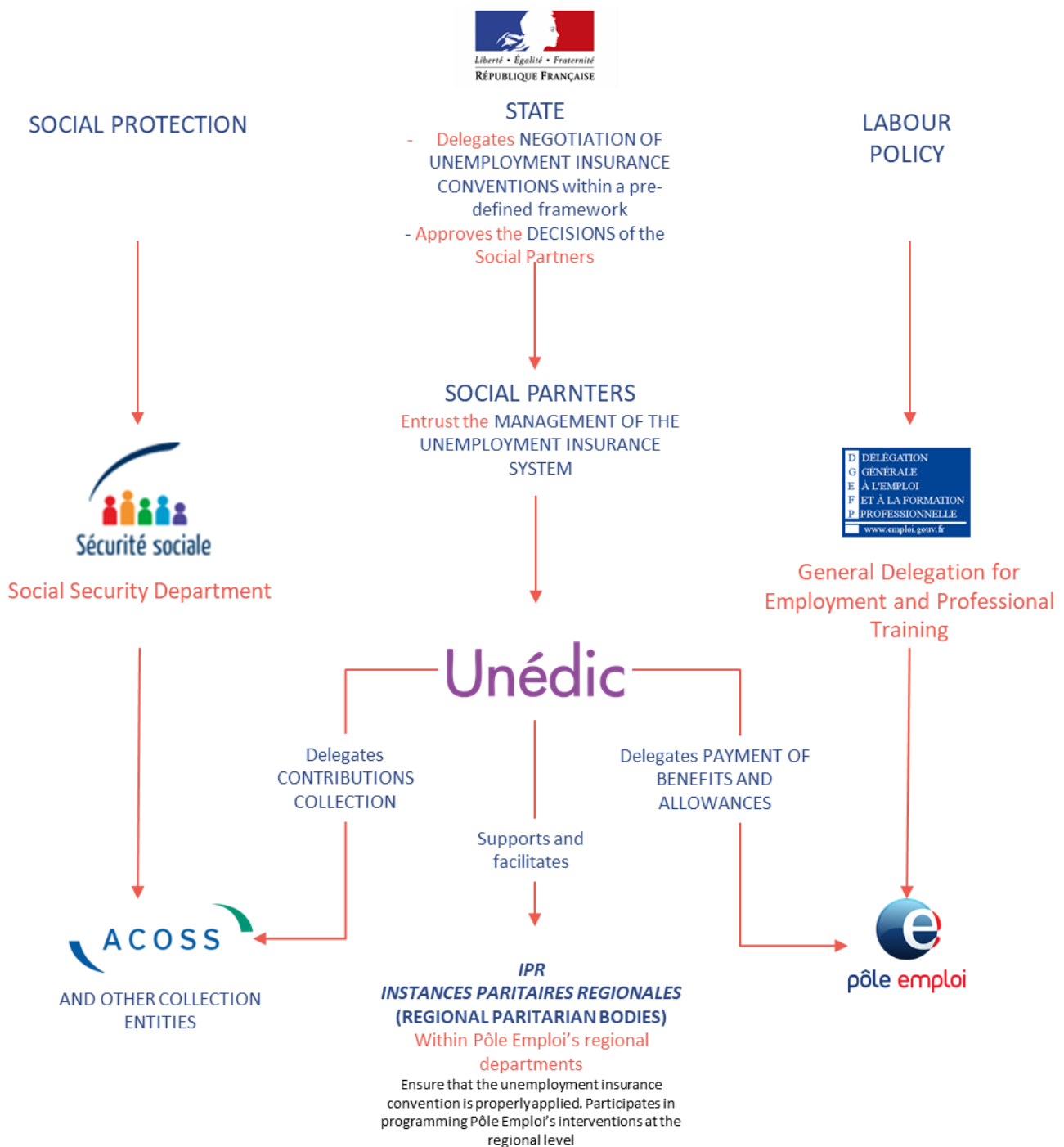
At the very heart of the public employment service, Unédic is responsible for managing the Unemployment Insurance system on behalf of the social partners, entrusted by the French State with the responsibility of negotiating unemployment insurance conventions.

Unédic further delegates to Pôle Emploi the mission to pay benefits and allowances and to ACCOS the collection of contributions.

The public employment service is directed by a tripartite convention signed by the French state, Unédic and Pôle Emploi. This convention notably defines the strategic directions and objectives set for Pôle Emploi by the French state and Unédic. A bipartite convention between Unédic and Pôle Emploi details some modalities of the tripartite convention from an operational standpoint and reinforces institutional cooperation between Unédic and Pôle Emploi.

⁵ This supervised negotiation procedure was introduced by the professional future law of 5 September 2018.

Figure 1: Unédic within the public employment service

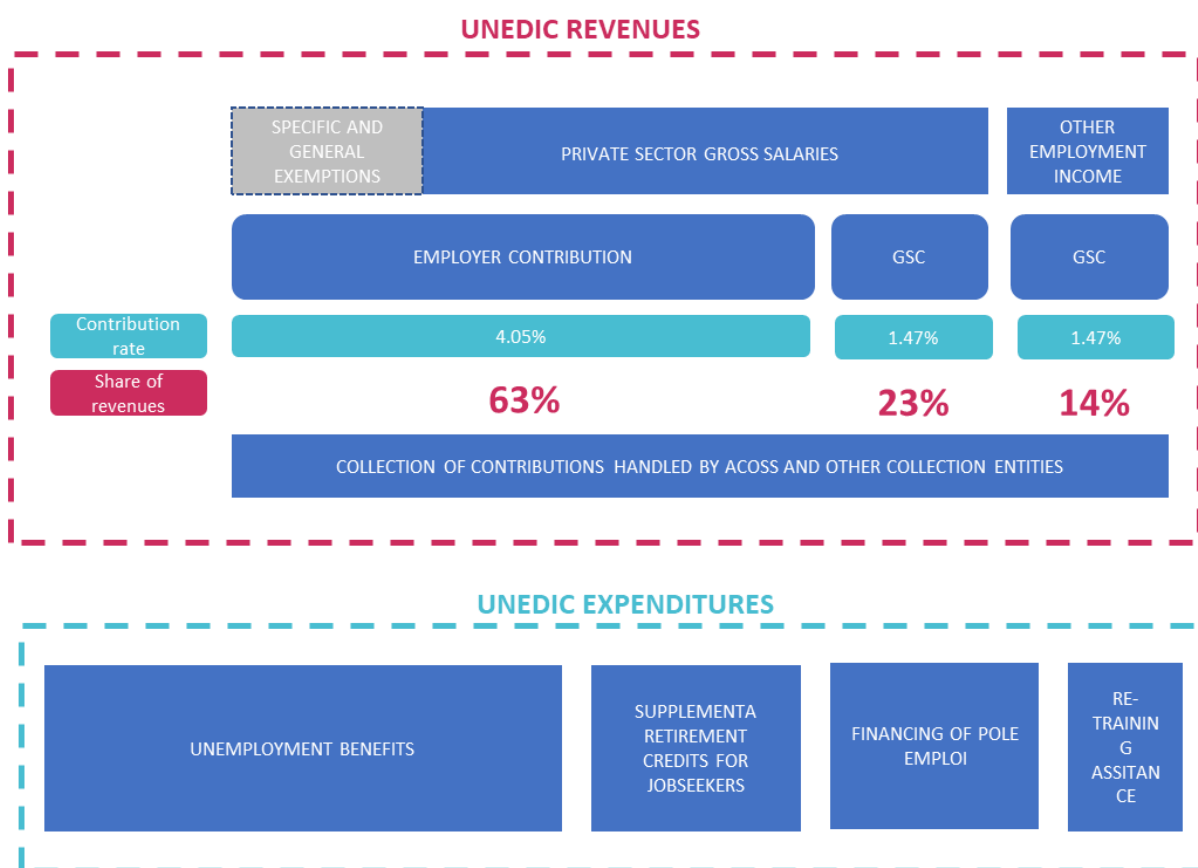


4. The Unemployment Insurance system’s financing model

Funding for the Unemployment Insurance system are derived from employment-related revenues. Up until 2019, Unédic was financed by private sector employer and employee contributions.

Since 2019, private sector employees have continued to finance over 85% of Unédic’s revenues through employer contributions and the general social contribution (*Contribution Social Généralisé*, or CSG)⁶. Collection of contributions is principally handled by ACOSS, the central organisation of the network of social security and family welfare collection bodies (Unions de Recouvrement des cotisations de Sécurité Sociale et d’Allocations Familiales, or URSSAF), and other collection bodies⁷.

Figure 2: Unédic’s revenues and expenditures model



Unédic’s expenditures essentially consist of the payment of social welfare allowances via the payment of unemployment benefits to jobseekers, contributions to supplemental retirement schemes and financing of the principal employment organisation, Pôle Emploi. Less than 1% of expenditures is dedicated towards paying interest on Unédic’s borrowings. Due to its legal status as an association

⁶ CSG is qualified as a tax (*imposition de toute nature*) under French law and is considered to be a social security contribution under EU law.

⁷ Among which: Caisse Centrale de la Mutualité Sociale Agricole, Pôle Emploi, Caisse Sociale de Monaco.

that issues bonds, Unédic is subject to the specific provisions of article L.213-15 of the French Monetary and Financial Code. These provisions define the regime governing bond issuances carried out by associations and notably prohibit the issuance of new debt securities if an association's own funds deteriorate and are not replenished. Article 107 of French finance law no. 2004-1485 of 30 December 2004 (corrective) specifies that, exceptionally, this prohibition does not apply to "debt issuances of Unédic that benefit from the State's guarantee."

The French state's guarantee is therefore necessary due to Unédic's legal status and its role in the financial management of the Unemployment Insurance system. Recourse to debt in difficult economic times is part of specific financial steering that is tied to the specificities arising from the management of the Unemployment Insurance system by the social partners in the more global framework of public finances guided by the objective of achieving mid-term financial balance over several economic cycles.

The implementation of the guarantee *via* finance laws and reports provided allow the Parliament to examine the management of the Unemployment Insurance system's finances.

Debt management is controlled and rigorous and takes place within a defined framework with the Ministry of Finance and the French states' control bodies.

5. Control bodies that guarantee genuine and efficient management

All of Unédic's expenditures that are dedicated to assisting jobseekers, companies or other social schemes are organised by specific management agreements that ensure that payments are processed properly using an operating system that is reliable, rapid and fully traceable.

Unédic is supervised by several outside supervisory bodies in the framework of various control procedures, including:

- **Cour des Comptes**, the supreme body for auditing the use of public funds in France, examines the financial forecast reports published by Unédic. In particular, the Court des Comptes evaluates the effectiveness of unemployment insurance arrangements (for example, professional security contracts (*contrat de sécurisation professionnelle*)), measures for assisting jobseekers in their job searches, Pôle Emploi's organisation and, more recently, the financial consequences of paid furloughs (*activité partiel*) within the context of the Covid-19 crisis.
- **Unédic's accounts have been certified without qualification since 1994** by a college of two independent statutory auditors. The audit of Unédic is subject to **principles of independence and ethics**.
- An **independent auditing firm** carries out an external audit at the time of each renewal of Unédic's board of directors⁸.
- The **General Financial Inspectorate** (Inspection générale des finances, or IGF) and the **General Social Affairs Inspectorate** (Inspection générale des affaires sociales, or IGAS) jointly carry out an evaluation of the State-Unédic-Pôle Emploi tripartite agreement⁹.

⁸ The audit reports are public. The last audit report can be accessed here: https://www.unedic.org/sites/default/files/2020-02/Un%C3%A9dic_Audit%20externe%20de%20fin%20de%20mandat%202018-2019_Rapport%20PwC_29%20janvier%202020_VD%C3%A9f2.pdf

⁹ The tripartite agreement evaluation reports are published. The latest report on the 2015-2018 period can be accessed here:

2. Unédic's action principles and missions

Social partners monitor whether the unemployment insurance rules are fit to actual career paths. Unédic ensures that the Unemployment Insurance system operates properly, is responsible for its financing and supervises the application of regulations. Unédic manages relationships with public agencies and ensures that the services delivered to jobseekers, employees and employers are of high quality.

Finally, the evaluation of the Unemployment Insurance system's measures and actions, the publication of studies on and analyses of the labour market and the regular updating of Unédic's financial projections help to enlighten the discussions between the political decision makers and make important information about its activities available to the public.

1. Three action principles: gathering and sharing information, neutrality, attentiveness and openness

Unédic acts according to three principles of action:

- **Gathering and sharing information:** Unédic gathers and analyses information, which it shares with the social partners, Parliament, and the general public by transparently reporting on its activities through its publications (annual reports, public summaries of Bureau and the Board of Directors meetings, negotiation files, etc.). This framework document upon which future social bond issuances will be carried out forms part of this effort of transparency, education and accountability to Unédic's various stakeholders.
- **Neutrality:** By always relying on objective facts and well-balanced analyses, Unédic stays neutral and objective so that it can help the social partners make decisions.
- **Attentiveness and openness:** Unédic maintains a continuous relationship with the public agencies so that the social partners can evaluate the feasibility and impact of a particular measure when negotiations are taking place. Sitting at the heart of the public employment service, Unédic builds an ongoing connection with its environment, by entering into research partnerships, for example.

2. Unédic's missions

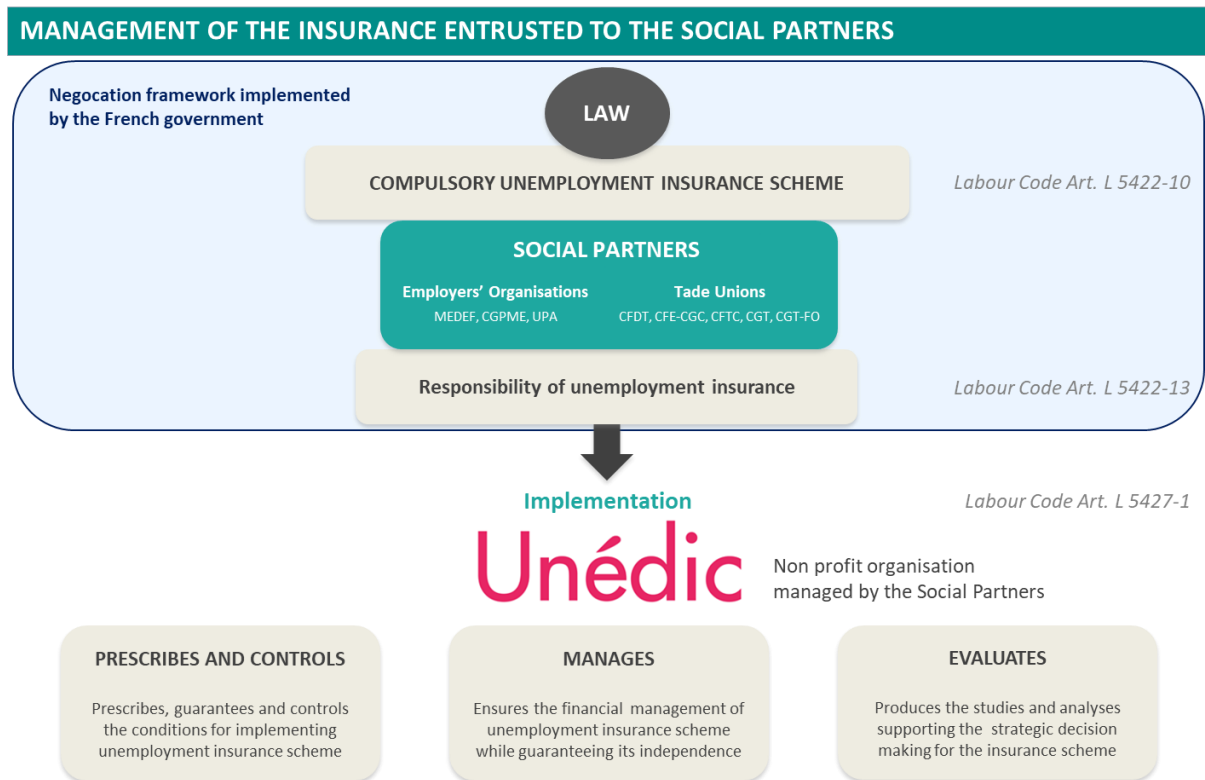
The social partners ensure that the Unemployment Insurance rules are adapted to the actual trajectories of jobseekers on the ground. Unédic secures the implementation of these rules by guaranteeing that the system is sustainably financed.

In doing so, Unédic assures itself of the quality and conformity of the services provided to jobseekers, thanks to the monitoring of its indicators, audits and the production of studies and assessments. To

<http://www.igf.finances.gouv.fr/files/live/sites/igf/files/contributed/IGF%20internet/2.RapportsPublics/2018/2018-M-035-04-Convention%20tripartite%202015-2018%20entre%20l%20Etat%20l%20Un%3a9dic%20et%20P%3b4le%20emploi.pdf>

improve the monitoring of individual paths to a return to employment, Unédic also invests in new data processing technologies so that it can better inform the social partners during negotiations of the Unemployment Insurance convention and the institution of new rules.

Figure 3: Unédic’s missions in the unemployment insurance system



Note: The Unemployment insurance agreement is subject to government approval (Labour Code Art. L.5422-21)

- **Advise the social partners during negotiations:** rule change simulations, legal analyses, studies of the relationships between the Unemployment Insurance system and the labour market, European comparisons, feasibility studies on a given measure. It’s with this information that Unédic helps the social partners when they negotiate the Unemployment Insurance rules and set the contribution rate.
- **Secure the rules by including them in legal texts:** Once the rules have been defined, in liaison with public agencies, Unédic formalises the decisions of the social partners so that they can be applied. This results in regulatory texts such as the unemployment insurance conventions, the general regulation, implementing measures and circulars.
- **Securing financing so that benefits can be paid:** In order for jobseekers to be paid each month, benefits need to be financed both in the short and long term. This requires that revenues and expenditures be forecasted and, as necessary, recourse to debt financing.

3. Ongoing adjustments depending on needs and the context

The regular renegotiation of the benefit rules allows the social partners to adapt the Unemployment Insurance system to the characteristics of the labour market. For example, the ability to combine benefits with employment income was introduced in 1980 in order to better take into account a situation that had become commonplace: taking up a job whose duration is variable during a long unemployment period.

On a regional level, the social partners are involved in Pôle Emploi's regional paritarian bodies and ensure that the unemployment insurance convention is properly applied. They can also take decisions regarding individual situations that require specific adaptation of the rules.

Programmes are adapted when necessary in view of the country's economic and social situation. In light of the unprecedented nature of the Covid-19 crisis and of the consequences travel and activity restrictions have on employment, the extension of benefit payments for persons whose entitlements are expiring is an illustration of such an adjustment (exceptional extension of the benefit period).

4. Big data is at the heart of how Unédic operates for greater needs targeting

The digitalisation of public and social protection services multiplies the volume of data about employment, training and access to various types of replacement income. In particular, the nominative social declaration¹⁰ allows the collection of data (and information about employment contracts in particular) to be accelerated.

In order to understand beneficiaries and their career paths and needs, Unédic carries out studies on data from the national beneficiary file (*Fichier National des Allocataires*), which was put in place in 1993. Today, Unédic and Pôle Emploi collect and consolidate the data in compliance with data protection principles (GDPR, French data protection law, statistical confidentiality), notably through data anonymisation.

Unédic draws up a multi-year strategy for putting in place a data platform with other institutions and exploiting big data for the purpose of managing the Unemployment Insurance system. In 2018, Unédic launched a big data platform for analysing data about its beneficiaries on a highly secured data space compliant with the stakes and sensitivity of such an activity.

Thanks to the employment data it is able to store in a fully secure way, this platform will facilitate the study of individual career paths by allowing more comprehensive employment-unemployment trajectories to be constructed. This notably facilitates the evaluation of reclassification programmes, institutional collaboration and innovation. This platform allows for more complex, rapid, and precise modelling.

2020 marks a turning point in Unédic's ability to exploit data and, thus, to respond to the social partners' expectations regarding optimising the steering of the system.

¹⁰ The nominative social declaration (*déclaration sociale nominative*) is a monthly data file produced through payroll that is intended to communicate information necessary for managing the social protection of employees to the relevant organisations and administrations. This declaration replaces all the periodic or event-driven declarations and various administrative formalities. It has been mandatory since January 2017.

5. Impact assessment: at the heart of how the Unemployment Insurance system

Understanding beneficiaries and their career paths sits at the heart of how the Unemployment Insurance system functions, which is based on a perpetual cycle of evaluating and adjusting the rules to fit the realities in the labour market.

Unédic evaluates programmes in real time and sometimes after the fact. These evaluations can be qualitative (and detailed with individual investigations), quantitative and financial, and help with trying to distinguish between effects resulting from the economic environment and effects of each of the measures.

Unédic regularly carries out studies on the profile and future of unemployment beneficiaries¹¹ (jobseekers experiencing recurring unemployment¹², working unemployment beneficiaries¹³, impact of digital on jobseekers¹⁴, etc.) and on specific programmes (professional security contract aimed at individuals laid off for economic response, allowance for creating or taking over a business). These studies seek to establish a shared appraisal, before decisions are made. After decisions are made, Unédic produces ex ante impact studies that cover both financial impacts for the system and direct consequences on beneficiaries concerned by rules changes (impact of the last Unemployment Insurance conventions, the 2019 reform). Unédic monitors the implementation of the rules and produces ex post evaluations that can be used to inform subsequent negotiation cycles and public dialogue in general.

Unédic's experience, neutrality and the precision of its work are widely recognised. All these studies are published and freely accessible on Unédic's website.

¹¹ Unédic's publications are available [here](#).

¹² Study: Recurrent jobseekers : what's the experience ? what assistance measures are necessary?, available [here](#) (in French only)

¹³ Investigation on working beneficiaries: what assistance measures are necessary?, available [here](#) (in French only)

¹⁴ Study: Jobseekers and digital issues, available [here](#) (in French only)

3. The socio-economic benefits of the Unemployment Insurance system

1. A macro-economic stabilising role

The socio-economic advantages of Unemployment Insurance system result from the collective capacity of companies and workers, salaried employees and jobseekers to generate positive social and economic value.

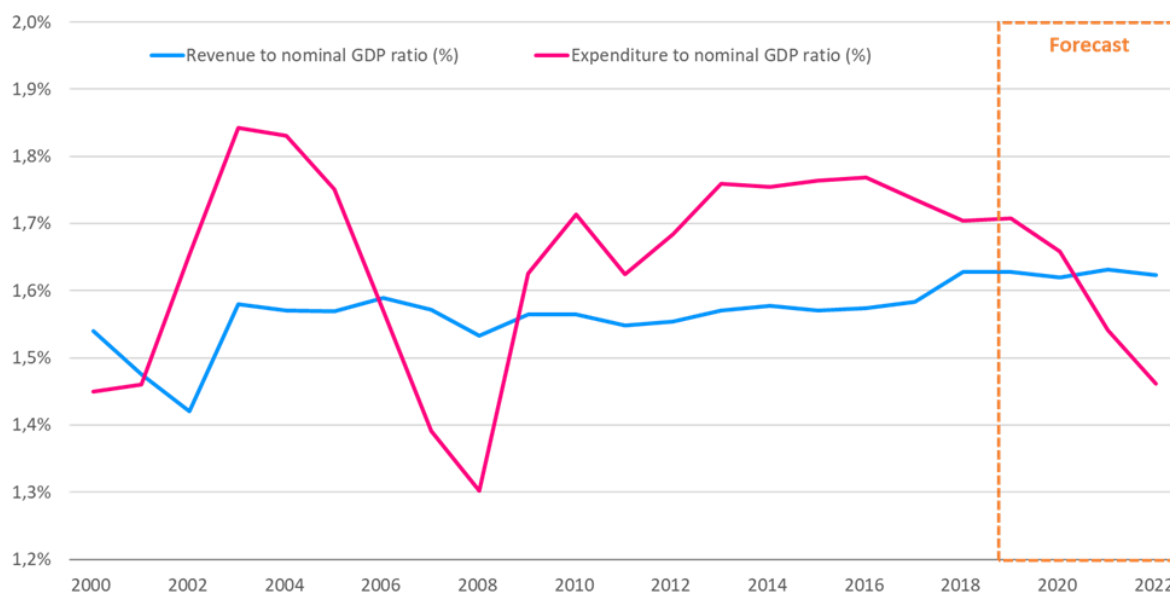
Since 2012, the Unemployment Insurance system's resources have been steadily increasing thanks notably to the increase in the private sector wage bill. Demographics, skills, businesses, social dialogue, public policies, investments, research and development are some of the numerous determinants that favour the business revenues that constitute Unédic's funding base. This increase allows increasingly large unemployment insurance mechanisms to be implemented (see table 1 below).

Table 1: Evolution of growth and unemployment in France (2012-2019)

	2012	2013	2014	2015	2016	2017	2018	2019 (f.)
GDP growth	0,4%	0,6%	1,0%	1,0%	1,0%	2,4%	1,7%	1,2%
Payroll growth	2,1%	1,2%	1,5%	1,7%	2,4%	3,6%	3,5%	3,2%
Unemployment rate (ILO)	10,1%	10,1%	10,4%	10,2%	10,0%	9,0%	8,8%	8,1%

The Unemployment Insurance system is inherently sensitive to the economic environment. In the lower part of the economic cycle, the slowdown in economic activity and the rise in unemployment simultaneously lead to a decrease in contribution revenues and an increase in benefit expenditures. Conversely, strong growth gives rise both to increased revenues and lower expenditures (see graph below). In addition, unlike other social protection regimes, one of the particular characteristics of Unemployment Insurance system is that it is impacted by the economic environment, not only at the level of its revenues, but also, and to an even larger extent, at the level of its benefit expenditures.

Unédic's share of revenues and expenditures relative to France's GDP illustrates the extent and power of the shock-absorber mechanism at the macroeconomic level.

Graph 1: Revenues and Expenditures relative to French GDP (2000-2022)¹⁵

The strength of the French payroll makes it possible to deploy a social and economic buffer absorbing economic impact. The financial investments in benefits, aids or interventions in employment market mechanisms support consumption and thereby the economy. The dynamism of the employment market has a favourable impact on the Unemployment Insurance system's financial balances. Thus, in February 2020, before the propagation of the health crisis on a global scale, the Unemployment Insurance system's finances were following a trajectory of return to account balance under the combined effects of management decisions and positive developments in the employment situation.

Each year, Unédic publishes a report on its three-year financial perspectives which specifies the structural and situational factors that determine its financial situation as part of a strategy of financial transparency, with the aim of making all the produced information accessible and understandable.

2. An inherently redistributive mechanism

The French system applies a principle of redistribution whereby the lower the previous salary, the higher the replacement rate (net benefits paid compared to net reference salary).

Each month, approximately 47% of the persons entitled to benefits (1.74 million) work whilst being registered with Pôle Emploi. Among these working beneficiaries, 49% i.e.; 847,000 (as at 30 June 2018) combine benefits and salary and thus benefit from a portion of their benefits¹⁶.

The programmes are oriented towards the most precarious populations, who most massively make use of the Unemployment insurance system.

¹⁵ Forecasts presented in graph 2 are extracted from publications dated February 2020 and therefore do not take into account the consequences of the Covid-19 related health and economic crisis.

¹⁶ The other 893,000 do not receive benefits, as their remuneration for the month in question is sufficiently high for them not to receive any unemployment benefits.

On average, the amount of the benefits received depending on the situation is shown in the graph below, as well as the breakdown of beneficiaries per age, gender and level of qualification.

Table 2: Replacement rate & amount of the benefits based on the post-unemployment situations

Specific cases	All beneficiaries	Part-time salaried employees (combining benefits and salary)	Beneficiary who has lost a full-time job paid at the minimum wage (SMIC) (EUR 1,530)	Beneficiary who has lost a full-time job paid €3,000
Net replacement rate (in %)	72%	77%	79%	64%
Average monthly benefit amount (€)	€960	€600	€746	€1,920

Source: Unédic, FNA

Figure 4: Breakdown of beneficiaries by age and sex

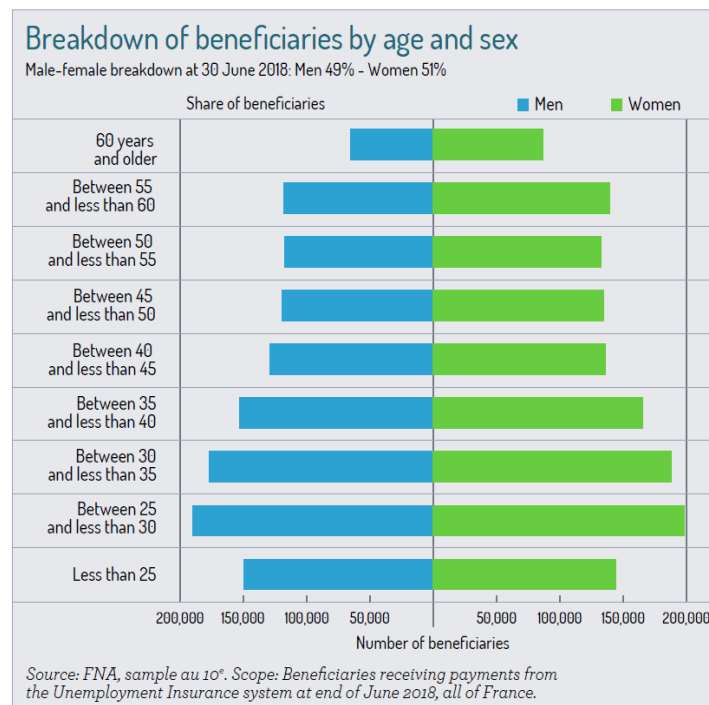
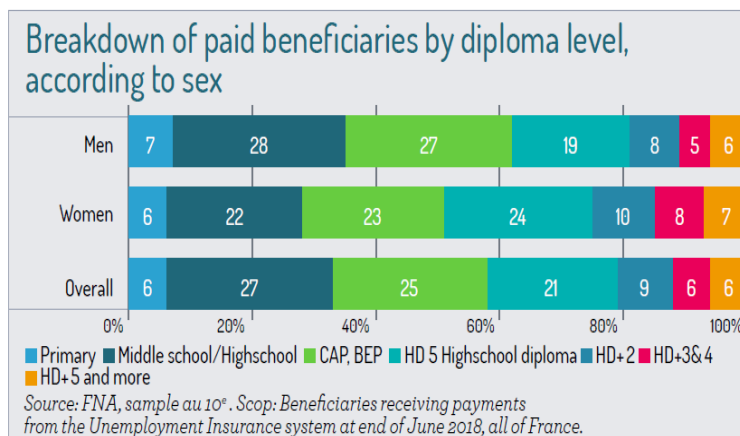


Figure 5: Breakdown of paid beneficiaries by diploma level, according to sex



3. Support and adjustment to the employment market

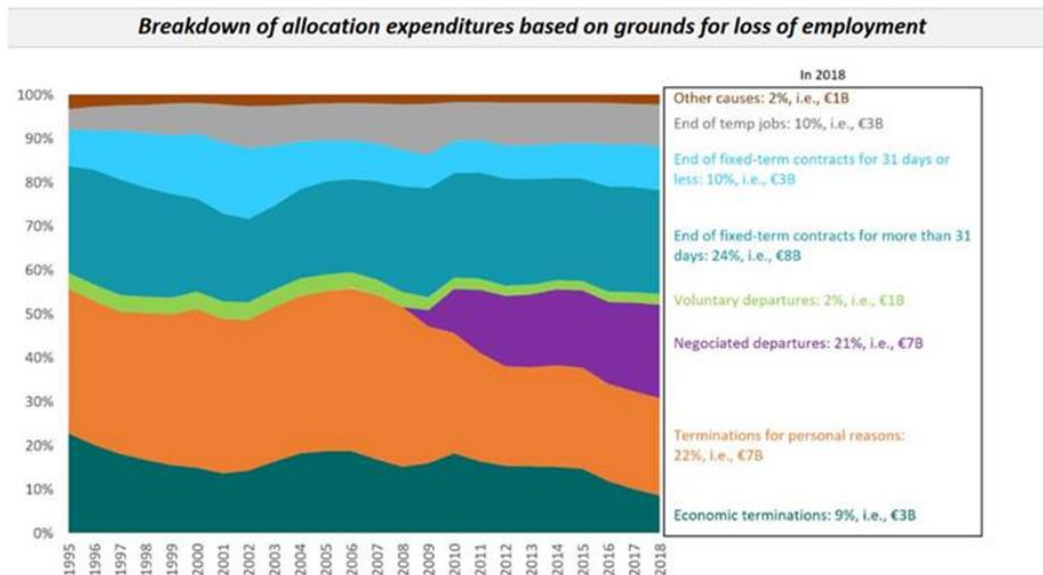
Salaried employee and employer organisations act in the context of the delegation for protecting the salaried employees granted to them by the law. This management is made by the social partners, which have been in charge of the system since its creation. As a participant to the social dialogue within companies, their knowledge of the functioning of the market is as close as possible to the realities on the field.

In addition to the interventions of the French state and other social protection mechanisms, the commitment of the social partners is essential to making the Unemployment Insurance system evolve and guaranteeing equity in benefit payments among the employee. Between negotiations, employer and employee organisations assess the results of the decisions, both from a social and financial point of view, and to update their knowledge of the employment market.

These past years, the labour market underwent significant and sometimes paradoxical changes: whilst the breakdown between permanent contracts (CDI), fixed-term jobs (CDD) and non-salaried activity remains stable, individual trajectories keep on diversifying, whilst sustaining a certain form of duality. Simultaneously, "new forms of employment" are appearing, and multi-activity is increasing.

We are witness evolutions in the reasons for contract terminations, which demonstrates a growing multiplicity of career paths. Understanding these evolutions is essential to adapting unemployment insurance rules. In a situation of great uncertainty about the economic outlook, the forced mutations to be expected on the employment market will call for analysis and assessment capacities.

Graph 2: Expenditures per grounds for loss of employment (July 2019)



Note: The other causes include in particular the end of an assignment, national service, apprenticeship contracts, temporary layoffs following a decrease in business. The "economic terminations" category includes Professional Security Contracts (Contrats de Sécurisation Professionnelle (CSP)).
 Source: National beneficiary file (Unédic/Pôle Emploi)
 Scope: All of France, including payment of company creation assistance (Aides à la création d'entreprise (ARCE)).
 Interpretation: In 2018, expenditures linked to negotiated departures represented 21% of the Unemployment Insurance system's benefit expenditures, i.e., €7B.

4. Social advantages for jobseekers

Unédic's areas of intervention are investments in the pure financial sense because they generate economic benefits related to the return to employment. However, they also generate essential social and human benefits which value the force of solidarity in support of decent living conditions and protection against the vagaries of life. In times of an economic crisis that is conducive to mutating professions and reorganising production chain, a closer fit between skills and the needs of businesses is necessary. The Unemployment Insurance system's capacity to support these changes will be essential to its contribution to a social protection suitable to society's needs.

For an unemployed person who receives benefits resulting from a right acquired through his/her work and for which he/she therefore contributed, the payment of unemployment benefits is a factor of integration in and belonging to the working world. Personalised attention and support enables support adapted to the situation of each person to be provided and, in some cases, transforms the period between two jobs into an opportunity to develop skills, make a career change or take over or create a business. Being assisted by Pôle Emploi's qualified counsellors enables jobseekers to envisage the future more serenely, and with human and moral support likely to boost confidence. For jobseekers, the professional steps and formalities tied to a job search promote the development soft-skills. Professional training mechanisms help maintain and even develop jobseekers' skills, made possible by the combination of benefits and salary.

Unédic co-finances Pôle Emploi, the leading agency of the public employment service. Unédic's contribution to Pôle Emploi is defined by the law. It has been continuously increasing, both in absolute number and in proportion to Pôle Emploi's funding since its creation in 2008. This financial resource largely supports the mechanism for accompanying jobseekers.

Unédic's works translates its effort to listen to beneficiaries' concerns. Consistent with its mission of helping the social partners make decisions, between 24 February and 9 March 9 2020, Unédic conducted a study in partnership with ELABE on the perceptions of jobseekers and the French population most primarily affected (based on the national list of beneficiaries (*fichier national des allocataires*)¹⁷. This barometer pilot project contributes to enriching knowledge on unemployment, by taking an objective look at the respective opinions.

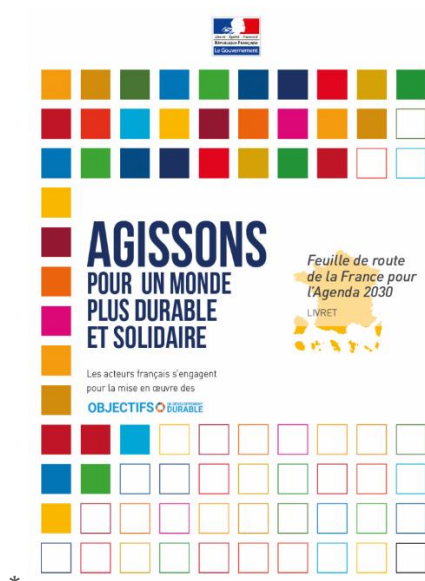
¹⁷ Elabe, Unédic (28 avril 2020), « Baromètre Unédic : Quel regard les Français portent-ils sur le chômage et les chômeurs ? ». Available through [this link](#).

5. Contribution to the 2030 Agenda and to Sustainable Development Objectives

In September 2015, the 193 member states of the United Nations adopted a sustainable development programme to be achieved by 2030 (“Agenda 2030”). The programme is based on an integral development model that combines social and environmental justice and requires that societies profoundly transform themselves. Several of the Agenda 2030’s 17 sustainable development goals (commonly referred to as the “SDGs”) relate to issues of poverty, education and training, employment and inequality. France’s social protection model and the Unemployment Insurance system in particular are a major source of inspiration for this international agreement.

In order to ensure that these 17 goals are achieved, France published its Agenda 2030 roadmap in September 2019. This roadmap details its priorities and the ways and means to achieve them. All stakeholders are invited to participate - the French state of course, but also associations, companies, labour unions, researchers, citizens, and local authorities. Unédic therefore certainly has a role to play. Through this roadmap, the various French stakeholders have committed themselves to six challenges considered to be particularly crucial to achieving these goals. They are set out in the form of commitments and proposals.



France’s Agenda 2030 roadmap¹⁸




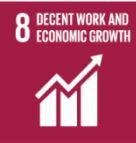
That framework document illustrates the Unemployment Insurance system’s contribution to France’s roadmap to implement Agenda 2030. Unédic intends to highlight and improve its contribution to reaching the sustainable development goals in France through its future social bonds. Challenges 1 and 3 of France’s roadmap are particular focus points.

¹⁸ Available here <https://www.agenda-2030.fr/actualites/feuille-de-route-de-la-france-pour-lagenda-2030-368>

Table 3: Unédic’s contribution to achieving the United Nations’ sustainable development goals in France

UN sustainable development goals	Challenges and priorities from France’s roadmap for implementing Agenda 2030	Roadmap proposals and Unédic’s contributions ¹⁹
<p>United Nations objectives and official targets that are most relevant from an unemployment insurance standpoint</p>  <p>1.3 Implement [...] social protection systems and measures for all, including social protection floors, and by 2030 achieve substantial coverage of the poor and the vulnerable</p> <p>1.b.1 Proportion of public spending dedicated to sectors responding more specifically to the needs of women, the poor and vulnerable populations</p>  <p>10.1 By 2030, progressively achieve and sustain income growth of the bottom 40 per cent of the population at a rate higher than the national average</p>	<p>Roadmap challenge no. 1: <i>“Act for a fair society by eradicating poverty, combatting all forms of discrimination and inequality and by guaranteeing the same rights, opportunities and freedoms for all”</i></p> <p>French priorities defined in the roadmap</p> <ul style="list-style-type: none"> - Combatting the failure to access benefits through information, support or the systematic award of benefits - Take diversity of the national territories into account, both in mainland France in the overseas territories - Ensure that wealth is better distributed through the ramp up of exceptional revaluations of minimum welfare allowances (AAH and ASPA) and work relating to implementing a universal employment income - Zero “living conditions poverty” 	<ul style="list-style-type: none"> - More generous unemployment benefit programmes for low income populations - National interprofessional solidarity: stronger mobilisation of programmes in areas and territories experiencing economic difficulties; organisation of Pôle Emploi’s resources that is adapted to these geographic specificities - Adaptation for certain territories (e.g., Mayotte ARE, CSP Mayotte) - Work to document the situation of vulnerable populations (part time work, short-term contracts, new forms of organising self-employed work) and populations confronted with difficulties for accessing work (NEET youth, digital illiteracy) - Expertise for studying the way Unédic’s services fit with other public assistance and benefits (including minimum welfare allowances) - Supplementary retirement credits for neutralising the negative effect periods of unemployment have on calculating entitlements - Facilitating access to programmes and services that protect fundamental rights (specific support to jobseekers who have difficulties with digital tools, simplification of administrative steps and correspondence)

¹⁹ Please see the Schedules for information on the initialisms designating assistance programmes and benefits.

<p>United Nations objectives and official targets that are most relevant from an unemployment insurance standpoint</p>  <p>4.4 By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p>  <p>8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>8.6 By 2020, substantially reduce the proportion of youth not in employment, education or training</p>	<p>Challenge no. 3: <i>“Draw on life-long education and training to allow for an evolution in behaviour and lifestyles that is adapted to the world that is to be constructed and to sustainable development challenges”</i></p> <p>French priorities defined in the roadmap</p> <ul style="list-style-type: none"> - Education and training so that “no one is left behind” - Guarantee the rights of young people to personalised career paths and to choose professional qualifications - Increase support of young people after they reach the age of majority (young people exiting child welfare services for example) - Give priority to national and territorial professional training to the least qualified populations and “drop-outs” 	<ul style="list-style-type: none"> - Training at the core of employment and inclusion policies (objective no. 3 of the 2019-2022 tripartite convention: “Develop jobseekers’ skills and qualifications so as to advance their recruitment, notably by relying on the skill investment plan” - Financing of the unemployment benefit coupled with training (<i>allocation d’aide au retour à l’emploi formation</i>, or Aref) - Professional security contracts (<i>contrats de sécurisation professionnelle</i>, or CSP) - Financing of the business creation or takeover allowance (<i>Aide à la reprise ou à la création d’entreprise</i>, ARCE) - Financing of Pole Emploi’s operating expenditures
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II. Social Bond Principles

Unédic designed this social bond framework document in compliance with the International Capital Market Association's (ICMA)²⁰ Social Bond Principles.

For each of its social bond issuances, Unédic undertakes to comply with the four key principles of the Social Bond Principles:

- Use of proceeds
- Project evaluation and selection
- Management of proceeds
- Reporting

Unédic may issue bonds through its EMTN and NEU MTN programmes²¹ under this social bond framework document.

1. Use of proceeds

The proceeds raised by the social bond issuances will be used by Unédic to successfully carry out its mission of compensating, protecting and supporting workers, helping companies to preserve jobs in cases of economic or health crisis, and neutralising periods of job loss through the contribution to supplemental retirement regimes.

For each of the eligible social expenditure categories, tables 4 and 5 present:

- Identification of the expenditure categories and target populations under ICMA's Social Bond Principles
- Their contribution to France's Agenda 2030 roadmap
- Examples of target beneficiaries
- Examples of specific existing programmes (NB: an exhaustive list of the programmes and a link to online summaries are presented in a Schedule to this document. However, eligible categories are what are authoritative when defining eligibility).

Eligible social expenditures (i.e., Unédic programmes and financing of Pôle Emploi) under this framework document are broken down into two categories which reflect Unédic's two principal social missions:

- i) **Socio-economically protect against the vagaries of the job market** (dismissals, unemployment, decreases in activity, precarious employment contracts and "atypical" forms of employment (i.e., short-term and part-time contracts)) by ensuring economic and financial security (replacement income), and
- ii) **Assisting individuals with their professional (re)integration**, notably by developing their skills and qualifications or supporting their entrepreneurial projects or career changes.

²⁰ ICMA (June 2018), "Social Bond Principles. Voluntary Guidelines for Issuing Social Bonds", available [here](#)



²¹ A description of the financing programmes is available [here](#)

Unédic's investments are also eligible (e.g., big data platform), but exclude operating expenditure and interest payments.

Besides the target populations, which are clearly defined in tables 4 and 5, eligibility criteria for and entitlements under these various programmes are precisely and granularly defined by decree.

One can empirically observe recurring characteristics among beneficiaries and recipients that confirm effective targeting of the most vulnerable populations (individuals with low education levels, women, residents of certain isolated or rural areas). These characteristics cannot be considered as eligibility criteria for social bond issuances. However, Unédic will provide information on these factors in its annual reporting.


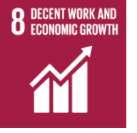
Table 4: Categories of eligible social expenditures – Protection mission

Social Bond Principles (SBP)	Contribution to Agenda 2030 ²²	Categories of eligible social expenditures	Example of target beneficiaries (not exhaustive)	Programmes in effect ²³
<p><u>Category of SBP social projects:</u></p> <p>Socio-economic development</p> <p><u>SBP target populations:</u></p> <p>The unemployed, individuals living under the poverty line, excluded and/or marginalised persons, individuals with no or little diplomas</p>	<p>Official UN objectives and official targets</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;">SDG target 1.3</div> </div> <div style="display: flex; align-items: center; margin-top: 10px;">  <div style="margin-left: 10px;">SDG target 10.1</div> </div> <p>French road map challenge no. 1</p>	<p>Protection:</p> <ul style="list-style-type: none"> - Benefits and allowances guaranteeing replacement income to those who are out of work involuntarily (absent certain exceptions) - Contribution to beneficiaries' pension schemes <p>Including principal cases in question</p> <ul style="list-style-type: none"> o Termination o Employer interrupts work (partial employment) o Early termination or end of fixed-term contract (<i>contrat de travail à durée déterminée</i>, or CDD) o Economic lay-off o Legitimate resignation tied to personal or professional reasons o Resignation in order to pursue a genuine and serious professional project o Negotiated termination o Business bankruptcy for independent workers 	<ul style="list-style-type: none"> o Jobseekers, notably those that have been out of work for a long or very long period of time (individuals with recurring unemployment) o Jobseekers who go back and forth between being employed and unemployed (discontinuous careers, short-term contracts, fixed-term contracts (CDD) or part-time contracts, entertainment workers, etc.). o Workers with decreased activities due to economic circumstances (e.g., partial unemployment) o Independent workers whose business are being liquidated or are subject to rehabilitation proceedings 	<ul style="list-style-type: none"> o Unemployment benefit (<i>Aide au Retour à l'Emploi</i>, or ARE) o Unemployment benefit coupled with training (<i>Allocation d'Aide au Retour à l'Emploi Formation</i>, or AREF) o Partial employment allowance for unworked hours o Independent worker benefit (<i>Allocation des Travailleurs Indépendants</i>, or ATI) o Professional security contract (<i>Contrat de sécurisation professionnelle</i>, or CSP) o Senior jobseeker benefit (<i>Allocation Chômeurs Agés</i>, or ACA) o Death benefit (<i>Allocation décès</i>) o End of entitlement benefit (<i>Allocation de fin de droits</i>, or AFD)

²² See the detailed table 3 entitled “Unédic’s contribution to achieving the United Nations’ sustainable development goals in France”

²³ See Schedule for links to detailed information sheets

Table 5: Categories of eligible social expenditures – Support mission

Social Bond Principles (SBP)	Contribution to Agenda 2030 ²⁴	Categories of eligible social expenditures	Example of target beneficiaries (not exhaustive)	Programmes in effect ²⁵
<p><u>Category of SBP social projects:</u> Access to basic services (education, professional training)</p> <p><u>SBP target populations:</u> The unemployed; individuals with little or no diplomas ; individuals who are retraining</p>	<p>Official UN objectives and official targets</p> <div style="display: flex; align-items: center;">  <div style="margin-left: 10px;">Target 4.4</div> </div> <div style="display: flex; align-items: center; margin-top: 20px;">  <div style="margin-left: 10px;">Targets 8.5 & 8.6</div> </div> <p>French roadmap challenge no. 3</p>	<p><u>Support:</u> Programmes aimed at helping the return to work and professional (re)integration, skills and qualifications development, re-employment or training</p> <p>Unédic contribution to Pole Emploi's operating budget</p>	<ul style="list-style-type: none"> ○ Jobseekers, and in particular low-qualified individuals and individuals with little to no diplomas ○ Employees who are retraining ○ Unemployment beneficiaries who are creating or taking over a business 	<ul style="list-style-type: none"> ○ Professional security benefit (<i>Allocation de Sécurisation Professionnelle</i>, or ASP) ○ Professional security contract (<i>Contrat de sécurisation professionnelle</i>, or CSP) ○ Business creation or takeover allowance (<i>Aide à la reprise ou à la création d'entreprise</i>, or ARCE) ○ Operations, investment and intervention of Pôle Emploi

²⁴ See the detailed table 3 entitled “Unédic’s contribution to achieving the United Nations’ sustainable development goals in France”

²⁵ See Schedule for links to detailed information sheets

Case study: the Covid -19 health crisis and the specific measures relating to partial unemployment²⁶

In light of the sheer scale of the health and economic crisis arising from the Covid-19 pandemic, the French Parliament adopted a corrective finance law in 2020 that included a new budgetary mission and a programme relating to covering payment for the **partial unemployment programme** on an **exceptionally large scale**. Other emergency measures were declared (extension of jobseeker benefit payment periods, deferral of social contribution payments, etc.). These measures were intended to **preserve income and protect the skills and know-how of employees**.

i) **An unprecedented shock to supply and demand**

Along with the industries tied to tourism, transportation or international commerce, which were the very first industries impacted by the Covid-19 crisis, the entire French economy was affected. The economy suffered a brutal blow to supply due to the temporary closure of businesses, the progressive immobilisation of the labour force, prolonged furloughs, supply chain disruptions and the abrupt drop in exports in numerous sectors. These factors point to a violent blow to demand resulting from a significant drop in household consumption. INSEE indicated a significant decrease in activity tied to epidemic containment measures, and in particular the confinement of the French population. The health crisis and the measures aimed to contain it imperil the long-term sustainability of numerous business and therefore a very large number of jobs.

ii) **The partial unemployment programme in France**

The partial unemployment programme seeks to encourage companies experiencing a reduction or a temporary suspension in their activity to refrain from laying off their employees and to compensate for such employees' related loss in income arising from the reduction in their working hours. At 4 May 2020, 12.1 million employees were furloughed, i.e., more than half of private sector employees.

Similar programmes exist in other countries, in Germany (*Kurzarbeit*) and Italy (*Cassa Integrazione*) in particular. One-third of the French programme is financed by Unédic and the remaining two-thirds by the French state. The programme pays for employees' partial unemployment in full (84% of the net salary), up to 4.5 times the minimum wage. The programme also covers individual childcare providers and domestic workers. This programme helps to significantly reduce the remaining expense for businesses, thereby helping businesses to limit layoffs if economic difficulties are encountered, and thus protect jobs. From an administrative point of view, these are transfer payments to businesses, as the programme consists of an allowance paid to cover the partial unemployment indemnity the employer pays to its employee during the furlough period.

iii) **Eligibility of these expenditures under this social bond framework**

The programmes that were heavily solicited (the crisis situation mechanically leads to an increase in expenditures) and/or adjusted (measures to reinforce partial unemployment and incentives to rely on partial unemployment) in the context of the Covid-19 crisis are naturally part of the pool of eligible expenditure for Unédic's social bond issuances under this framework document. In the current context of the economic slowdown tied to containment measures and the economic recession, the Unemployment Insurance system's role as a buffer is in full force.

iv) **Programme intended impacts**

Emergency and short-term measures

In the short term, the furlough programme helps avoid layoffs in industries that are impacted by the confinement measures. The programme allows business to avoid choosing between paying salaries and wages at the risk of additional financial difficulties and loss in their human capital. This programme therefore mitigates structural damage to the labour market that can have long-term repercussions.

The rationale for measures that extend benefit payment periods is one of social justice for jobseekers who do not have any prospects of returning to work during this period.

Medium and long-term measures

Once the health crisis has passed, the economy will experience a recession. These programmes will continue to be used and may be adapted. They will thereby allow disposable income to be maintained by employees who are deprived of work (jobseekers and those benefitting from the partial unemployment programme), which will avoid them sliding into poverty and in parallel avoid a drop in consumption by supporting demand.

In parallel, the programmes will help support business so that they can have a greater capacity to bounce back when the economy restarts, with a lower loss of skills.

²⁶ As provided for by decree no. 2020-325 of 25 March 2020 relating to partial unemployment. Available via the following link: <https://www.legifrance.gouv.fr/eli/decret/2020/3/25/MTRD2007759D/jo/texte>

2. Selection and evaluation of expenditures

Unédic's role is to implement unemployment insurance rules. With respect to the payment of benefits and supporting beneficiaries, Unédic has entrusted operational implementation to Pôle Emploi. Unédic ensures that the unemployment insurance rules are properly applied and that the services offered to jobseekers are carried out.

Eligible expenditures under the framework:

The process of selecting and evaluating eligible expenditures is based on the governance of unemployment insurance in France and decrees relating to the unemployment insurance system²⁷. These texts define, for example, how workers who are deprived of work are provided compensation, the measures that promote the return to work and the safeguarding of career paths, the rules on unemployment insurance contributions and coordination measures with other unemployment insurance regimes or allowances.

A set of criteria relating to both contributions and services exists. The relevance of the criteria is regularly evaluated, including by Unédic, so that programmes can be monitored to avoid deficiencies, misappropriations, windfall effects, and social inequity (examples: abusive use of short-term contracts, disincentivising the return to work).

Eligibility for unemployment insurance benefits is determined in light of various factors. The individual must:

- have worked sufficiently to be eligible
- have involuntarily lost his/her employment (with the exception of certain limited circumstances)
- be signed up as a jobseeker
- actively seek employment
- be able to work
- not have reached the age to be eligible for retirement at the full rate
- live in France

The conditions on affiliation with the various programmes can depend on:

- The entitlements the individual has accrued (duration of benefit payments, seniority within the former employer), and/or
- The individual's situation (loss of employment due to a dismissal, legitimate resignation, independent workers who have reported a bankrupt business, etc.), and/or
- Ongoing or future commitments made by the benefit recipient or beneficiary (e.g., attending training required by Pôle Emploi, creation or takeover of a business, job search within the framework of a personalised job access plan).

Finally, it should be noted that the programmes are subject to benefit caps and benefit payment periods, and that recipients' family situations can sometimes be taken into account (e.g., makeup of the household) for the purpose of adjusting the assistance or benefits but also to avoid potential windfall effects. Jobseekers are required to take positive steps to search for employment. The

²⁷ <https://www.legifrance.gouv.fr/affichTexte.do?cidTexte=JORFTEXT000038829574&categorieLien=id>

Unemployment Insurance system encourages the return to work, even if it is a small amount of work, and protects individuals from being excluded from the labour market by maintaining and even developing their skillset, made possible by the combination of benefits with employment income.

Social Bond Committee

Unédic has set up a Social Bond Committee which is responsible the governance of this social bond framework.

At minimum, the Social Bond Committee is made up of representatives of the Finance and Treasury, Studies & Analysis, and Information and Communications departments. Other departments may be called in to participate as necessary.

The Committee will meet regularly in order to carry out the following missions:

- Examine and approve the eligible expenditures selection proposed by the Finance and Treasury Department in view of the eligible expenditure categories defined in the “Use of Proceeds” section
- Propose to replace certain expenditures if they no longer respond to the eligibility criteria
- Manage any change or update to the social bond framework
- Examine and approve the annual allocation report and the impact report aimed at investors
- Liaise with external reviewers (Second Opinion and verifier)

3. Management of proceeds

The proceeds raised through each social bond issuance will be managed by Unédic’s Finance and Treasury Department, and an amount equivalent to the proceeds raised will be allocated to financing or refinancing expenditures identified as being eligible under the social eligibility criteria described in the “Use of Proceeds” section of this framework.

The Social Bond Committee will monitor the allocation of proceeds from each social bond issuance.

Priority in allocating the proceeds will be given to eligible financing expenditures. In the case of a refinancing, the lookback period will be capped at 36 months before the date of each social bond issuance.

The Social Bond Committee will monitor the allocation of proceeds and will decide annually on the earmarking of proceeds to eligible disbursements.

Unédic will use its best efforts to allocate the proceeds raised to eligible expenditures within no more than 24 months after each issuance.

Proceeds raised but not yet allocated will be managed by Unédic’s treasury management teams. This liquidity will be invested in accordance with Unédic’s liquidity buffer management rules. To the extent it can diversify, the treasury management teams will invest this liquidity in responsible investment funds, on a best efforts basis.

4. Reporting

Unédic undertakes to publish an annual report on the allocation of the proceeds raised through the social bond issuances as well as impact metrics, at least until the proceeds are fully allocated and in the event of any subsequent significant change in allocation.

Allocation and impact reports will be submitted to the Social Bond Committee for review and approval. They will be audited annually by an external auditor selected by Unédic until the proceeds are fully allocated.

The allocation report and impact report will be made available to investors on Unédic's website.

Allocation report

Unédic undertakes to make the allocation of the proceeds public. Below is an indicative list of indicators:

- The aggregate amount of funds allocated to date
- Financing versus refinancing share
- The aggregate amount of proceeds awaiting allocation and the type of temporary investment
- The breakdown of funds assigned by eligible category and by underlying programme, as the case may be
- Regarding programmes that are co-financed by other entities (e.g., the French state), the percentage financed by Unédic

Impact report

Unédic undertakes to provide information about the benefits and social impacts that are reasonably tied to the expenditures that are (re)financed through the social bond until full allocation of proceeds.

Due to the systemic nature of unemployment insurance programmes, data relating to employment in France and the situation of jobseekers (example: duration of unemployment, part time experience, etc.) and of business (e.g., recruitment difficulties) can be provided for the purpose of providing perspective. However, no direct causal link can be made between the programmes (re)financed with the social bonds and more macro-social indicators. However, Unédic's spending ratios relative to social expenditures or GDP may be provided for the purpose of illustrating the scope or magnitude of redistribution by the Unemployment Insurance system in France and its role as an economic stabiliser.

Strategic performance indicators included in the tripartite conventions²⁸ between the French state, Unédic and Pôle Emploi will serve as a basis for the impact reports published in the context of Unédic's social bond issuances.

To understand the beneficiaries of these programmes, two things need to be considered and may be included in the impact reports:

- 1) The explicit eligibility and/or entitlement criteria for the programmes as defined by decree (e.g., affiliation conditions¹, supporting information regarding a professional retraining project).

²⁸ The 2019-2022 France state-Unédic-Pôle Emploi tripartite convention is available [here](#)

- 2) The sociology of the beneficiaries or recipients observed *ex post* (overrepresentation of populations with little or no diplomas, single mothers, residents of certain isolated or rural areas). The national beneficiary file and Unédic's work²⁹ provide information about the characteristics observed on a recurring basis among beneficiaries, demonstrating through data that the programmes actually benefit vulnerable populations.

Unédic's work will provide information for these reports, sometimes through in-depth investigations (longitudinal monitoring of beneficiaries, efficiency analysis over a programme with a control group, interviews and satisfaction surveys of beneficiaries, etc.). Works carried out by or in collaboration with the French Employment Ministry or other entities may also provide information for these reports.

²⁹ Example of studies conducted by Unédic: qualitative study on beneficiaries who work conducted in August 2018 and covering 5,000 beneficiaries.

Table 6: Examples of possible indicators for expenditures relating to the “Protection” mission³⁰ (for illustrative purposes)

Services and benefits delivered	Efficiency (care and quality of the services rendered)	Impact areas
<u>Benefits</u> <ul style="list-style-type: none"> ○ Number of beneficiaries ○ Aggregate amount of benefits paid, by benefit type ○ Beneficiary profile (sex, age, education level, etc.) ○ Replacement rate of net salary (%) 	<ul style="list-style-type: none"> ○ Time period between application and payment under the programme ○ Consistency of application management with the beneficiary’s situation ○ Jobseeker satisfaction in relation to how they are being assisted and informed on subjects relating to benefits 	<ul style="list-style-type: none"> ○ Situations where benefits are not sought ○ Situations of recurring unemployment ○ Change in consumer behaviour when available income is too low (giving up care, for example) ○ Disposable income after benefits relative to median income ○ Impact of the combination of unemployment benefits and employment revenue on precarious workers ○ Employment and monetary situation of the most vulnerable beneficiaries ○ Impact of benefits on the beneficiaries’ family situation (e.g., childhood poverty) ○ Number of individuals who become reemployed during their benefit payment period
<u>Partial unemployment (notably tied to Covid -19)</u> <ul style="list-style-type: none"> ○ Number of partial unemployment beneficiaries (breakdown by size and industry) ○ Number of employees receiving a furlough payment ○ Number of hours of paid partial unemployment ○ Aggregate amount of compensation repaid to businesses 		<ul style="list-style-type: none"> ○ Number of jobs saved ○ Company bankruptcies/defaults avoided

³⁰ Mission corresponding to the Social Bond Principles “Socio-economic development” category and indicators drawn from the 2019-2022 tripartite convention

Table 7: Examples of possible indicators relating to expenditures tied to the “Support” mission (for illustrative purposes) ³¹

Services and benefits delivered	Efficiency (care and quality of the services rendered)	Impact areas
<ul style="list-style-type: none"> ○ Skills assessments carried out ○ Number of beneficiaries ○ Beneficiary profiles (sex, age, family situation, education level, etc.) ○ Professional training attended by beneficiaries ○ Number of jobseekers benefiting from intensive support assistance ○ Number of acquired experience validations 	<ul style="list-style-type: none"> ○ Average time dedicated to jobseeker monitoring and personalised assistance ○ Average period of time necessary to be able to access training ○ Jobseeker satisfaction with their monitoring/support assistance ○ Jobseeker satisfaction regarding their ability to obtain a response after taking an administrative step at Pôle Emploi 	<ul style="list-style-type: none"> ○ Number of returns to sustained employment ○ Effect of training on career paths (rate of access to sustained employment within six months after the end of a training) ○ Performance of the professional security contract programme (<i>Contrat de sécurisation professionnelle</i>) ○ Prevention of long-term unemployment ○ Combatting digital exclusion

³¹ Corresponding to the Social Bond Principles “Access to basic services (education, professional training)” category

5. External verifiers

Second Party Opinion

As of the date of this social bond framework, Unédic has initiated the process of selecting a second party opinion provider. This evaluation will cover the social bond issuances' transparency, governance and conformity with ICMA's 2018 Social Bond Principles. The results will be included in a second party opinion which will be available on Unédic's website.

Any significant change to this document will be subject to a review by the second party opinion provider.

Independent verifier

Each year and until such time as the proceeds have been fully allocated, an independent auditor will verify the following information on a yearly basis:

- Assignment of proceeds to eligible expenditures
- Compliance of the expenditures financed by the proceeds with the eligibility criteria defined in the "Use of Proceeds" and "Management of Proceeds" section of this framework.

SCHEDULES

Schedule 1: Presentation of the programmes financed by Unédic

NB: the online topic sheets (accessible via the links) presenting the programmes are updated as and when the programmes are modified

Programmes	Website link
Unemployment benefit (<i>Aide au Retour à l'Emploi</i> , or ARE)	ARE
Unemployment benefit coupled with training (<i>Allocation d'Aide au Retour à l'Emploi Formation</i> , or AREF)	AREF
Independent worker benefit (<i>Allocation Travailleurs Indépendants</i>)	ATI
Professional security contract (<i>Contrat de Sécurisation Professionnelle</i> , or CSP)	CSP
Professional security benefit (<i>Allocation de Sécurisation Professionnelle</i> , or ASP)	ASP
Senior jobseeker benefit (<i>Allocation Chômeurs Agés</i> , or ACA)	ACA
Death benefit (<i>Allocation décès</i>)	Allocation décès
Business creation or takeover allowance (<i>Aide à la reprise ou à la création d'entreprise</i> , or ARCE)	ARCE
End of entitlement benefit (<i>Allocation de fin de droits</i> , or AFD)	Allongement d'indemnisation
Special solidary allowance (<i>Allocation de Solidarité Spécifique</i> , or ASS)	Allongement d'indemnisation
Partial unemployment for unworked hours (<i>Allocation d'activité partielle pour les heures non-travaillées</i>)	Activité partielle