



Unédic

→ **Allocation  
and Impact  
Reporting -  
Social Bonds  
2020**

**March 2022**

Update to the Reporting published in December  
2021

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# Edito

The point of view of

**Christophe  
Valentie**

**Managing Director  
of Unédic**

**Since the beginning of the Covid-19 crisis, what can you tell us about Unédic's part in dealing with the situation?**

The unemployment insurance scheme has a significant role as an economic and social buffer in France's protection model. Since March 2020, the scheme has played a major part. Unédic has adapted with great agility to cushion the shock, particularly through the furloughing scheme for workers and companies as well as with the extension of unemployment benefits for jobseekers having reached the end of their entitlements: At the height of the crisis, the scheme was providing support to 11 million French people. In order to fund these emergency measures, the scheme contracted record levels of debt, which is managed and kept under control.

**How did Unédic adapt in practice?**

Unédic has an integrated approach, bringing together high-level skills, particularly in the fields of finance, law, research and analyses. This integrated approach allows us to carry out our role effectively: inform the social partners and French people, prescribe and secure the rules, ensure the scheme's financing and maintain unemployment insurance.

Faced with the crisis, our work initially consisted in understanding and evaluating the effects of the crisis on employment, and therefore on the unemployment insurance scheme. But the patiently developed statistical models had to be adapted or remade, urgently. As early as the end of March 2020, the first assessments enabled the social partners to anticipate the measures to be taken to respond to the crisis: the strengthening of the conventional components of the unemployment insurance scheme and the financing of exceptional measures. The objective remains to guarantee the quality of service and assistance provided to the benefit recipients, in coordination with Pôle emploi, the Urssaf network, the services and payment agency ("*Agence de services et de paiement*" – ASP) and the other relevant operators of the employment ecosystem.

**Accustomed to borrowing large amounts on the markets, Unédic was quick to finance emergency measures in response to**

**the crisis. Can you tell us more?**

In May 2020, Unédic launched the largest Social Bond issue ever recorded in France: €4 billion. The first in a long series!

We have used our Social Bond Framework to solicit our relationship with institutional investors in order to explain to them, in a transparent and educational way, the situation of job seekers, employees and companies. The debt issued makes sense and is sustainable because it was raised under good market conditions. Unédic has thus been forerunner of a fundamental movement leading a new trend of public and semi-public bodies turning to Social Bonds to raise the funds in order to respond the crisis.

**You are publishing a reporting on the impact of the schemes financed by the Social Bonds. What is the purpose of such a reporting?**

Now that the emergency measures have cushioned the shock, the situation is recovering, despite many uncertainties. Macroeconomic indicators are returning to their pre-crisis levels quicker than expected.

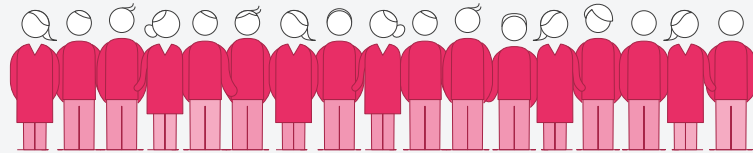
From the crisis to the economic recovery, it is important to take stock of the schemes funded by our Social Bonds in the markets to better understand their impact. This is the purpose of Unédic's first Social Bond Reporting! It will be a useful resource in case of future systemic shocks.

**1** Unédic,  
an Economic  
and Social  
Buffer



# → Unédic and its partners: key players of the public employment service

Unédic



Employees, companies and jobseekers



**ASP**  
Agence de Services  
et de Paiement

**ASP**  
Pays furloughing scheme  
allowance

**pôle emploi**

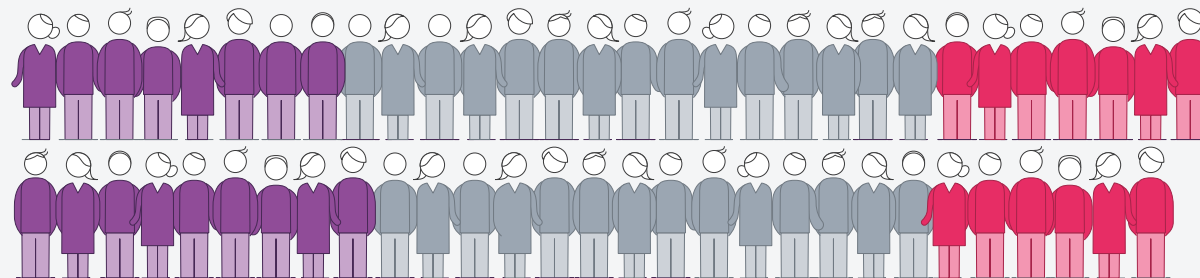
**PÔLE EMPLOI**  
Calculates and pays benefits  
to jobseekers and helps  
them return to work

**agirc-arrco**

**AGIRC-ARRCO**  
Manages pension  
contributions and rights  
of jobseekers receiving  
benefits

# → Unédic's coverage in 2020

France's labour force:  
**29.3 million**



of which  
**8.4 million**  
furloughed workers  
at the height of the crisis

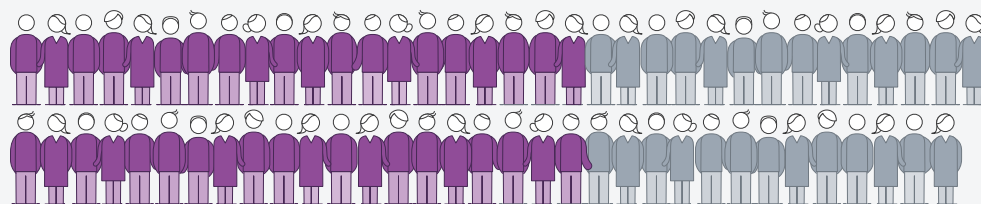
of which  
**6.7 million**  
jobseekers  
registered with Pôle Emploi  
at the end of December 2020  
and having access to support services



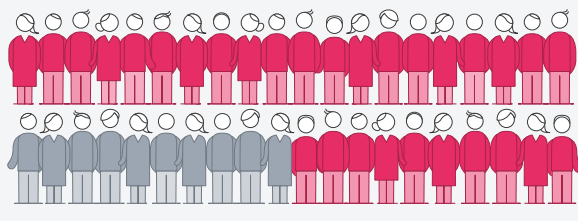
Sources:  
- Insee - Continuous Employment Survey  
- ASP, FNA - raw data at end of October 2021  
- Pôle Emploi - Dares, STMT

# → Jobseekers protected and supported by the Unemployment insurance scheme

At the end of 2020, France had **6.7 million** jobseekers registered with Pôle Emploi and having access to support services



of which **4.0 million** beneficiaries of the Unemployment insurance



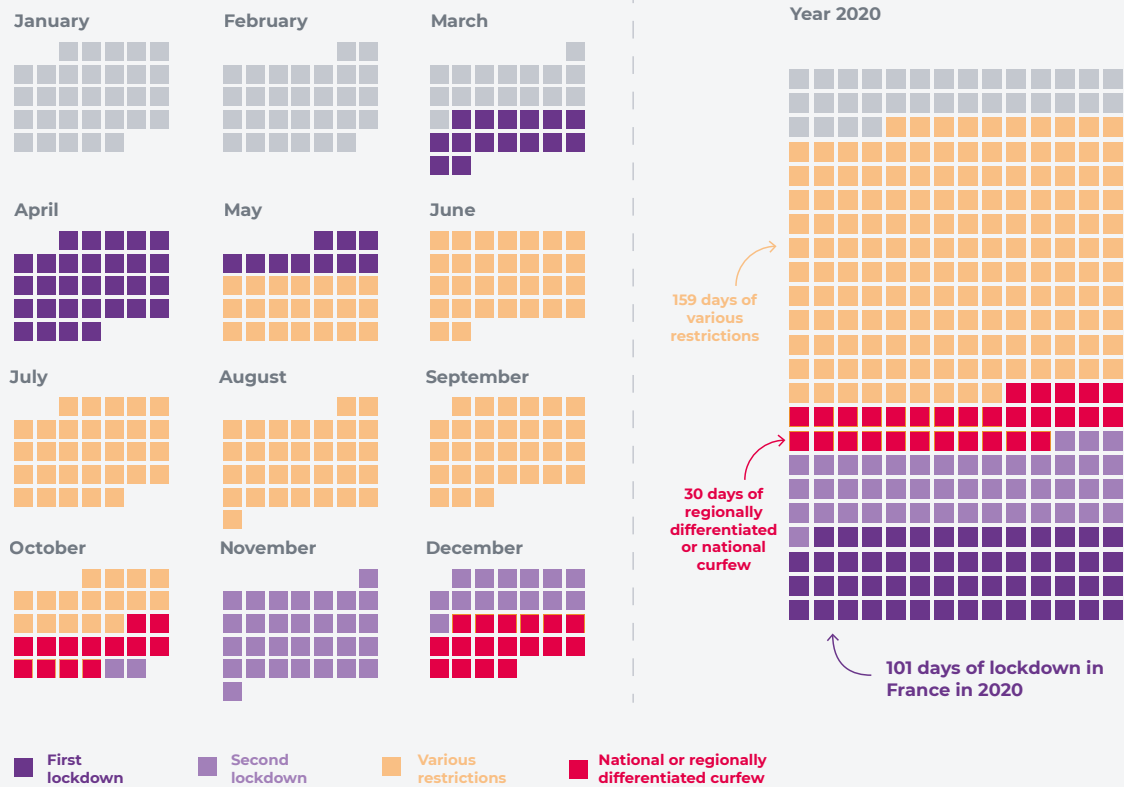
Not covered by the Unemployment insurance scheme are those that have not worked enough to qualify for entitlement or for their entitlement to be renewed, or those whose employment contract has not been terminated or who are not included in the scheme (part of the civil service, those having resigned and the self-employed).

Of these, **3.0 million** receive unemployment benefits

Those who do not receive any benefits have in general worked and received a high salary compared to their reference salary. They can also be covered by health insurance or deferral of benefits at the beginning of their entitlement

Source: Pôle Emploi - Dares, STMT

# → The impact of Covid in France: restriction periods in 2020



Non-exhaustive list of sectors likely to be subject to an administrative closure decided by prefects, to combat the spread of Covid-19 in 2020: Conference centres, meeting rooms, theatres or multi-purpose halls, except for courtrooms; shops and shopping centres; restaurants and drinks outlets; dance halls and gaming rooms; libraries, documentation centres; exhibition halls; indoor sports centres; museums; tents, marquees and structures; outdoor establishments; education, training; holiday centres and leisure centres without accommodation;  
 Decree No 2020-663 of 31 May 2020, art. 57 (from 22/06 to 11/07); Decree No 2020-860 of 10 July 2020, art. 50 (from 11/07 to 17/10); Decree No 2020-1262 of 16 October 2020, art. 50 Decree No 2020-1310 of 29 October 2020, art. 18, as amended by Decree No 2020-1519 of 4 December 2020: closure to the public of ski lifts and slopes.

2020 was marked by a **series of restrictions** decided by the public authorities to cope with the Covid-19 epidemic and to curb the spread of the virus. **The first lockdown from 17 March to 10 May was the most stringent.** Other restrictive measures were put in place throughout 2020.

The changes in the schemes monitored in this report are closely linked to the different periods of restrictions imposed on the French economy.

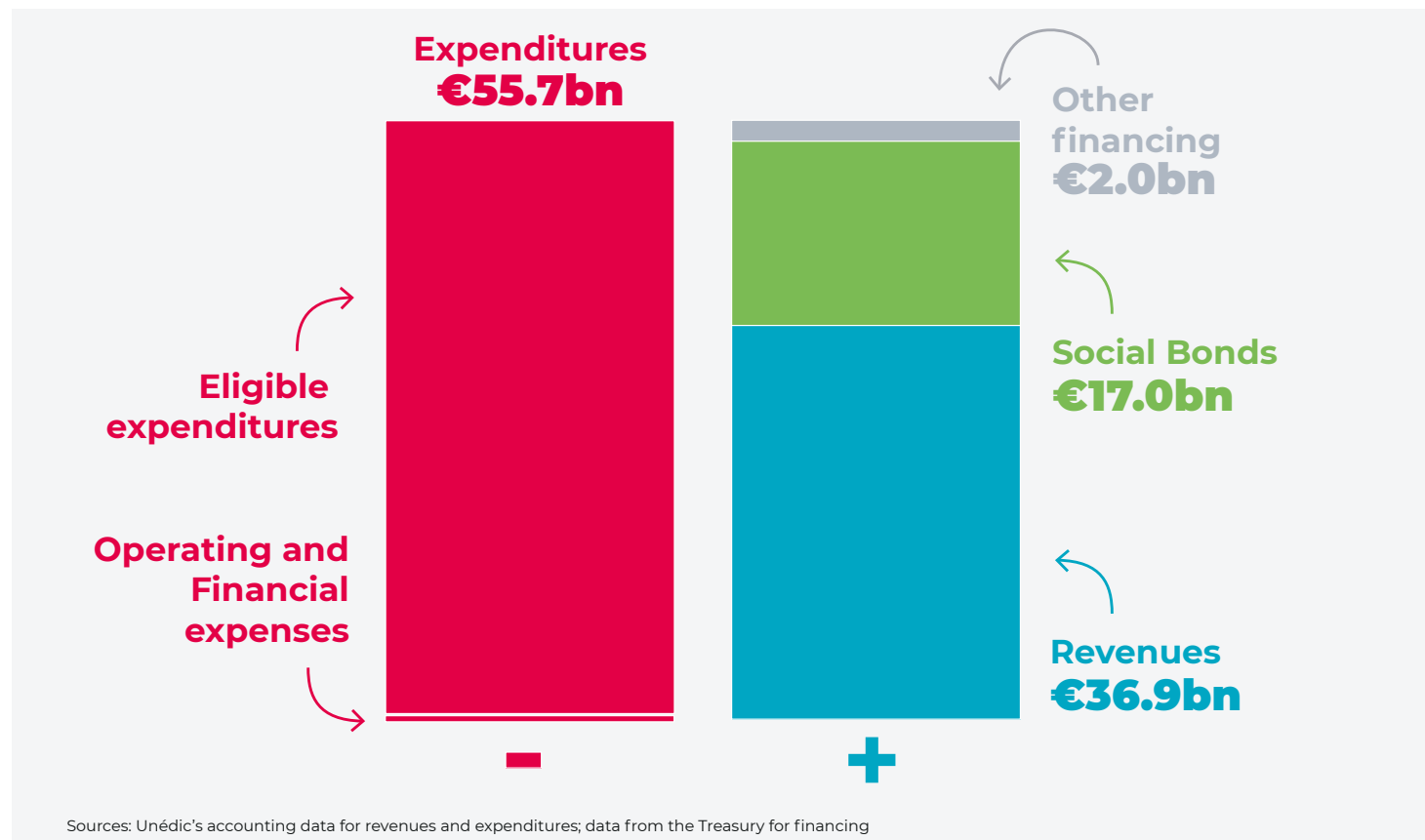


# → Increased use of financing to respond to the crisis

## Unédic's financial situation in 2020

The **reduction of economic activity** caused by the restrictions in France led to a drop in revenues and an increase in unemployment insurance expenditures.

This in turn led to a sharp increase in Unédic's **funding requirements** in 2020. The bulk of this financing requirement was covered by **Social Bonds**.



Sources: Unédic's accounting data for revenues and expenditures; data from the Treasury for financing

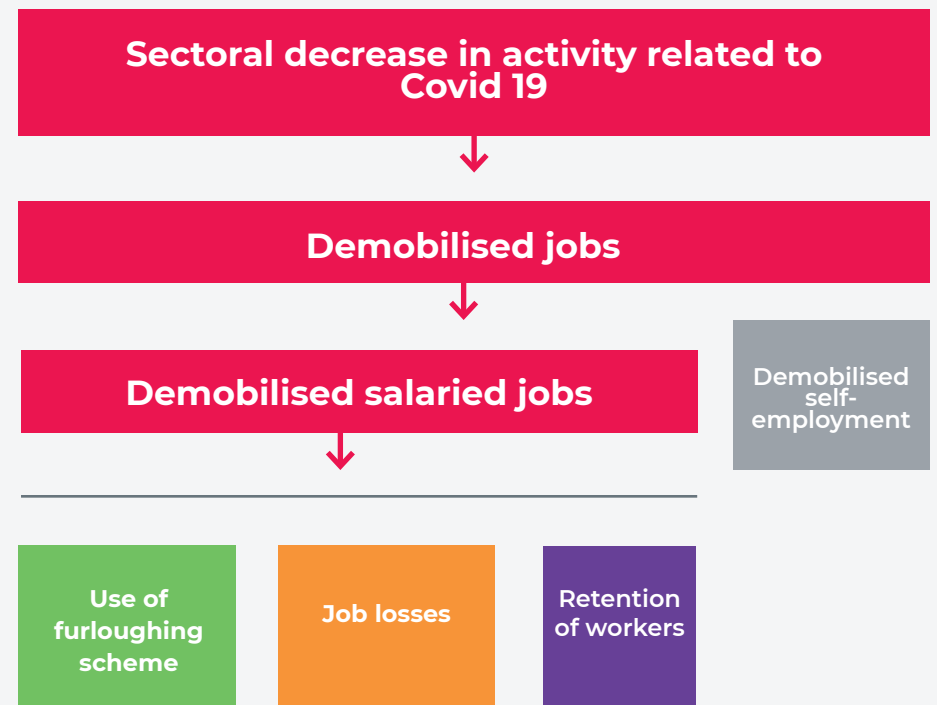
# → Modelling of consequences of the crisis on employment

Since June 2020, **Unédic's models and forecasting methods have been modified** due to the scale of the crisis and the need to take into account the furloughing scheme, the effects of which vary greatly between sectors

Unédic's forecasts are now based on **estimates of the level of activity for each sector**. These losses in activity are expressed in terms of the volume of so-called "demobilised" jobs, that is, jobs which are endangered by the decline in activity (assuming that the contraction of value added threatens an equivalent percentage of jobs).

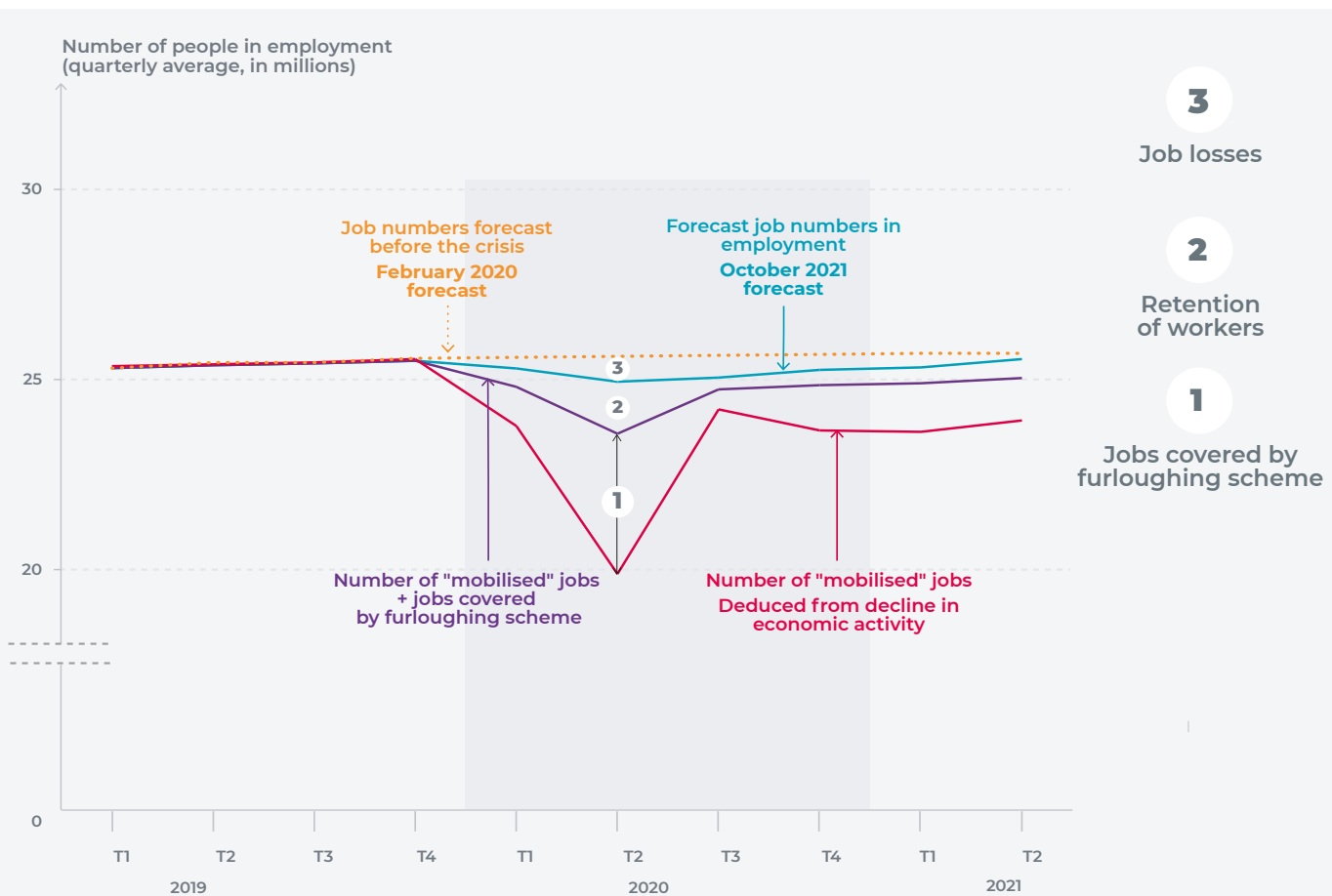
The estimation of 'demobilised' jobs allows, once deducting the share of employment covered by the furloughing scheme, **to determine what the level of employment would be** (for more details on the method used, see Unédic's forecasts of the financial situation of 18 June and 21 October 2020 at [unedic.org](https://www.unedic.org)).

## Analysis framework for estimating job losses



# → Unédic as an economic and social buffer

## Change in employment level



Sources: Unédic's financial forecast methodology - June 2021, updated in October 2021

The decline in the level of activity in the French economy in 2020 can be used **to estimate the number of "demobilised" jobs**.

This shock was cushioned by the **furloughing scheme** and by the **retention of workers by companies**.

By deduction, this approach makes it possible to calculate the actual number of job losses.

The level of employment is now returning to a situation close to that before the crisis, reflecting the effectiveness of the various measures to support the economy and furloughing scheme. **The change in job numbers is better than expected.**

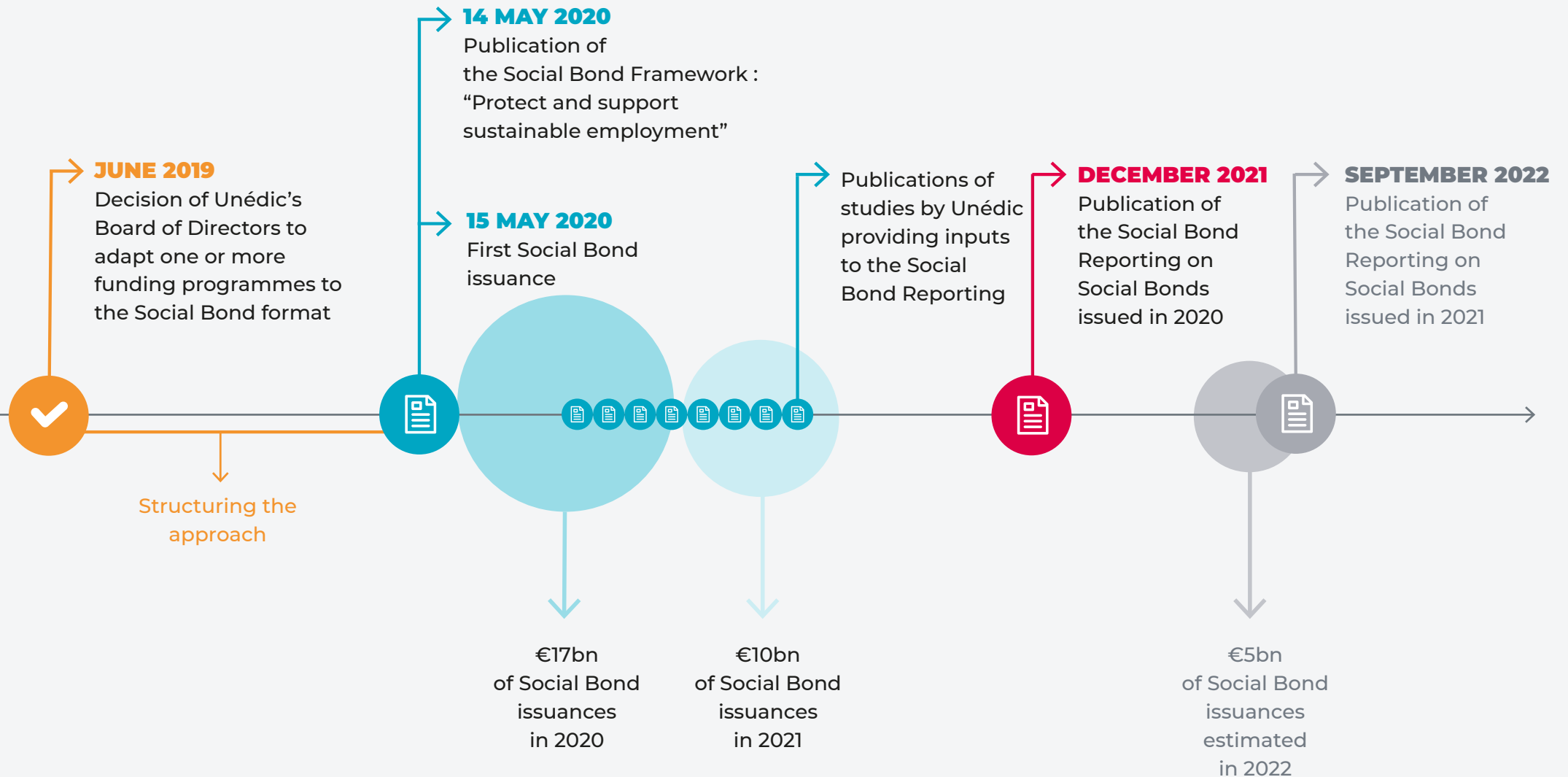
Already a significant difference has been observed compared with the situation following the 2008 economic crisis and the long period of increased unemployment in France in the early 2010s.

# 2 Unédic's Social Bond Issuances

↓

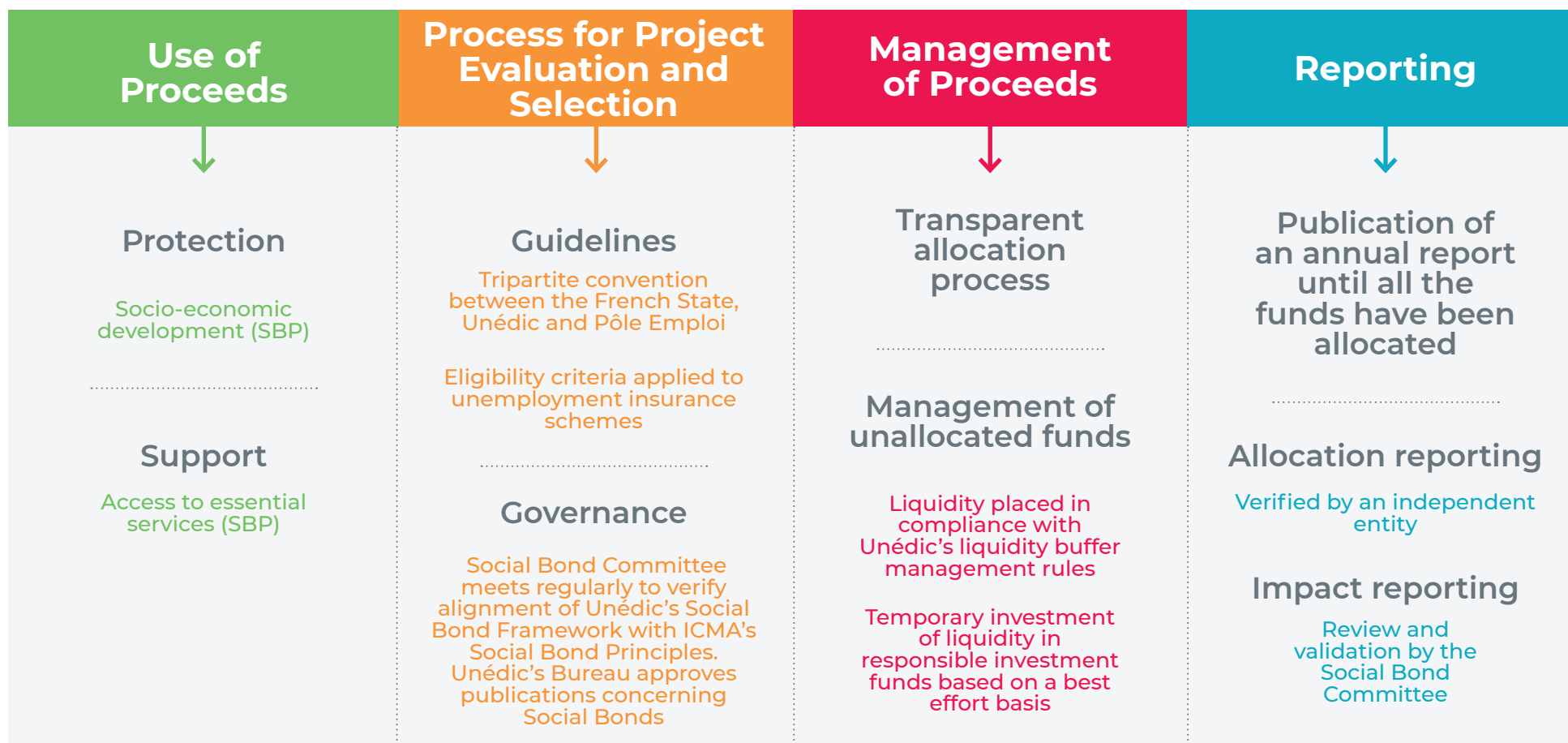


# → Timeline of an approach



# → Social Bond Principles

Unédic has developed the Social Bond Framework published in May 2020, fully in line with the Social Bond Principles (SBP) of the International Capital Market Association (ICMA).





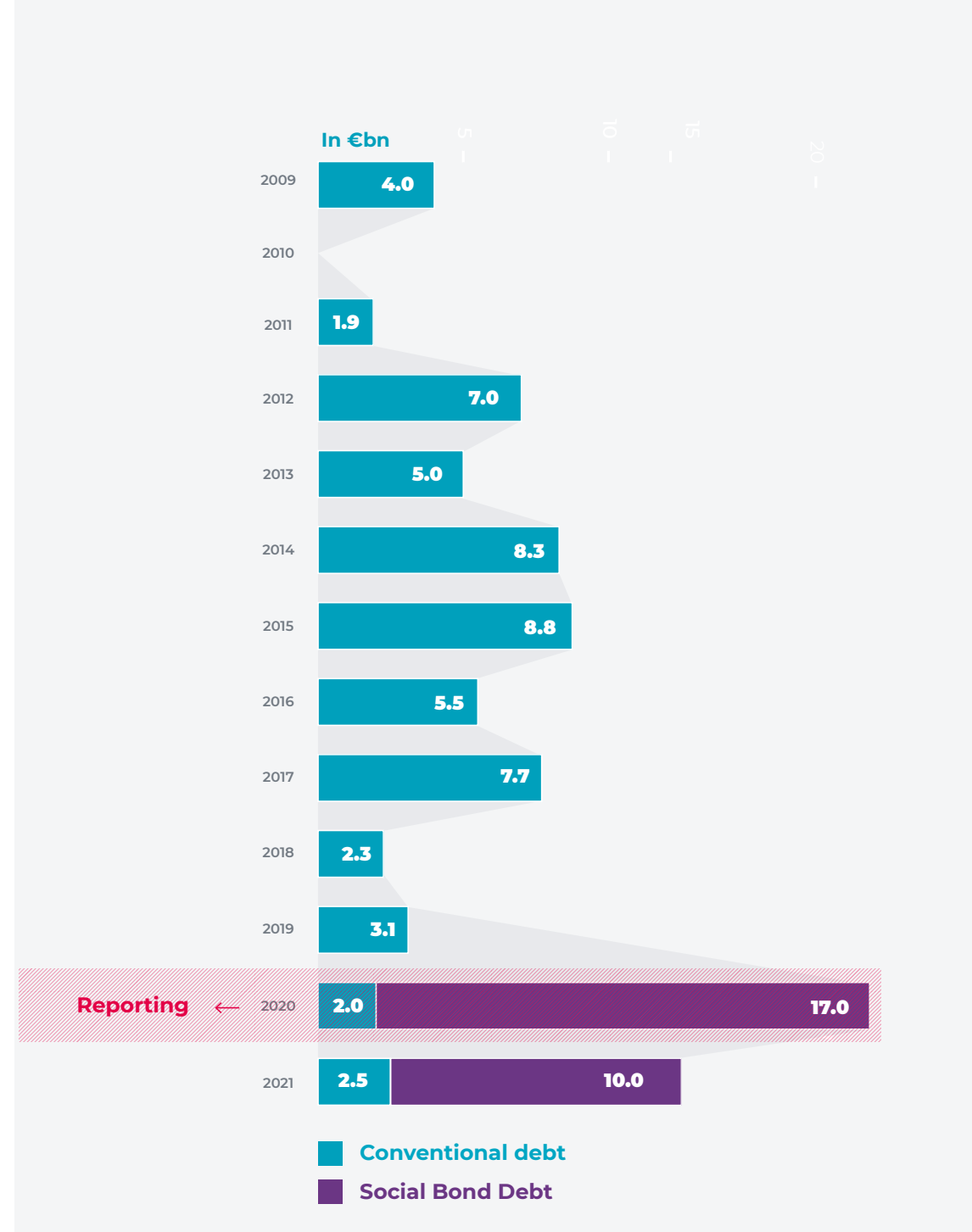
# A major funding plan in 2020

## Unédic's annual funding plans

2020 was marked by the sudden shutdown and disruption of national economies - consequences of health constraints aimed at stemming the spread of the Covid-19 virus. In France, the crisis had a major impact on the economic situation and upset the prospects for the equilibrium of the Unemployment insurance scheme's accounts. To fulfil its mission, Unédic relied heavily on debt in order to finance the exceptional measures to support

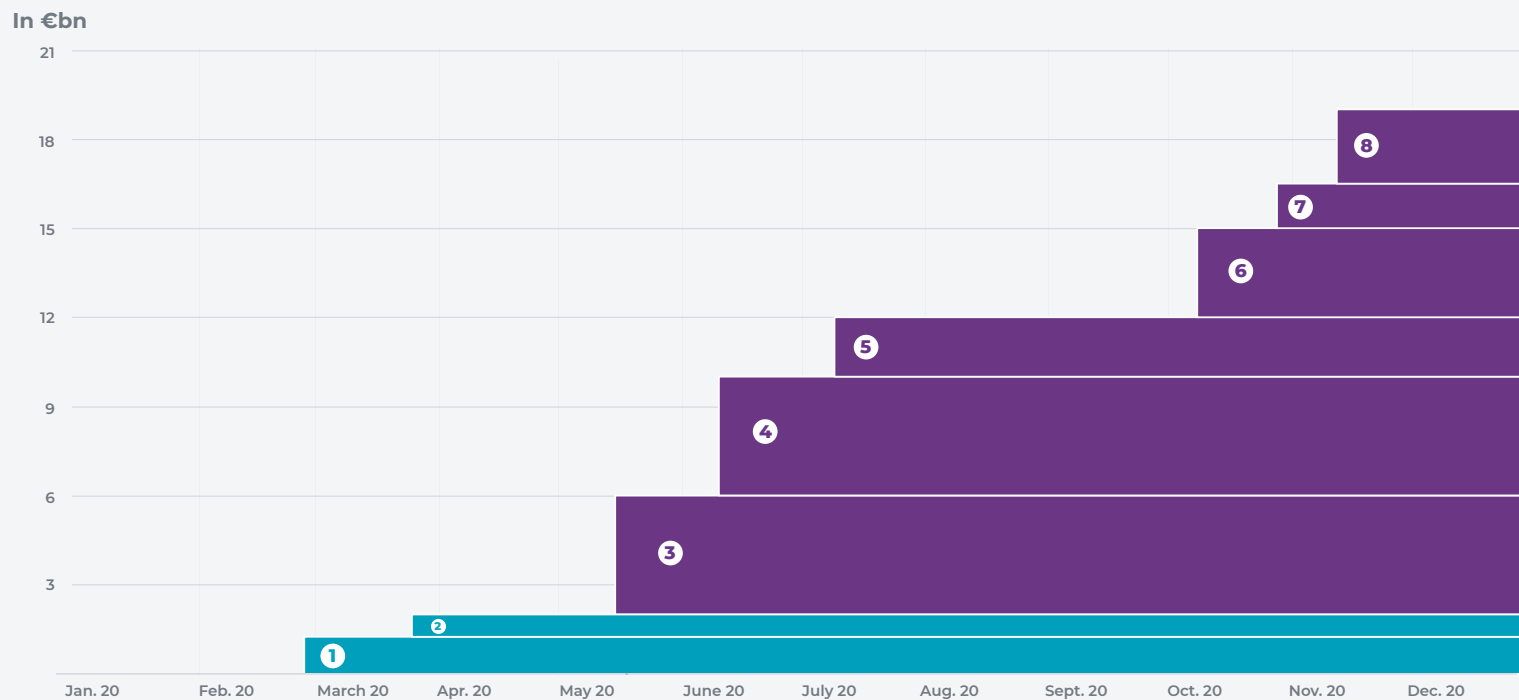
employment, businesses and jobseekers, while ensuring the continuity of payments under unemployment insurance schemes established through collective agreements

**In 2020, six Social Bonds were issued for a total nominal amount of €17bn.**



# → Eight issuances, including six Social Bonds

## Sequencing of the funding plan for the year 2020



### ● Conventional debt

1 Unédic 10y (FR0013489259)

2 Unédic 8y (FR0013369758)

### ● Social Bond Debt

3 Unédic 6y (FR0126221896)

4 Unédic 10y Short (FR0013518487)

5 Unédic 15y Initial (FR0013524410)

6 Unédic 8y (FR0014000667)

7 Unédic 15y Tap (FR0013524410)

8 Unédic 10y (FR0014000L31)

Legend: Issuer's name, tenor, ISIN code



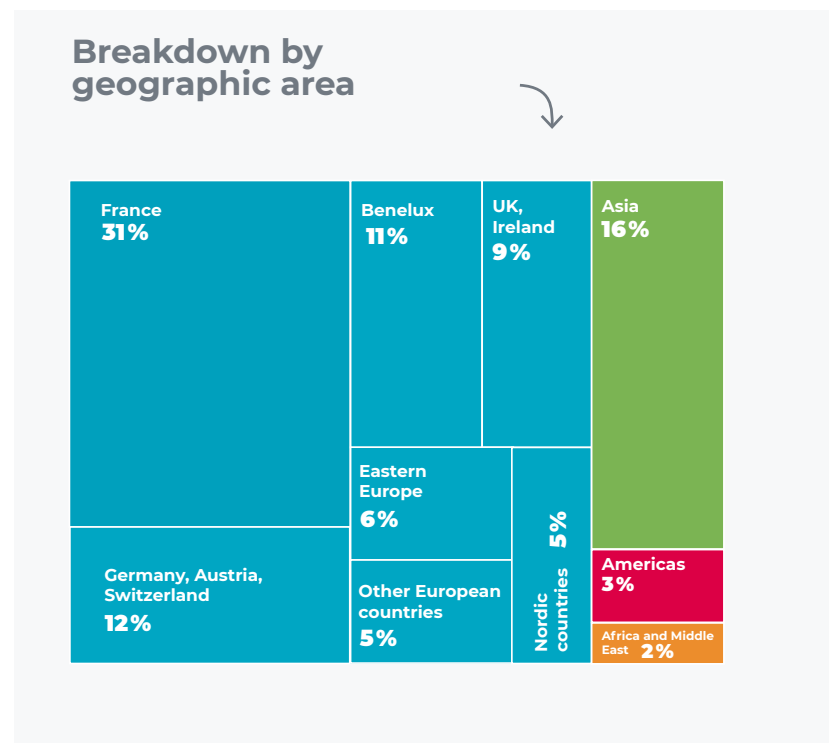
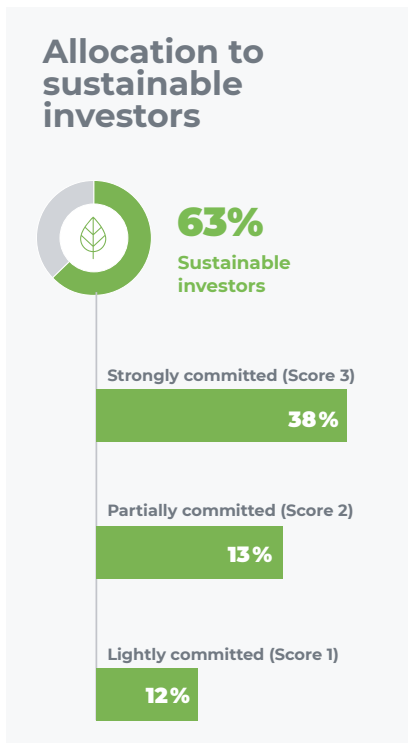
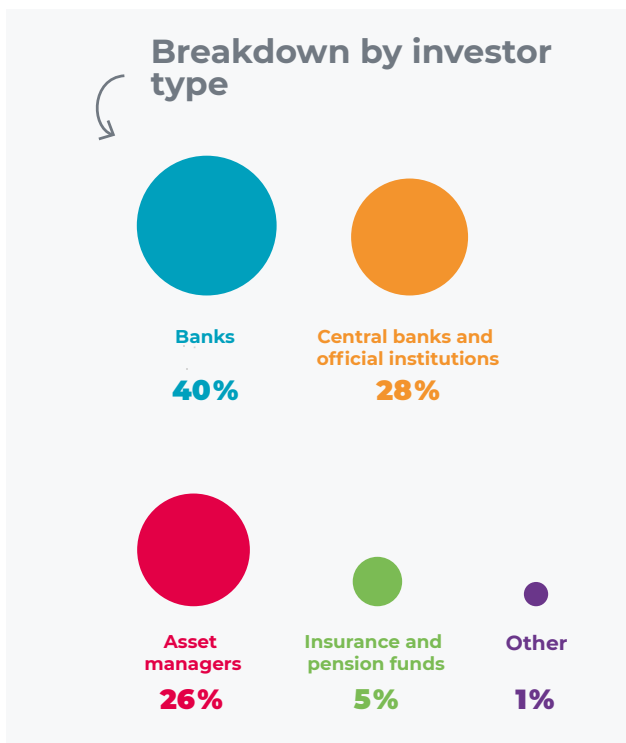
# → Unédic's Social Bonds

## Characteristics of Social Bonds issued in 2020

Pricing date	Tenor	Nominal amount	Spread vs OAT	Yield	Orderbook size
15/05/2020	6y	€4.0bn	+36bp	0.112%	> €8.1bn
10/06/2020	10y Short	€4.0bn	+25bp	0.266%	> €8.8bn
09/07/2020	15y Initial	€2.0bn	+21bp	0.308%	> €6.0bn
08/10/2020	8y	€3.0bn	+19bp	-0.218%	> €8.2bn
28/10/2020	15y Tap	€1.5bn	+15bp	0.042%	> €2.2bn
12/11/2020	10y	€2.5bn	+15bp	-0.124%	> €6.6bn
		<b>€17.0bn</b>		<b>0.072%</b>	



# Investors of Unédic's Social Bonds



#### ESG investor rating methodology:

A methodology developed by Natixis to rate each investor in order to quantify the ESG share within the order book.

3 - Strongly committed sustainable investors: investors who deploy strategies focused on sustainable development and impact (mandates and/or dedicated green/ SGD/impact funds, etc.)

2 - Partially committed sustainable investors: Investors integrating ESG\* factors into their actively managed portfolios ("best-in-universe" and "best-in-class" strategies, SRI funds, etc.)

1 - Lightly committed sustainable investors: ESG-sensitive investors who are not active ESG investors (at least signatories of the Principles for Responsible Investment, applying "negative screening", etc.)

0 - No public information formalising the investor's ESG policy

#### Basis for Natixis's rating approach:

- Thorough knowledge of sustainable investors (including more than 20 investment strategies falling into 3 main categories: Screening - Integration - Thematic).

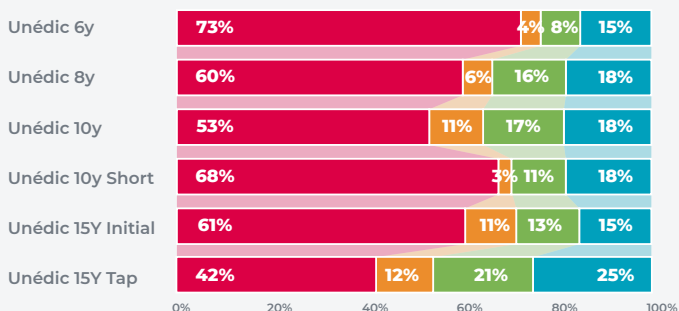
- Public information (from various sources: PRI transparency reports, social investment forums (SIFs), media specialised in sustainable investment, investors' websites, etc.)

- Information from our sales force (from our clients' investor statements).

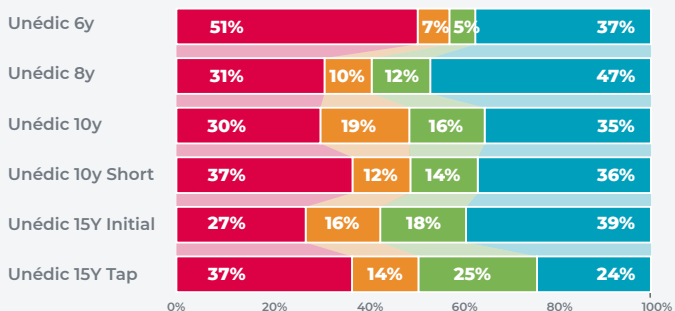
\* ESG integration: Actively manages ESG risks to achieve better financial returns. As part of this approach, investors integrate financially significant ESG factors into analysis and decision making, without restricting their investment universe.

# → Participation of ESG investors

Number of investors allocated by ESG score for each Social Bond issuance



Amount allocated by ESG score for each Social Bond issuance



ESG score: 0

ESG Score: 1

ESG Score: 2

ESG Score: 3

ESG investor rating methodology:

A methodology developed by Natixis to rate each investor in order to quantify the ESG share within the order book.

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1 - Lightly committed sustainable investors: ESG-sensitive investors who are not active ESG investors (at least signatories of the Principles for Responsible Investment, applying "negative screening", etc.)

0 - No public information formalising the investor's ESG policy

More and more institutional investors are formalising and publishing their **ESG (environmental, social and governance) policy** commitments.

Thus, Unédic takes this formalisation into account to prioritise the allocation of its debt securities to **specialised and active ESG investors**.

By way of example, investors who made no ESG commitment with regards to their management strategy accounted for 53% of the orderbook of the 10y Social Bond issued on 12 November 2020.

Unédic's allocation principles for primary investor orders led to the allocation of only 30% of the nominal amount of these accounts.

Conversely, the demand of investors with an ESG score of 1, 2 or 3 amounted to 47% of the orderbook, resulting in a final allocation of 70% of the Social Bond's nominal amount.

# 3 Allocation of Funds Raised

↓



# → Allocation methodology

The methodology for allocating eligible expenditures is based on Unédic's 2020 income statement.

It considers **technical management only**, and does not include Unédic's administrative management, financial expenses related to debt management, property management or other administrative or financial expenditure expenses.

Technical expenditures eligible for Social Bond allocation are monitored in **accounts that are justified and normalised in respect of accounting policies** applied by the operators in charge of the services provided to the benefit recipients. The eligibility criteria are guaranteed by the management framework applying to Unédic's partner operators that provide services to workers, businesses and jobseekers.

**Main categories of eligible expenditures:**

**Furloughing scheme:** in response to the Covid-19 crisis, this scheme has been used extensively to cushion the loss of business activity linked to the administrative and social restrictions decided by the public authorities to limit the spread of the pandemic.

**Return-to-work allowances and benefits:** composed mainly of unemployment benefits (ARE-AREF), which represent the core activity of the scheme, they were up significantly compared to the previous year due to the effect of the Covid-19 crisis on unemployment. There are also schemes that provide protection against certain situations of loss of employment, assistance with retraining and enhanced support for the resumption of an activity, whether that activity is salaried or

self-employment (CSP, ARCE, etc.).

**Validation of pension credits:** this is the substitution of the employer by Unédic for the payment of contributions to supplementary pension schemes for benefit recipients, so that periods of unemployment do not reduce the duration of contributions for these persons.

**Functioning of Pôle Emploi:** Unédic's contribution to the operating budget of the main operator of the public employment service enables all jobseekers to receive support and help in finding a job.



# → Eligible expenditures

All of Unédic's technical expenditures are eligible for allocation of funds raised through Social Bonds.

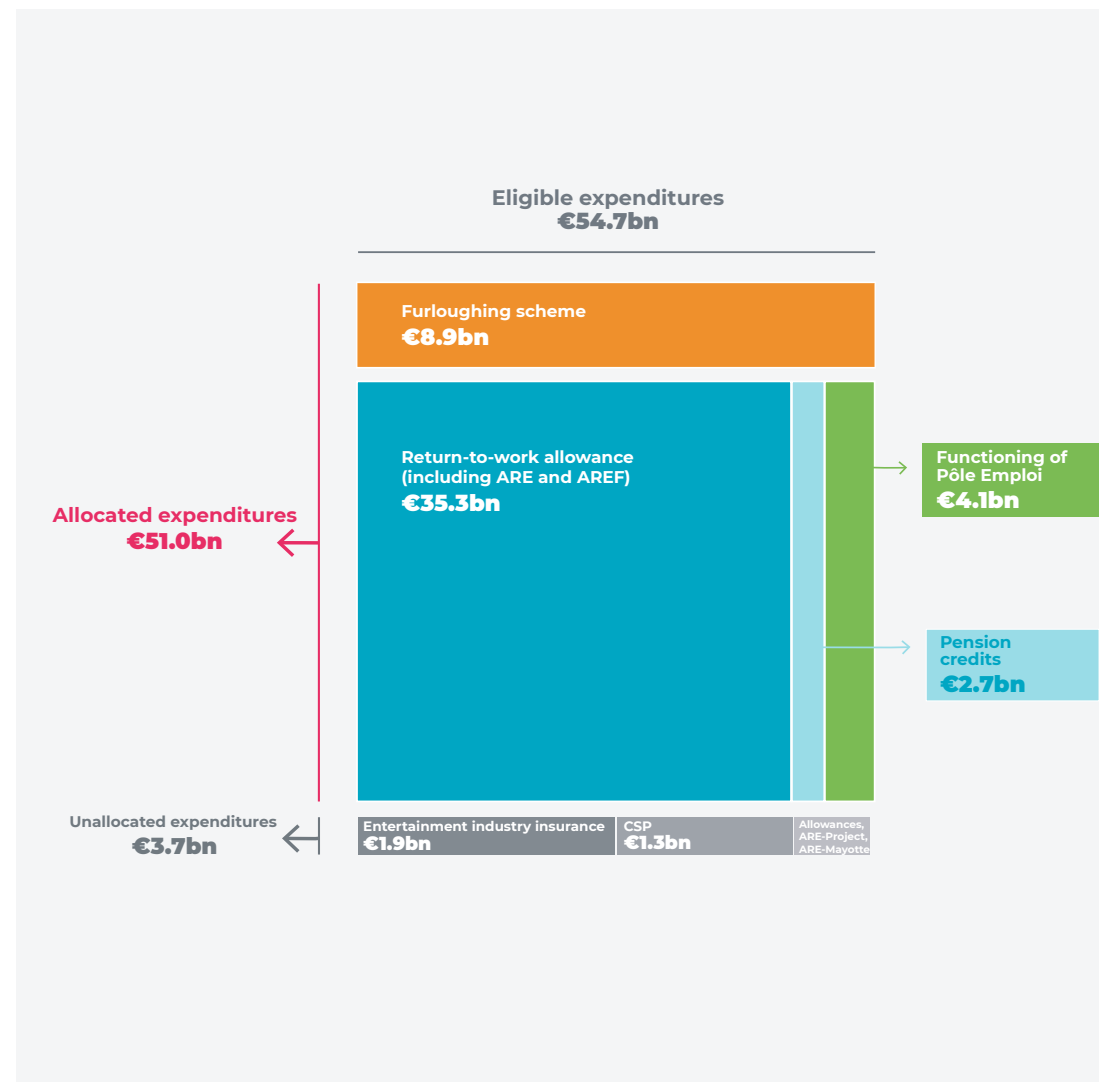
Of the €54.7bn of eligible expenditures, Unédic has selected **four schemes funded** by the proceeds from the issuance of Social Bonds.

These schemes account for most of the expenditures recorded in Unédic's income statement in 2020, i.e. a total of **€51.0bn**:

- **return-to-work allowance** (including ARE and AREF),
- exceptional **furloughing scheme**,
- contribution to the **functioning of Pôle Emploi**,
- contribution to **pension credits** for Unemployment insurance recipients.

The major impact of the crisis on these expenditures in 2020 led to a focus on monitoring these expenditures in connection with this allocation and impact reporting.

The **unallocated expenditures**, namely €3.7bn, correspond to schemes of lower volume in terms of financial amounts that Unédic will be able to allocate in coming years when it produces its next Social Bond Reporting. They are eligible for allocation to Unédic's Social Bonds. The sectoral and regulatory context leads Unédic to plan the assessment of these schemes in a longer time frame to better understand and measure their social impacts.



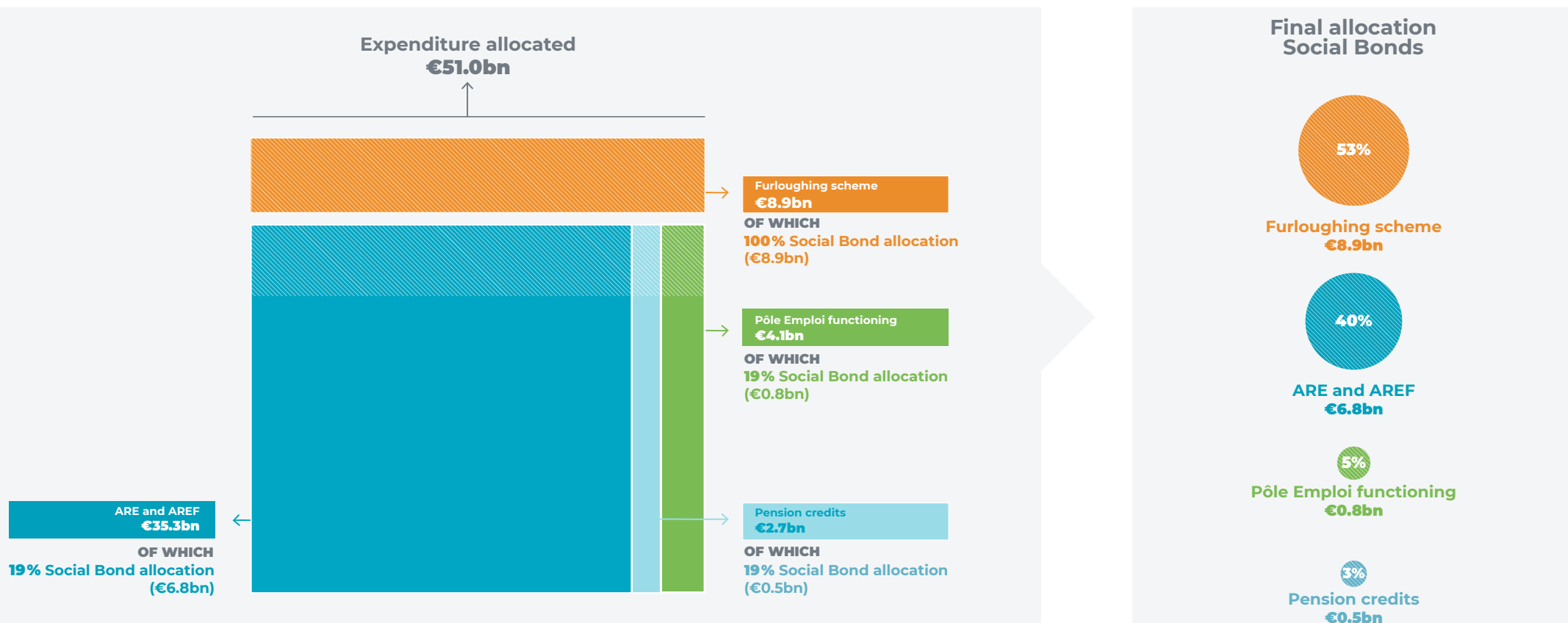
# → Allocated expenditures

## Choice and allocation method:

- Allocation of 100% of the Social Bond proceeds (unallocated proceeds = 0%)
- Allocation applied to 100% of furloughing scheme expenditures
- Allocation proportional to the share of each scheme in the eligible costs of the scheme

## Purpose of the allocation:

- Focus the impact assessment on accounts most affected by the consequences of the crisis
- Maintain a balanced representation in the allocation of funds on the historical missions of the Unemployment insurance scheme and the scheme's missions established through collective agreements



# 4 Impact Assessment







# Unédic's two social missions

## Protection mission:









Provide protection against the socio-economic vagaries of the labour market (redundancies, unemployment, decline in activity, precarious contracts and so-called atypical forms of employment, i.e. short-term and part-time contracts) by ensuring economic and financial security (replacement income).

## Support mission:

Provide support to individuals to find work or to get back into the job market by, in particular, developing their skills and helping them obtain qualifications or helping them to start their own business or change career.

# Expenditures eligible for Unédic's Social Bonds

100% of the 2020's Social Bond proceeds were allocated to eligible expenses from the same year (unallocated proceeds = 0%)

Mission	Sustainable development goal	Expenditure	Amount					
			2019		2020			Total
			Eligible	Allocated	Eligible	Allocation	Allocated	Allocated
Protection	 	Furloughing scheme	€37,629,250	-	€8,938,017,150	100%	€8,938,017,150	€8,938,017,150
		Return-to-work allowance (ARE)	€30,074,431,332	-	€33,671,804,425	19%	€6,460,004,044	€6,460,004,044
		Validation of pension credits	€2,104,609,674	-	€2,679,821,671	19%	€514,129,229	€514,129,229
		Unemployment insurance for casual workers of the entertainment industry (ARE A8-A10)	€1,441,047,473	-	€1,880,859,737	0%	-	-
		Allowances and other benefits (ATI, ARE-Mayotte, end of entitlements, unpaid leave)	€32,409,088	-	€38,748,738	0%	-	-
		<b>"Protection" mission</b>	<b>€33,690,126,817</b>	<b>-</b>	<b>€47,209,251,721</b>		<b>€15,912,150,422</b>	<b>€15,912,150,422</b>
Support	 	Financing of Pôle Emploi's operating budget	€3,521,338,335	-	€4,075,466,400	19%	€781,886,503	€781,886,503
		<b>"Support" mission</b>	<b>€3,521,338,335</b>	<b>-</b>	<b>€4,075,466,400</b>		<b>€781,886,503</b>	<b>€781,886,503</b>
Protection and Support	   	Return-to-work training allowance (AREF)	€1,440,961,002	-	€1,594,786,744	19%	€305,963,075	€305,963,075
		Career safeguarding contract (CSP)	€1,189,267,622	-	€1,290,815,462	0%	-	-
		Allowance for creating or taking over a business (ARCE)	€578,713,732	-	€453,360,449	0%	-	-
		Return-to-work allowance paid to those pursuing a professional project (ARE-Project)	€11,232	-	€23,141,240	0%	-	-
		<b>"Protection" and "Support" missions</b>	<b>€3,208,953,589</b>	<b>-</b>	<b>€3,362,103,894</b>		<b>€305,953,075</b>	<b>€305,953,075</b>
<b>Total</b>		<b>€40,420,418,741</b>	<b>-</b>	<b>€54,646,822,015</b>		<b>€17,000,000,000</b>	<b>€17,000,000,000</b>	

# → Furloughing scheme

## Protection



The furloughing scheme allows companies to temporarily reduce or suspend activity of their workers due to special circumstances.

Under this scheme, for each hour not worked, workers receive an allowance equal to a certain percentage of their gross hourly pay. In compensation, the employer receives an allowance paid by the services and payment agency ("Agence de Services et de Paiement" – ASP), which is 67% and 33% financed by the State and Unédic respectively.

Due to the economic impact of the Covid-19 epidemic, the amount of the allowance paid to employers varies according to the sector of activity.

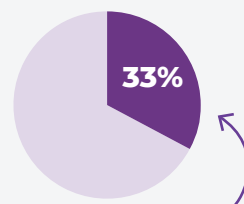
Number of beneficiaries in 2020

10.6 million



Financing in 2020

€8.9bn



Unédic's share of financing of which 100% funded by Social Bonds (€8.9bn)



# → Furloughing scheme

## Protection



### Conditions for benefiting from the furloughing scheme:

Workers may be furloughed when the company that employs them is obliged to temporarily reduce or suspend its activity because of:

- The economic situation
- Difficulties in the supply of raw materials or energy
- Loss event
- Exceptionally bad weather / disaster
- Transformation, restructuring or modernisation of the company
- Because of any other exceptional circumstance, such as the Covid-19 epidemic.

### How is the furloughing allowance paid to employers financed?

Every month or week, Unédic makes a payment to the services and payment agency ("*Agence de Services et de Paiement*" – ASP), which is in charge of paying furloughing allowances to employers. These financing arrangements were the subject of Amendment No1 to the State-Unédic agreement of 1 November 2014 relating to the furloughing scheme.

### How is the furloughing allowance paid to workers?

For each hour not worked under the furloughing scheme, the employer must pay, on the usual pay day, its workers an allowance calculated as a percentage of their normal gross hourly pay (limited to 4.5 times the minimum wage (SMIC)).

This allowance is exempt from social security contributions but is liable to the Generalised Social Contribution (GSC) ("*contribution sociale généralisée*" – CSG) and the Contribution to the Reduction of the Social Debt ("*contribution à la réduction de la dette sociale*" – CRDS) taxes at the rate of 6.70%, after a reduction of 1.75%.

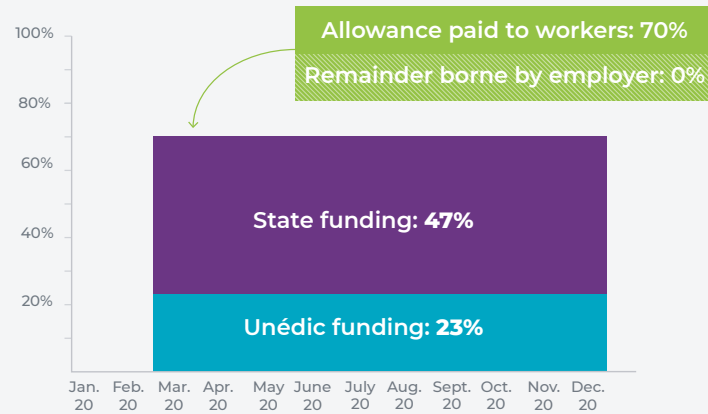


# Furloughing scheme financing

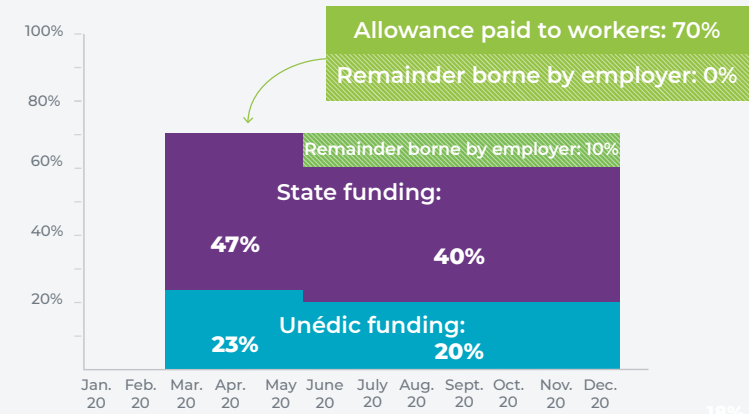
The allowance received by employers is 67% financed by the State and 33% financed by Unédic.

## Financing by sector (as percentage of gross pay)

Administratively closed sectors and other cases heavily impacted by the crisis\* + sectors protected\*\* by decree



Unprotected sectors



Comments:

The allowance received by the employer is 67% financed by the State and 33% financed by Unédic. The percentages shown in the diagram are rounded to the nearest whole number. The cases of long-term furloughing, sole-trader employers, vulnerable employees and furloughed workers for reasons of child care, as well as the rules for Mayotte are not detailed here.

To take into account the floor and ceiling values of the furloughing scheme allowance received by employers, this chart applies to gross pay between 1.32 and 4.5 times the minimum wage (SMIC).

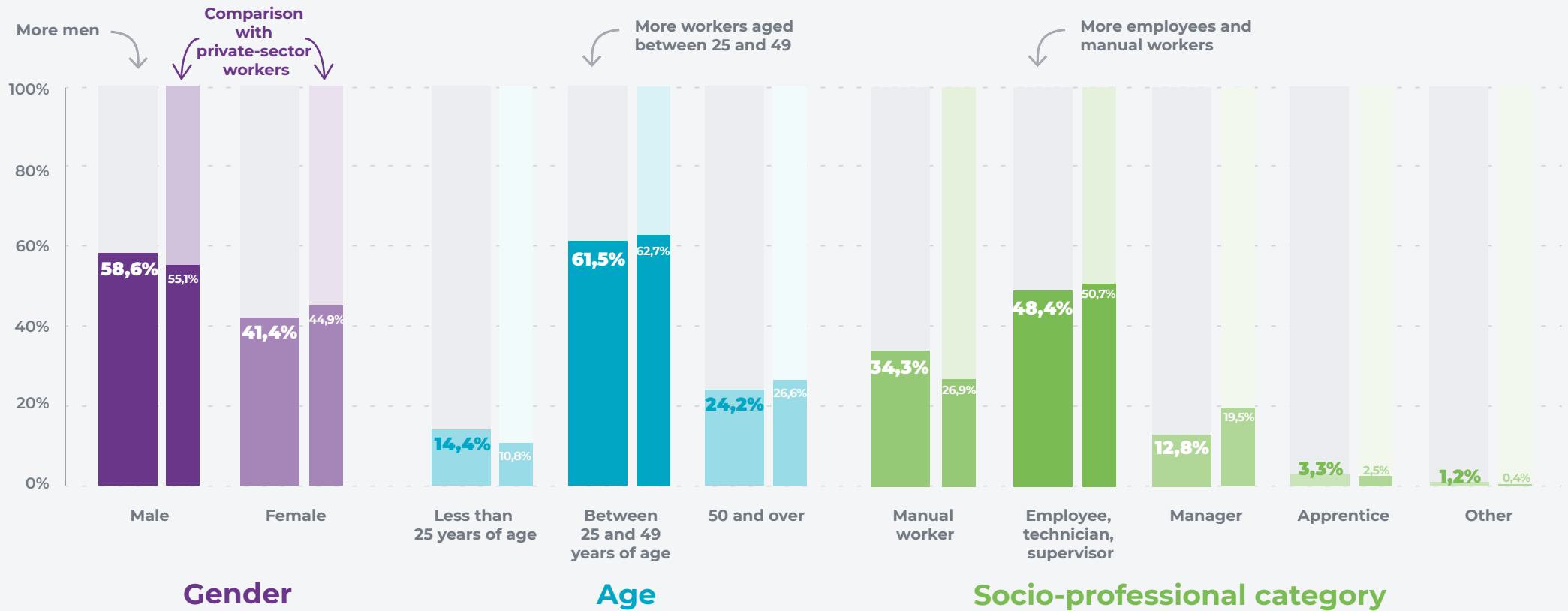
\* This category includes:

- 1) establishments closed by administrative decision,
- 2) establishments located in the catchment area of a ski resort during the period of administrative closure of ski lifts subject to meeting the condition of a 50% decrease in their revenue (from 1 December 2020).

\*\* The list of protected areas is set out in Annexes 1 and 2 of Decree No 2020-810 of 29 June 2020. These are the sectors most affected by the health crisis (hotels, restaurants, events, tourism, sports and cultural activities). Several amendments to these lists have been made since first prepared.

# Profile of workers who were furloughed in 2020

**10.6 million** workers were furloughed for at least one hour in 2020, i.e. more than half of private-sector workers.



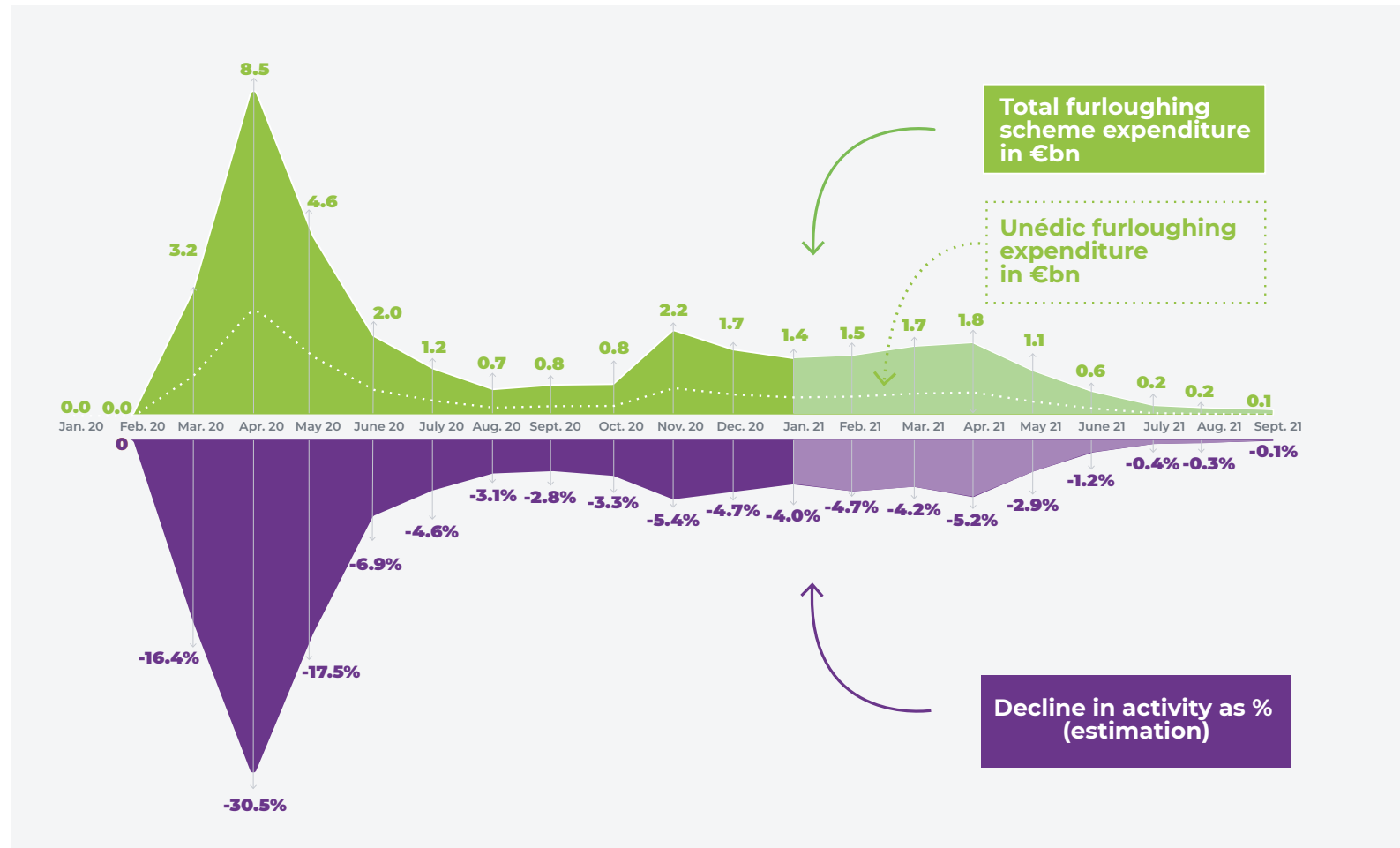
Sources: for furloughed workers, ASP, Part-time furloughing scheme extranet, weekly data as at 6 November 2021, Unédic calculations; for private-sector workers, Employment Survey, Dares calculations (annual average in 2019).  
 Scope: for furloughing scheme, claims for allowances paid to workers, excluding sole-trader employers; for private-sector jobs, private-sector workers, excluding employees of sole-trader employers.  
 Reading: 58.6% of workers furloughed for at least one hour between January 2020 and December 2020 were men.

# Furloughing scheme expenditure mirrors the trend for GDP

The furloughing scheme was extensively used from March 2020 onwards. The first lockdown and complete shutdown of many economic activities had a direct impact on emergency measure expenditures.

In April 2020, the large decline in economic activity resulted in furloughing scheme expenditures of €8.5 billion.

From June 2020 onwards, the periods of restrictions and reopening of the economy coincided with the declines in activity and use of the furloughing scheme.



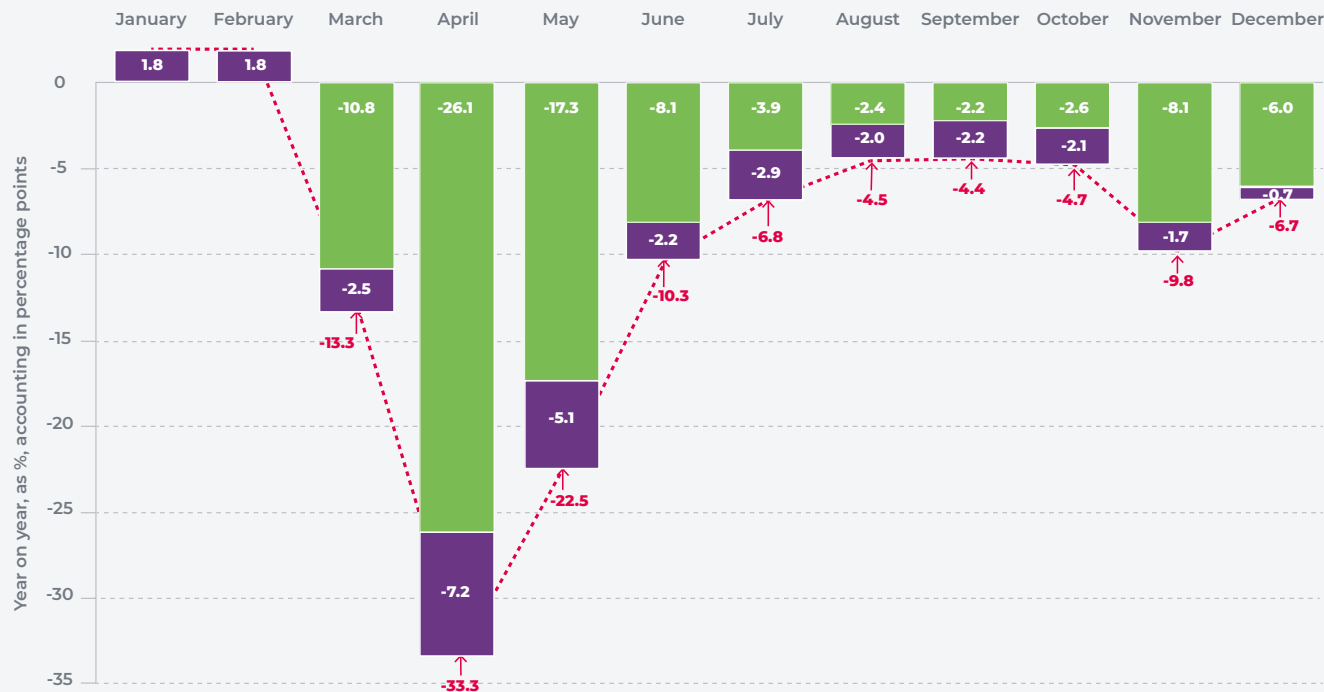
Sources: for GDP, Insee, monthly activity losses are calculated in relation to the level before the crisis (i.e. 4th quarter 2019) based on quarterly data and Insee's notes on the economic situation; for furloughing scheme expenditures, ASP, restatement for duplicate claims, excluding sole-trader employers; Unédic calculations.

# Change over one year in the volume of paid work

According to Insee, "At the height of the health crisis and activity restrictions during the first lockdown, the **decrease in paid hours reached 33% in April 2020 compared to the same month in 2019.**"

Progressive lifting of restrictions allowed many sectors to resume working, but activity remained below its pre-crisis level; thus, on average, between August and October 2020, the volume of paid working hours was 5% below its level for the same period the previous year.

During the **second lockdown** from the end of October, **the decline was again accentuated, but peaked at 10% in November**, i.e. a much lower intensity than during the first lockdown." "Furloughed hours thus accounted for 80% of the decrease in the number of paid hours, and even more during periods of lockdown."



## The furloughing scheme as the main absorber of the fall in activity.

- Furloughing scheme
- Sick leave, overtime, volume of employment contracts, other
- - - Paid hours

Source: Insee, electronic payroll declarations (DSN) - provisional processing.  
 Scope: France excluding Mayotte, private-sector establishments, excluding farmers and sole-trader employers.  
 Reading: in January 2020, the volume of paid hours increased by 1.9% in one year. The number of sick leaves, overtime and employment contracts accounted for 1.8 percentage points of this increase.



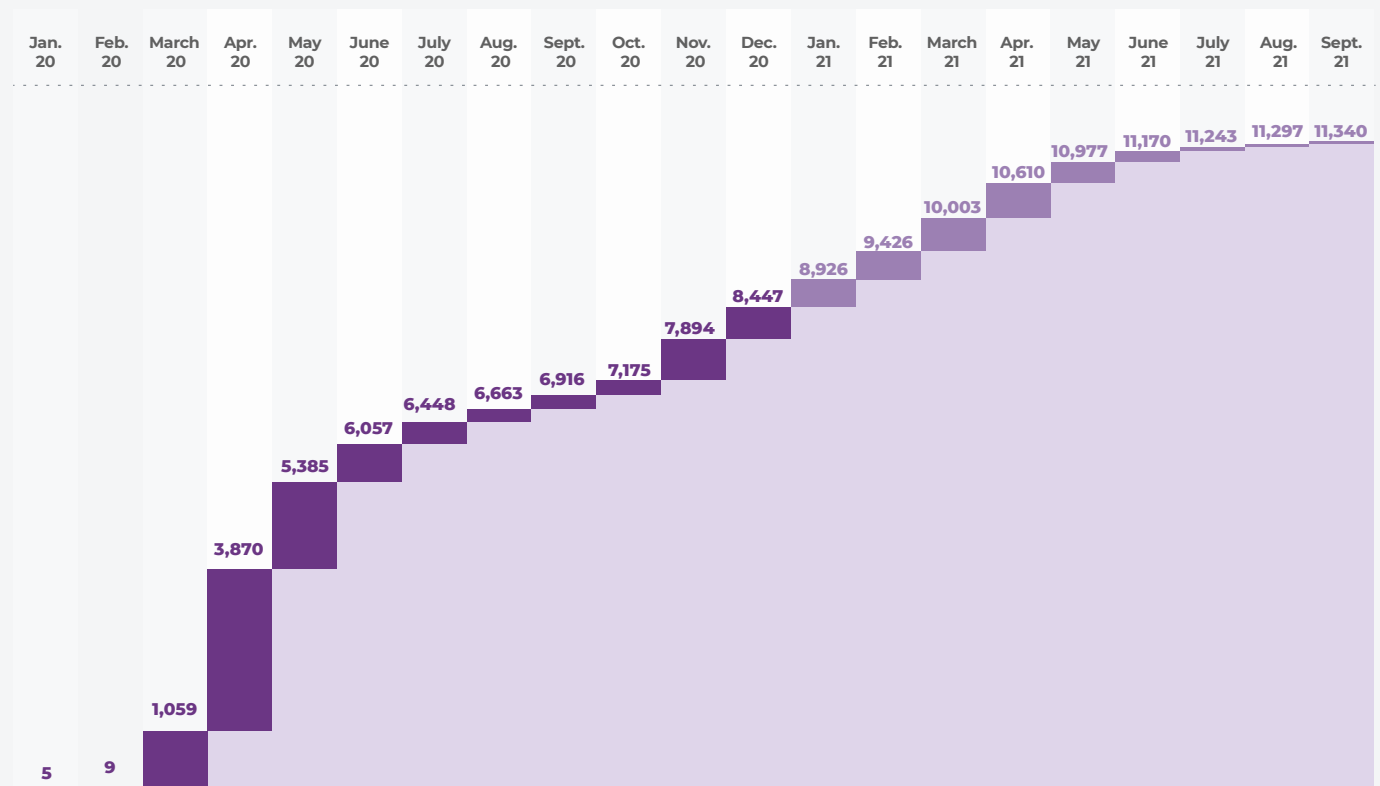
# Unédic's furloughing scheme expenditures

Since the beginning of the health crisis, claims totalled €11.3bn for Unédic.

Two weeks after the start of the first lockdown in France and before the end of March, Unédic disbursed more than €1bn to support companies and employees through the furloughing scheme.

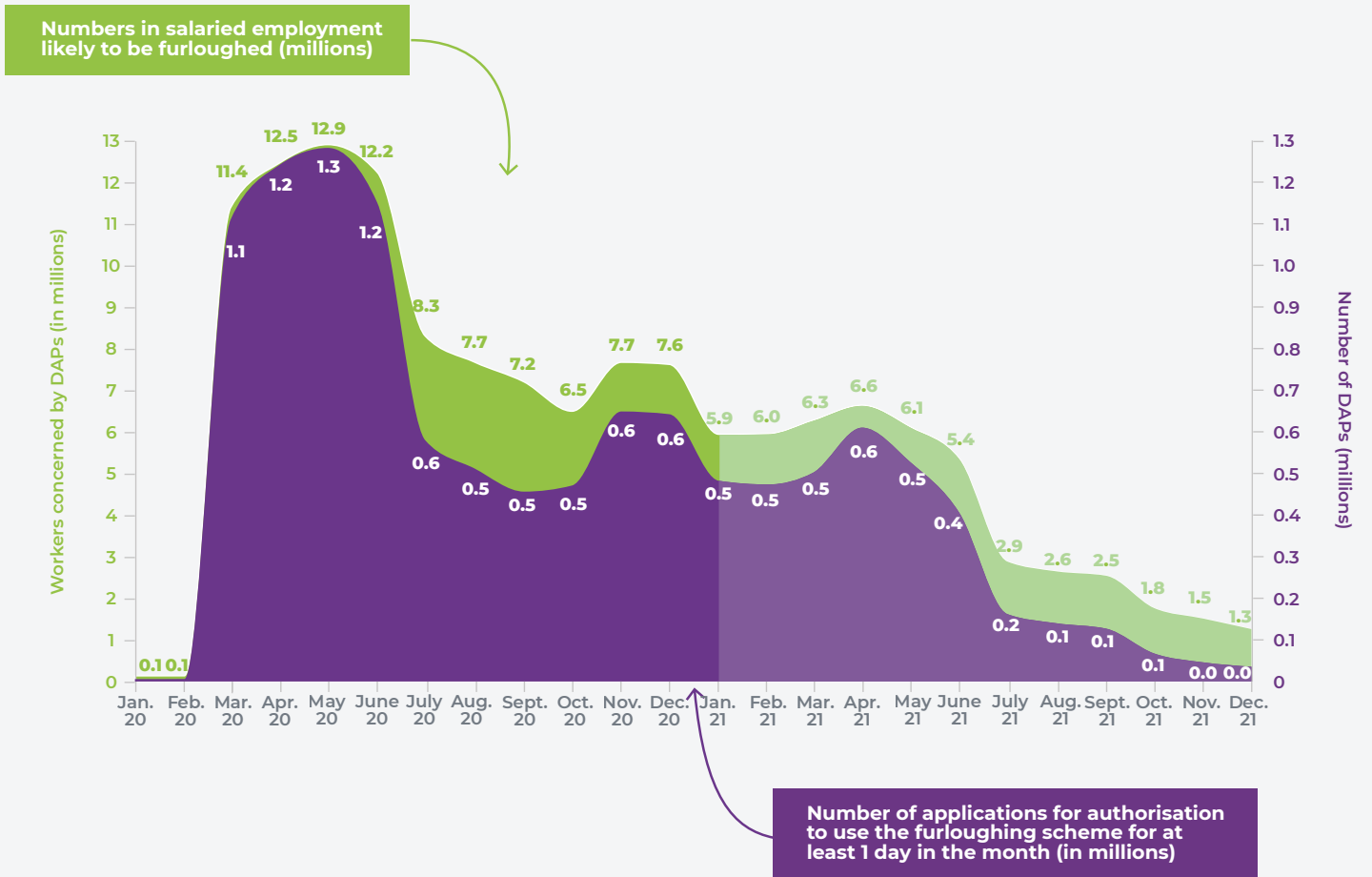
After spending stabilised in the autumn of 2020, the lockdown decided at the end of the year again increased the use of the furloughing scheme by companies, but did not reach the same intensity as that observed in the second quarter of 2020.

Cumulative Unédic expenditure (€m)



Source: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021, Unédic calculations  
 Scope: allowance claims (standard furloughing scheme and long-term furloughing scheme - APLD) restated for duplicate claims, excluding sole-trader employers

# Applications for authorisation to use furloughing scheme (DAPs)



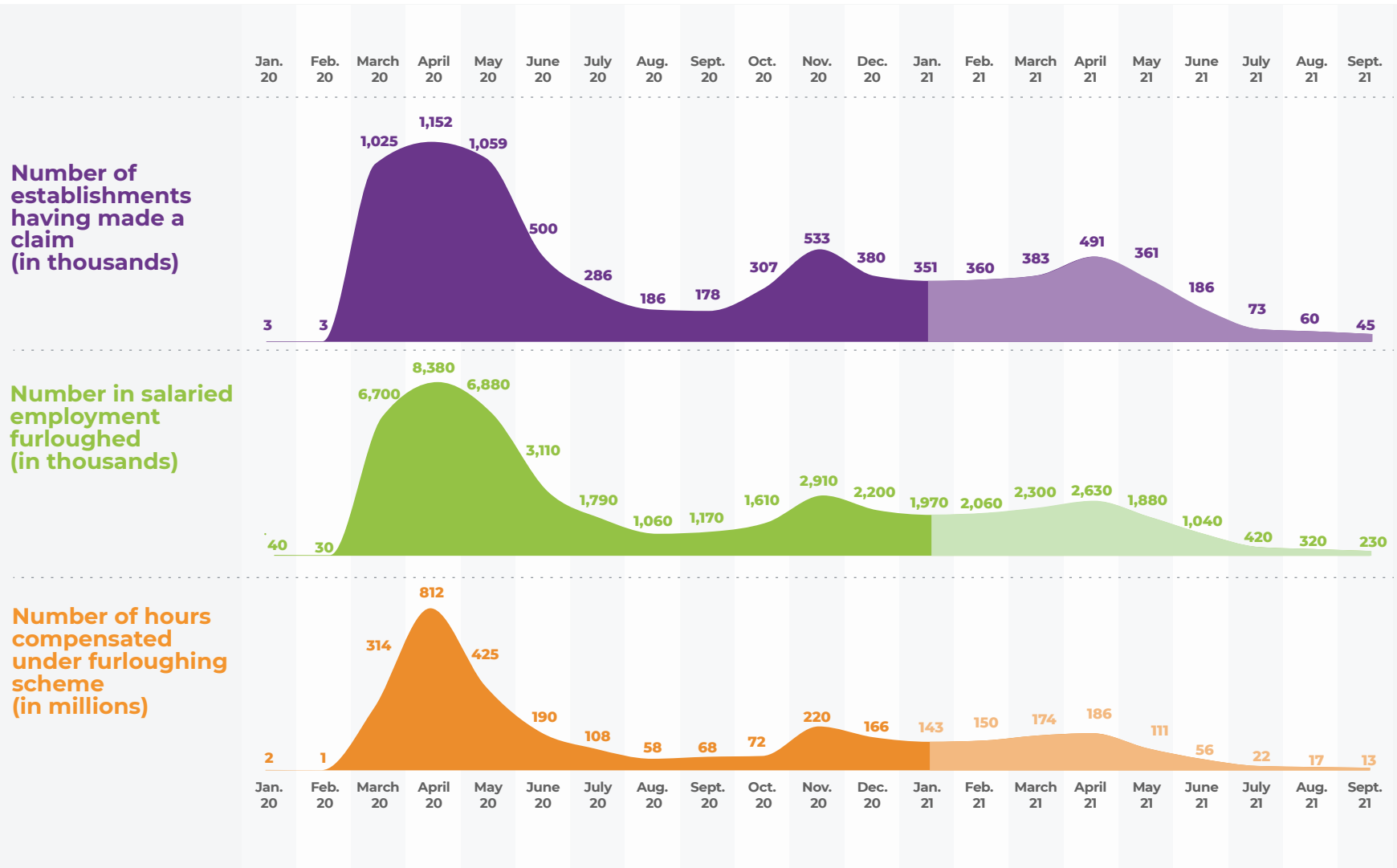
To use the furloughing scheme, employers must file an application for authorisation to use the furloughing scheme ("*Demande d'autorisation préalable*" – DAP) with the departmental directorate responsible for employment, work and solidarity, in anticipation of their use of the furloughing scheme.

The application is then authorised by the administrative authority.

Depending on the end date of the authorisation period, employers have 6-12 months to file their allowance claims ("*Demandes d'indemnisation*" – DI).

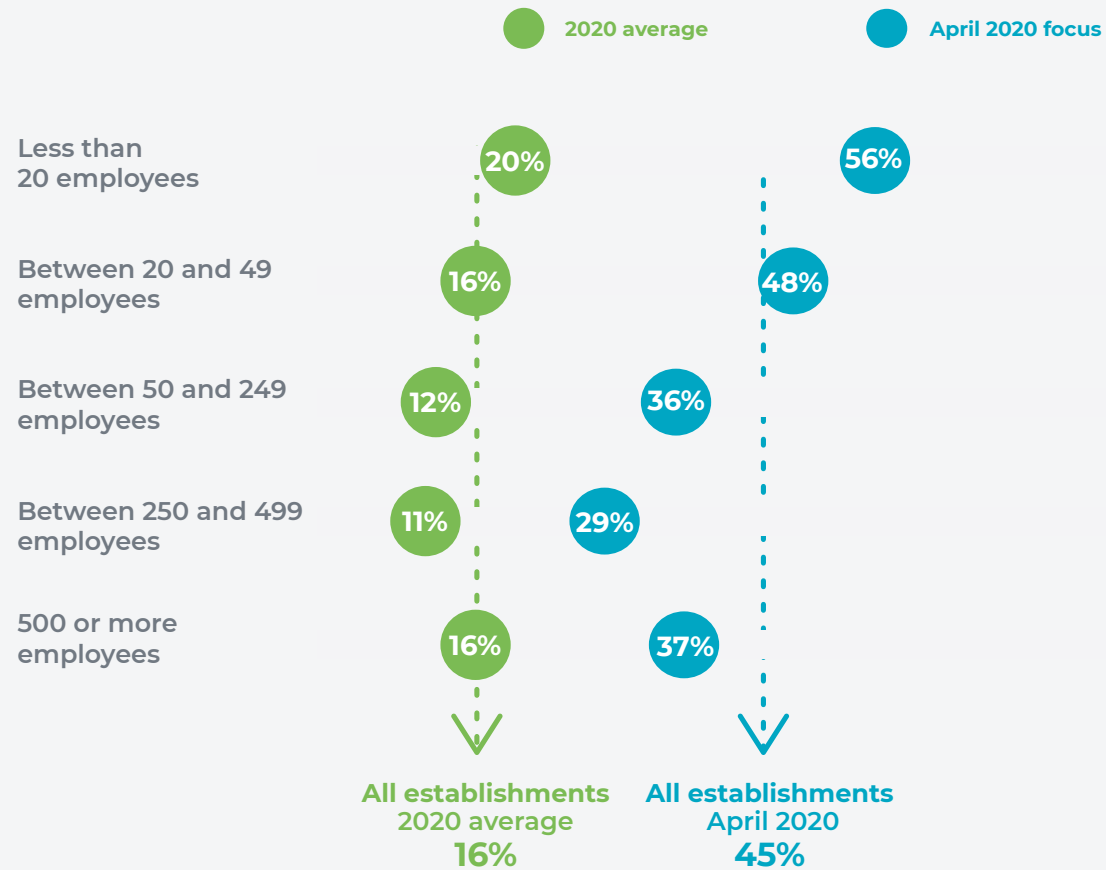
Source: ASP, furloughing scheme extranet, for January and February 2020, data as at 6 November 2021, for March to December 2020, data as at November 8, 2021, Unédic calculations: requests for authorisation (standard and long-term furloughing scheme - APLD) restated for applications not finalised by employers and duplicate claims, all reasons combined, excluding sole-trader employers.

# Details of furloughing scheme allowance claims



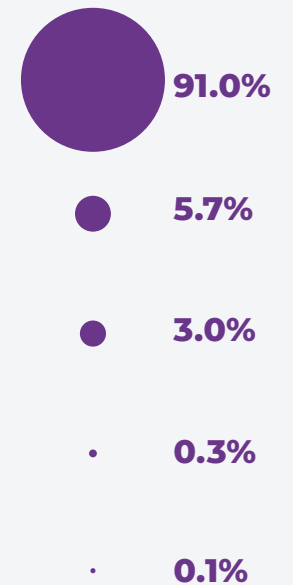
Source: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021, Unédic calculations  
 Scope: allowance claims (standard furloughing scheme and long-term furloughing scheme - APLD) restated for duplicate claims, excluding sole-trader employers.

# Use of furloughing scheme by size of establishment in 2020



Small establishments, the main beneficiaries of the furloughing scheme

Breakdown of establishments by size



Source: Acoiss, breakdown of number of private-sector establishments at the end of 2019 by size of establishment; Unédic calculations

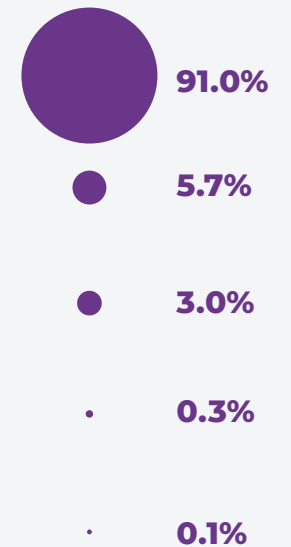
Sources: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021, Acoiss for the number of workers in the private sector at the end of 2019; Unédic calculations  
 Number of private-sector establishments at the end of 2019 - Acoiss  
 Scope: claims for furloughing scheme allowance (standard furloughing scheme and long-term furloughing scheme - APLD) restated for duplicate claims, excluding farmers, sole-trader employers and extra-territorial activity.  
 Reading: On average, in 2020, 20% of employees were furloughed each month in establishments with less than 20 employees.

## Average cost of one furloughed hour by establishment size in 2020 (in €)



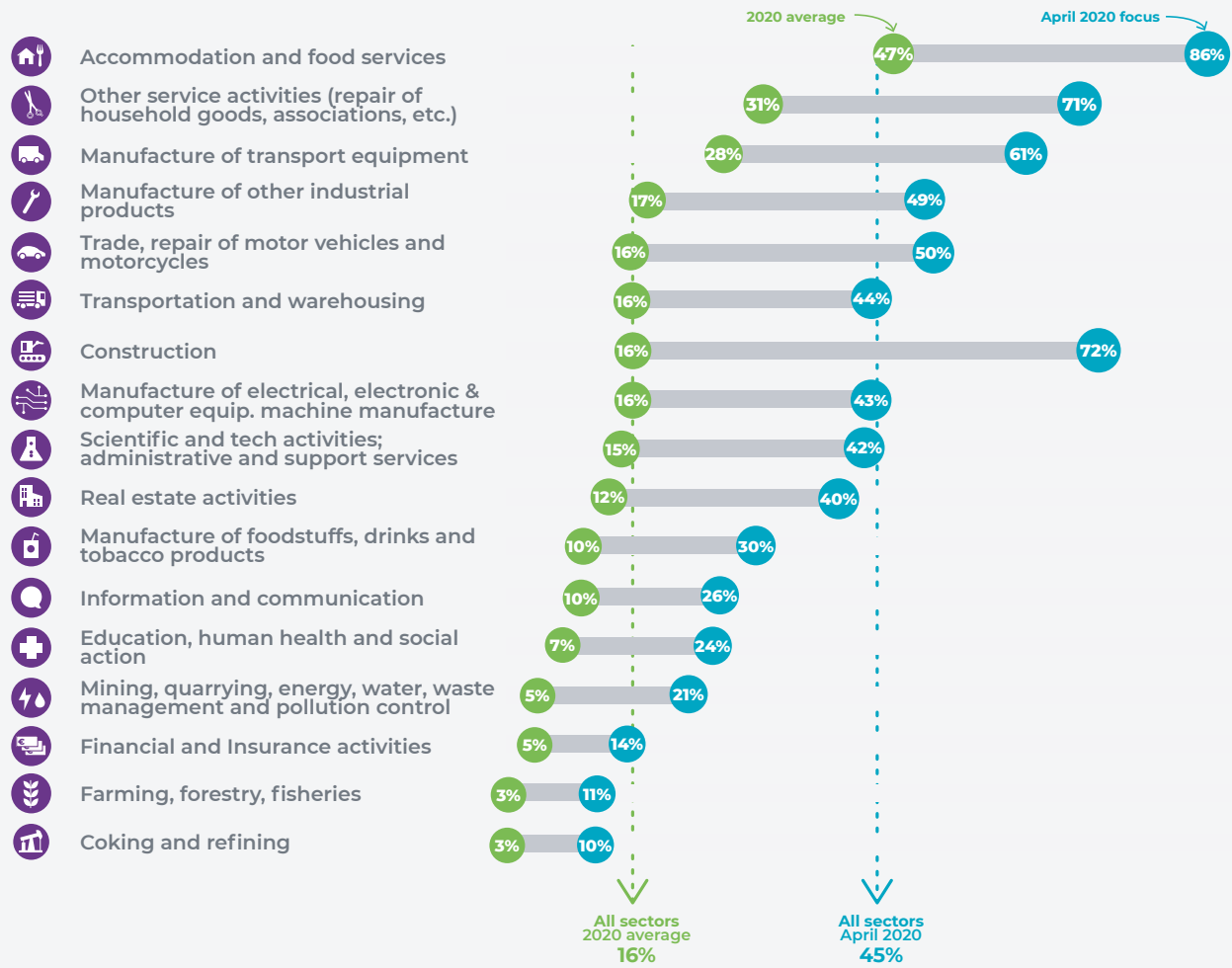
Sources: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021; Unédic calculations.  
Scope: claims for furloughing scheme allowance restated for duplicate claims, excluding sole-trader employers

## Breakdown of establishments by size



Source: Acofs, breakdown of number of private-sector establishments at the end of 2019 by size of establishment; Unédic calculations

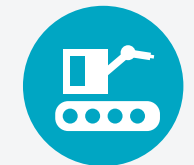
# Use of furloughing scheme by sector of activity in 2020



The 3 main sectors having used the furloughing scheme in April 2020



Accommodation and food services



Construction



Other service activities

Sources: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021, Acoss for the number of employees in the private sector at the end Q1 2020 (except for agriculture: estimated number of employees in the private sector in Q1 2020, Insee, dares, Acoss); Unédic calculations.

Scope: claims for furloughing scheme allowance (standard furloughing scheme and long-term furloughing scheme - APLD) restated for duplicate claims, excluding sole-trader employers and extra-territorial activity.

Reading: On average, in 2020, 47% of food-service workers were furloughed for at least one hour a month.

# Average cost of one furloughed hour by sector of activity in 2020 (in €)

The furloughing scheme cushioned the economic impact, especially in the sectors most affected by the crisis.



The 3 main sectors having used the furloughing scheme in April 2020



Accommodation and food services



Construction

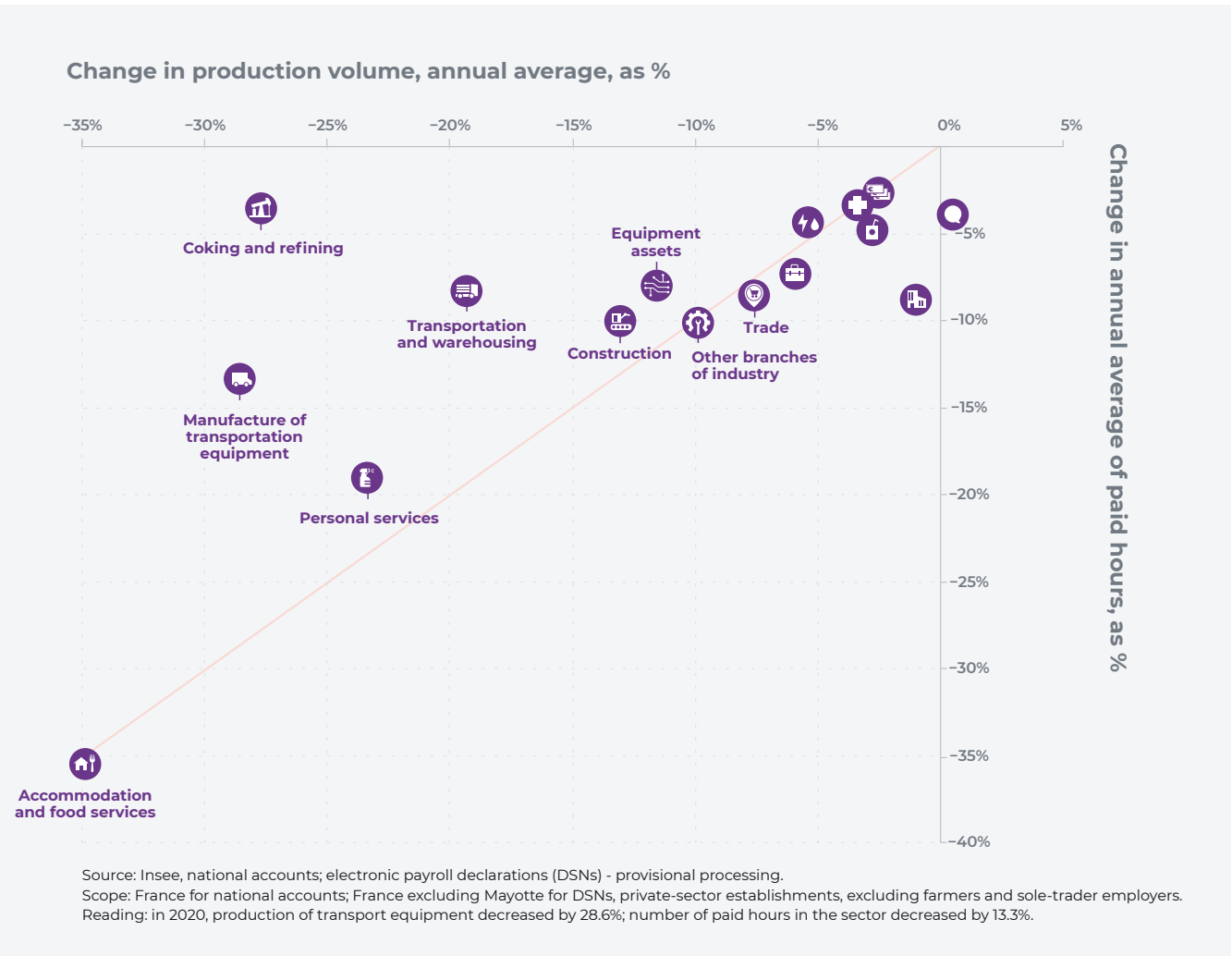


Other service activities

Sources: ASP, furloughing scheme extranet, for January and February 2020, data on compensation paid to workers as at 6 November 2021, for March to December 2020, compensation data aggregated at the level of establishments as at 8 November 2021, Unédic calculations  
Scope: furloughing scheme claims restated for duplicate claims, excluding sole-trader employers.

# Change in paid working hours and production by sector of activity in 2020

The furloughing scheme cushioned the economic impact on the sectors most affected.



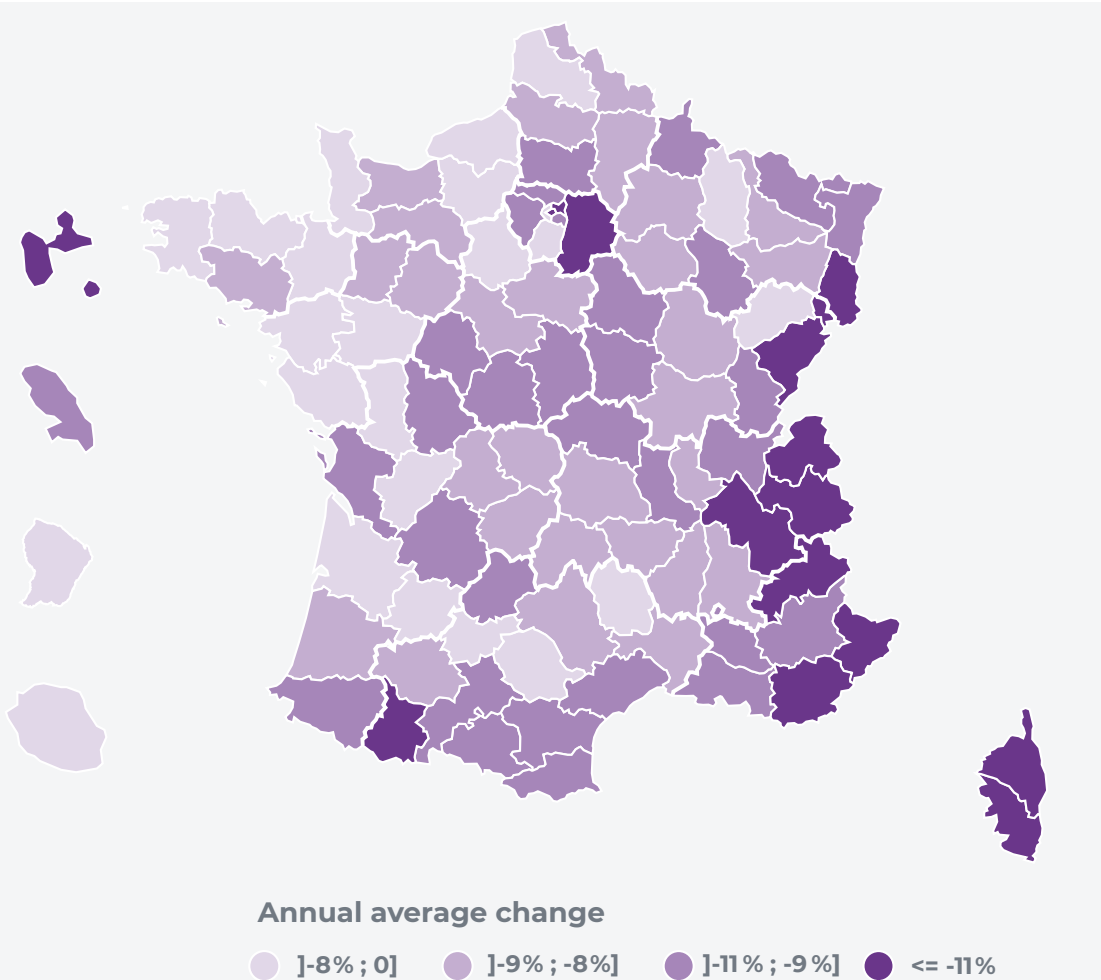
According to Insee, "the volume of work paid by private-sector companies fell by 9.4% on average over the year, for 80% of this decrease compensation was paid under the furloughing scheme. As a result, private-sector salaried employment fell by only 1.7% between the end of 2019 and the end of 2020."

There is a strong correlation with our furloughing scheme expenditures by sector.

- Corporate services
- Financial services
- Energy, water, waste
- Real estate activities
- Non-trade services
- Information and communication
- Agri-food industry



## Change in volume of paid hours by department in 2020



Source: Insee, electronic payroll declarations (DSNs) - provisional processing.  
 Scope: France excluding Mayotte, private-sector establishments, excluding farmers and sole-trader employers.  
 Reading: in 2020, the volume of paid hours decreased by 7.4% in Finistère.

The furloughing scheme cushioned the economic impact in the most affected regions.

According to Insee:

- "The distribution of decreases in the number of paid hours by department is more than four times less dispersed (in the sense of the standard deviation) than that of the decreases by sector of activity. On average over the year, for **94 departments** (out of the 100 in France, excluding Mayotte), the drop in paid hours was between -6.8% and -13.0%."
- "The Corsican departments and Alpes-Maritimes, Paris and Hautes-Pyrénées departments experienced falls that were slightly greater than the lowest value of this range, up to -17.8% in Haute-Corse."
- "Territorial differences are mainly explained by the **sectoral composition of production**, in particular the portion accounted for by tourism. Two configurations stand out among the departments with large tourist industries: those that relied on visitors that were resident in France to limit the annual decline in the period between the two lockdowns on the one hand, and those that usually welcome large numbers of foreign visitors who did not return in the summer, in particular Paris and Côte-d'Azur departments."

# → Unemployment insurance beneficiaries

## Protection



The heterogeneity of forms of employment is reflected in the diversity of profiles of Unemployment insurance recipient. In its study "Who are the recipients of unemployment insurance benefits?", Unédic analyses the characteristics and paths of unemployed persons receiving benefits.

The return-to-work allowance ("*Allocation d'aide au retour à l'emploi*" – ARE) guarantees a replacement income for involuntarily unemployed employees, provided that certain conditions are met.

### Health Insurance:

Jobseekers receiving benefit retain their previous social protection until one year after the end of their benefit. Their medical expenses are refunded and daily allowances are paid to them if they are ill.

### Pensions:

The period for which the ARE allowance is received is taken into account in the accounting of pension contributions. 50 days of unemployment benefit count for 1 quarter, up to 4 quarters for each year. The benefit recipient also acquires additional pension credits.

### Covid-19 :

- **Periods of restriction deducted from the duration of benefits:** Days not covered by an employment contract occurring during periods of restriction of freedoms related to the health crisis due to the Covid-19 epidemic are also deducted for the calculation of the duration of benefits,
- **Exceptional extension of the reference registration period:** To take into account the consequences related to the Covid-19 crisis, the period of 24 or 36 months was extended by the number of days between 1 March and 31 May 2020 and between 30 October 2020 and 30 June 2021, up to the number of days concomitant with the period.

### Number of benefit recipients in 2020

**3.0**  
million



### Return-to-work allowance (ARE)

**€33.7bn**

**100%**

Unédic's share of financing of which 19% funded by Social Bonds (€6.5bn)

# → Return-to-work allowance (ARE)

## Protection



### Conditions for receiving ARE allowance:

- Being registered as a jobseeker
- Not having reached the legal retirement age
- Having worked enough for entitlement
- Having involuntarily lost one's employment
- Being physically able to work
- Effectively and continuously looking for work

### Period of benefits:

Jobseekers will receive the ARE allowance until they acquire the number of quarters required for a full state pension or until they automatically qualify for a full state pension on reaching the age of 65 or 67, depending on the year of their birth. The resumption of a professional activity does not always imply the end of payment of the ARE allowance.

### Calculation of ARE allowance:

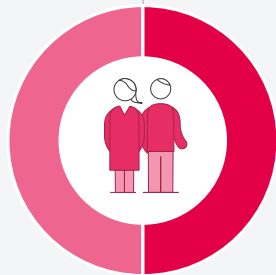
The ARE benefit is a daily allowance paid each month. Its gross amount is multiplied by the number of days in each month. It is calculated based on the pay received over a period between the first day and the last day of work identified in the 24 or 36 months preceding the end of the contract, including bonuses. Only pay subject to unemployment insurance contributions is taken into account for its calculation.

# Profile of benefit recipients

Benefit recipients are on average younger and less educated than those in employment.

## Gender

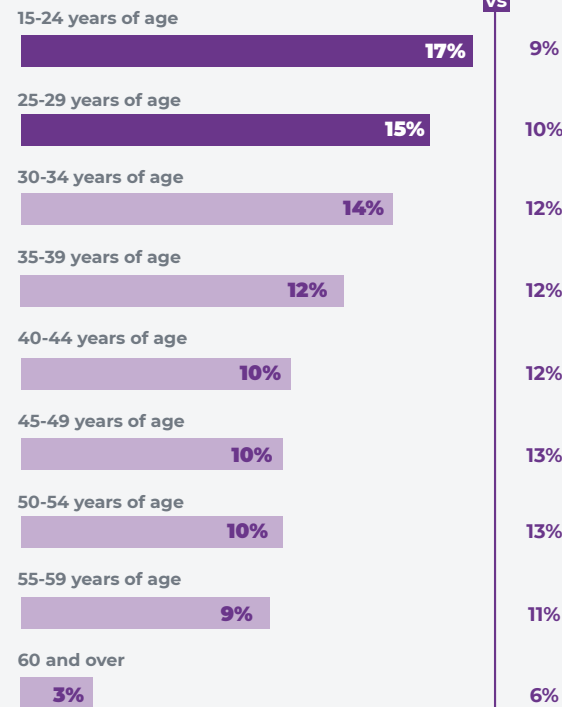
Women  
**49.8%**  
vs 48.5% of women in the labour force



Men  
**50.2%**  
vs 51.5% of men in the labour force

## Age

vs those in the labour force



## Qualifications

Level less than baccalaureate  
**49%**  
vs 36% for those in the labour force



Baccalaureate or higher education level  
**51%**  
vs 64% for those in the labour force

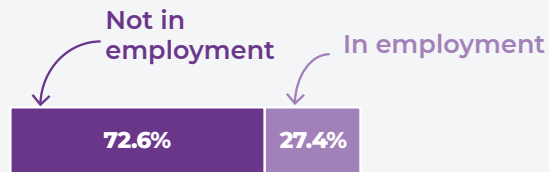
Source: National data file of Unemployment insurance beneficiaries (FNA), Unédic-Pôle Emploi  
Scope: those receiving unemployment insurance benefit at the end of December 2020 (ARE, AREF CSP), France as a whole

Source: Insee, 2020 Employment Survey  
Scope: France excluding Mayotte, labour force 2020

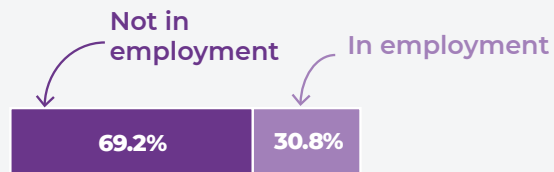
# Some benefit recipients are already in employment

## Monthly average number of benefit recipients

In 2020



In 2019



Source: FNA, raw data at end of October 2021

## Monthly net amount of benefits paid

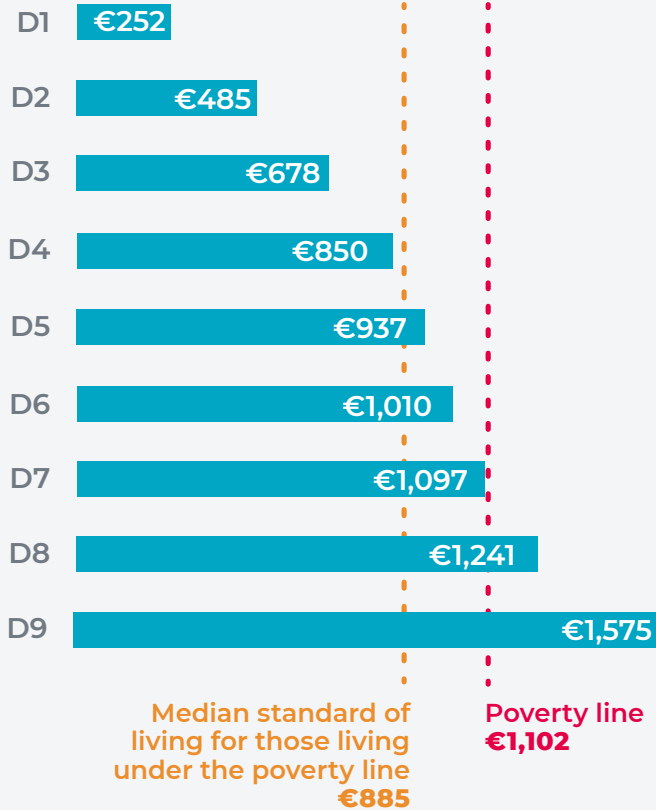


Source: FNA, raw data at end of October 2021

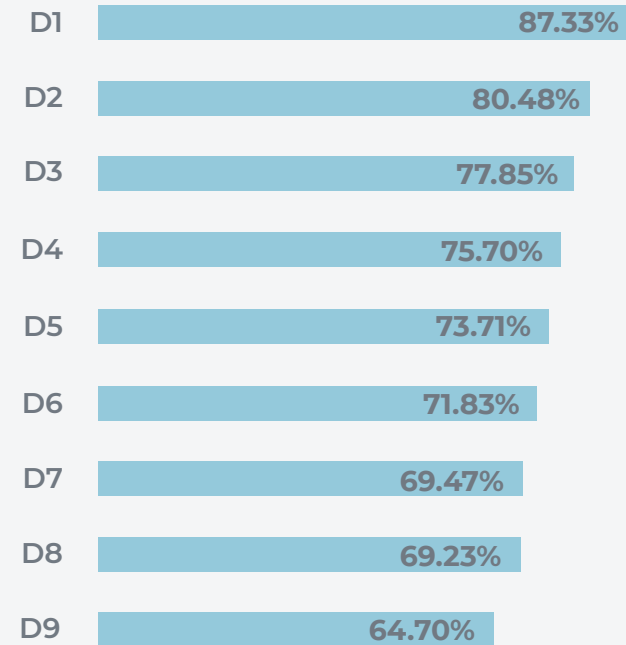
## Spread of benefits and replacement rate

In 2019, **9.2 million** people were living below the poverty line.

### Spread of net monthly benefits paid in 2020: deciles (each with the same number of benefit recipients)



### Spread of the net replacement rate at the end of 2020: deciles (each with the same number of benefit recipients)



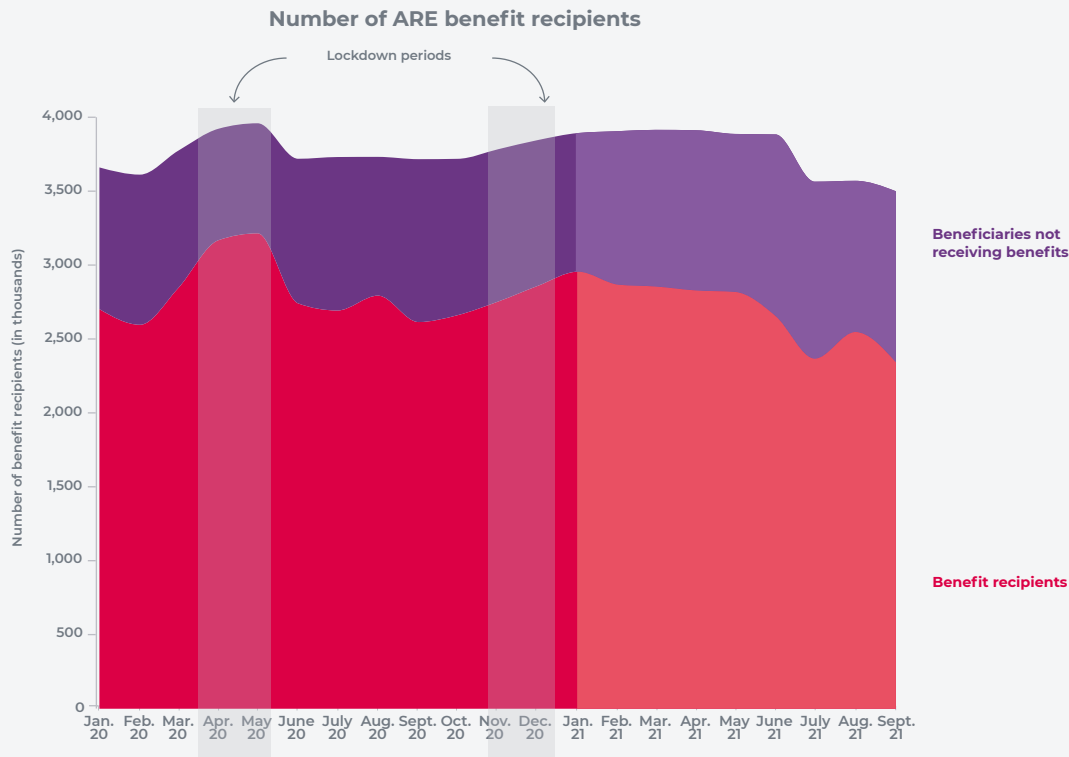
#### Spread of benefits:

Source: FNA, raw data at the end of October 2021 and Insee regarding poverty line and the median standard of living of those living under the poverty line  
 Scope: recipients (in employment or not) of the benefits ARE, AREF, ASP or ATI, in 2020.  
 The population of benefit recipients includes recipients who do not work, but also recipients who receive unemployment benefit as well as a salary and therefore see their benefit revised downwards.  
 Reading: 20% of the net monthly benefits paid was less than €485 in 2020.

#### Spread of replacement rate:

Scope: those receiving the benefits ARE or AREF at 31 December 2020, excluding casual workers employed in the entertainment industry  
 Source: FNA, raw data at end of October 2021  
 Reading: 20% of net replacement rates are below 69.23%.  
 Definition: "replacement rate" means the portion of the salary lost represented by the unemployment benefit.  
 Calculation: the net replacement ratio is calculated by dividing the net daily benefit by the net daily reference salary (= 0.78 \* gross daily reference salary).

## A return to the situation observed before the crisis



Source: FNA raw data at the end of September 2021, provisional data for August and September 2021 Scope: unemployment insurance beneficiaries at the end of the month.

In line with the situation observed in the past few years, a decrease in the number of ARE benefit recipients was observed in the first months of 2020.

With the closure of some economic activities during the lockdown periods, **the number of ARE benefit recipients increased sharply** and, at best, levelled off over the other months of 2020. This increase is mainly accounted for by Unemployment insurance recipients who claimed benefits after a fixed-term contract ended and by those receiving benefits not returning to employment.

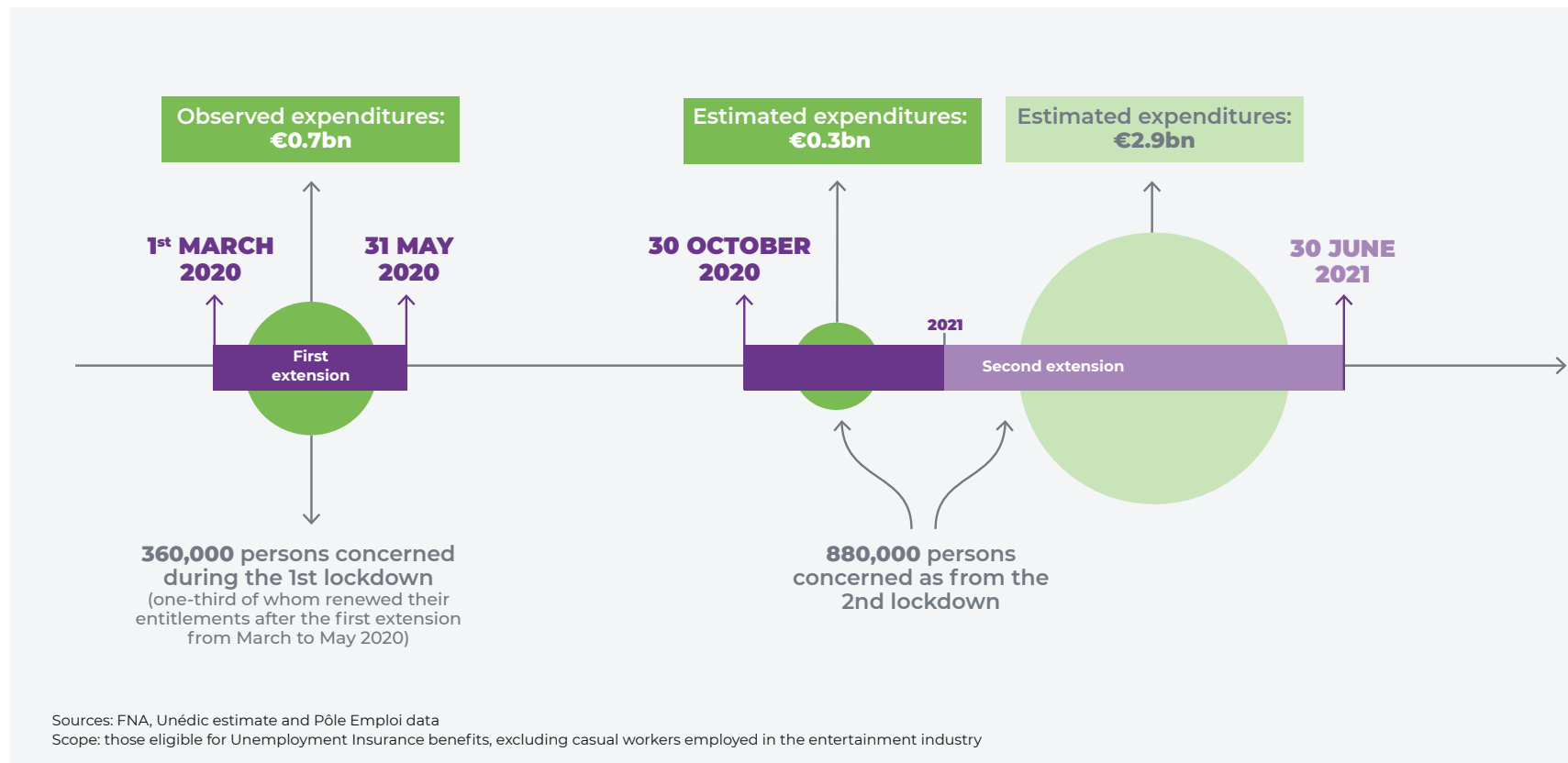
Since the beginning of 2021, the change in the number of benefit recipients returned to the situation observed before the crisis and shows an **improvement in the economic conditions and the number of those finding employment.**

# Extension of unemployment benefits at a glance

To provide protection to jobseekers whose entitlements had just ended or were about to end, an extension of their rights was decided.

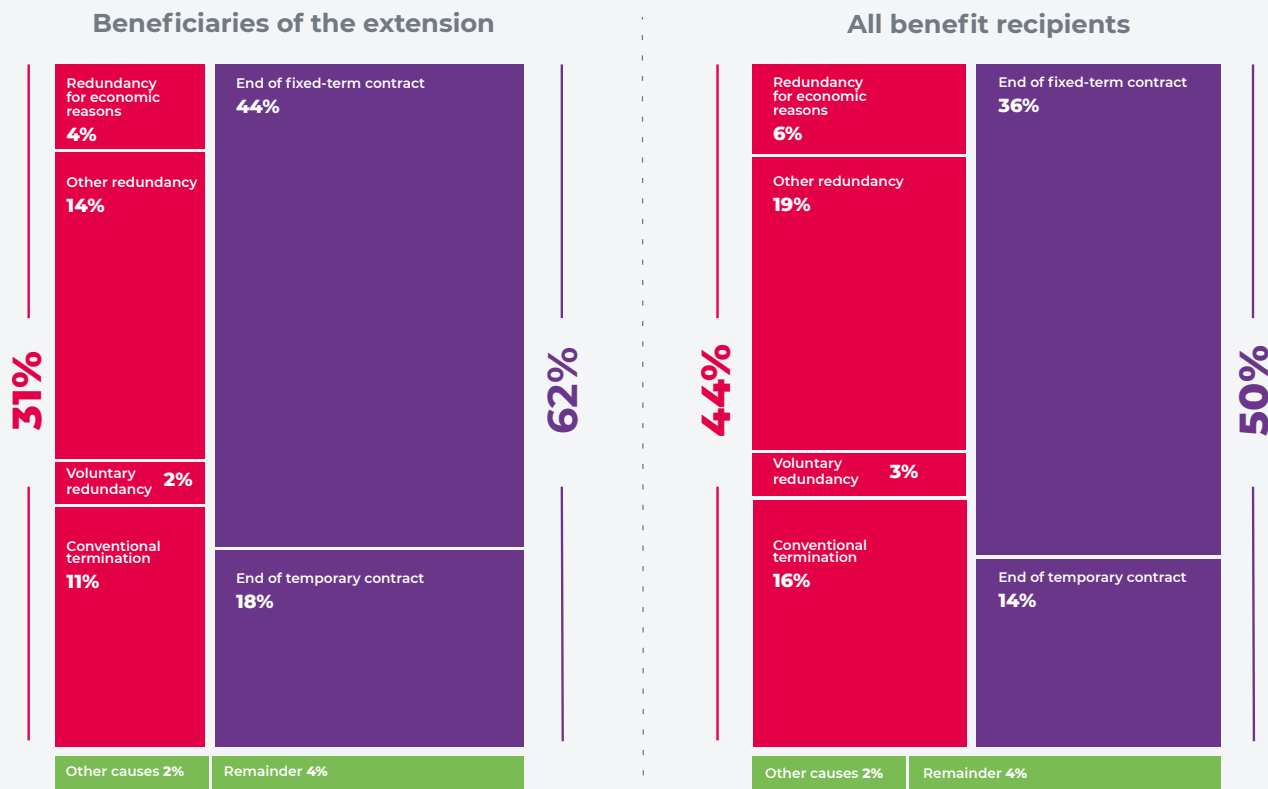
**1.2 million** benefit recipients saw their benefit entitlement extended

40,000 of whom saw their benefits extended during the 2 extension periods.





# Who are the beneficiaries of the extension of entitlements?

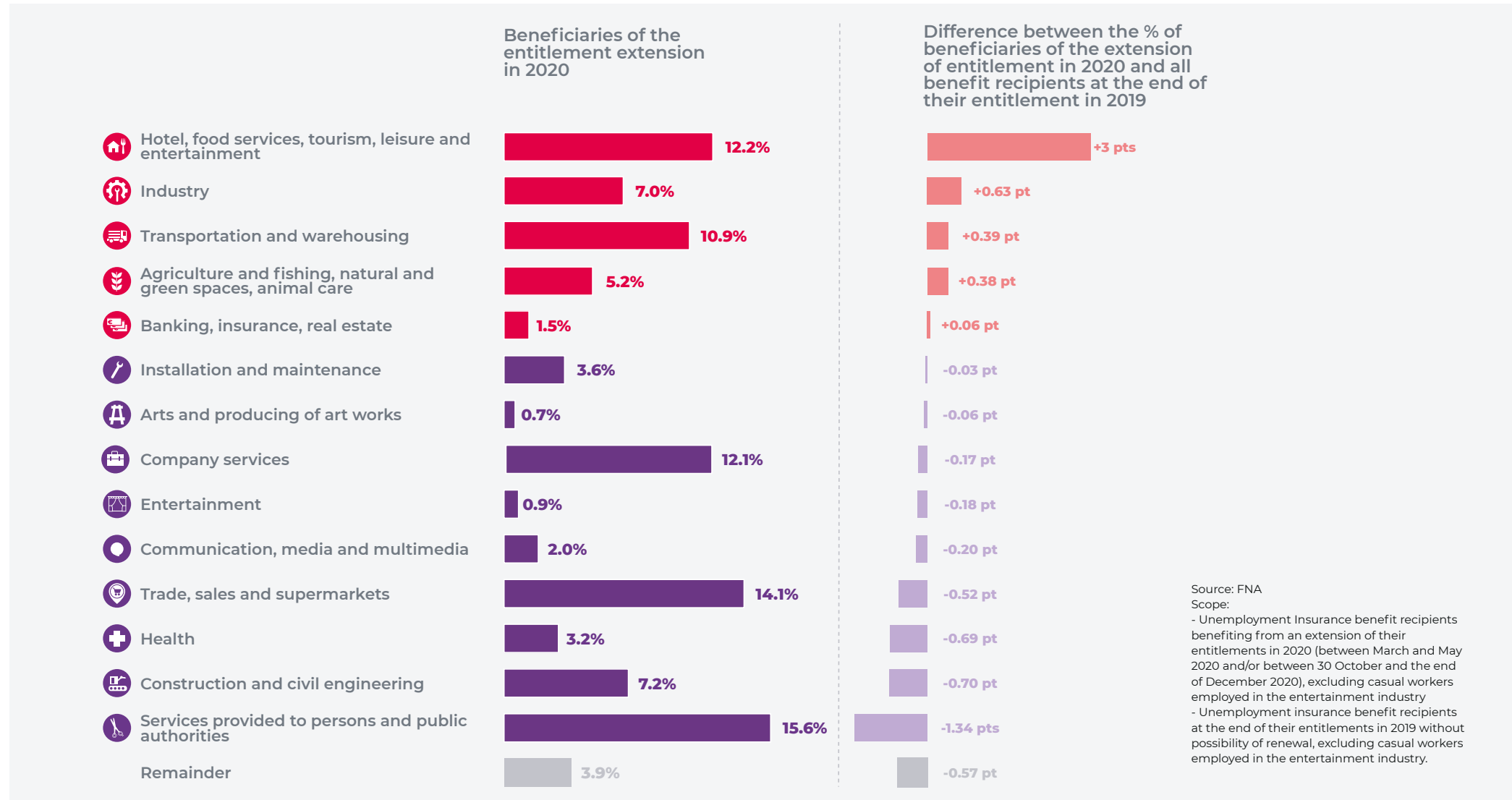


Benefit recipients having benefited from the extension of entitlements mostly began claiming unemployment insurance benefit after the end of a short-term contract (fixed-term and part-time contracts).

This is usually the case for beneficiaries at the end of their entitlement as one short-term contract ends and another begins in a revolving manner. In addition, the greater the portion of the unemployment entitlement consumed, the shorter the duration of the entitlement, on average. The end of entitlement is therefore more frequent for benefit recipients with short-term entitlements.

Source: FNA.  
 Scope of beneficiaries of the extension and of all benefit recipients: benefit recipients eligible for unemployment insurance benefit from March to May 2020 or from November 2020 to June 2021, excluding casual workers employed in the entertainment industry.

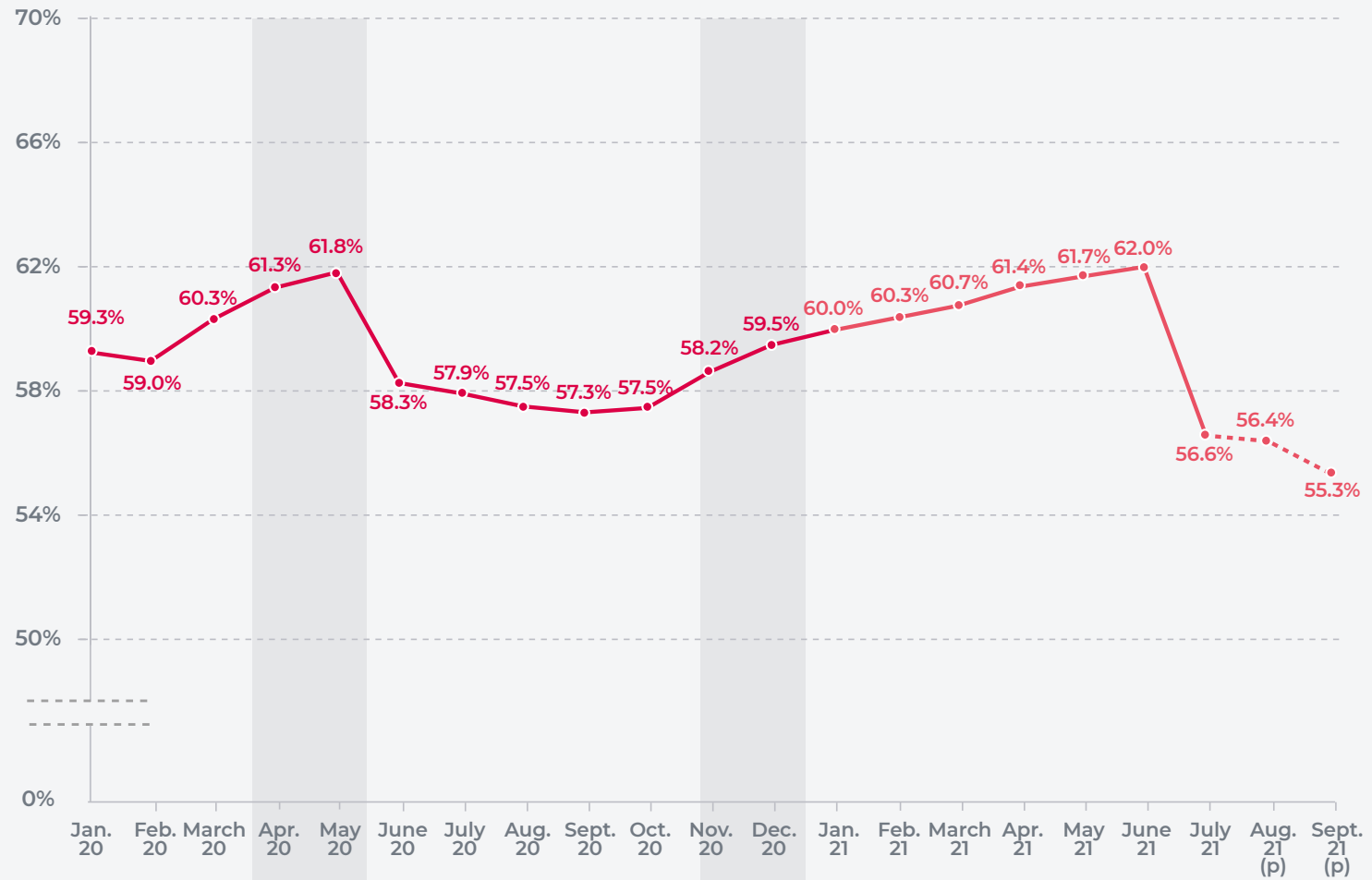
# Beneficiaries of extension of entitlements according to sector in which employment is sought



Source: FNA  
 Scope:  
 - Unemployment Insurance benefit recipients benefiting from an extension of their entitlements in 2020 (between March and May 2020 and/or between 30 October and the end of December 2020), excluding casual workers employed in the entertainment industry  
 - Unemployment insurance benefit recipients at the end of their entitlements in 2019 without possibility of renewal, excluding casual workers employed in the entertainment industry.

# Coverage rate of jobseekers

The extension of entitlements and the regulatory adjustments have made it possible to **increase the coverage rate for jobseekers in categories ABC**.



Source: FNA, raw data at end of September  
Scope: DEFM ABC

# → Return to work training allowance (AREF)

## Protection



## Support



### Conditions for receiving AREF allowance:

- Training included in benefit recipient's personalised project for returning to employment ("*Projet personnalisé d'accès à l'emploi*" – PPAE).
- Training not included in the PPAE but financed, in whole or in part, through use of the personal training account.

### Period of benefits:

The duration of payment of the AREF benefit is equal to that of the ARE benefit. Benefit recipients in training will therefore receive the benefit as long as they are entitled within the limit of the duration of their training.

Benefit recipients aged 53 and 54 can benefit from an extension of their entitlement, if they have received training paid for by the ARE or AREF benefit, as part of their PPAE.

### Amount of the AREF benefit:

The gross amount of the AREF benefit is the same as that of the ARE benefit, but may not be less than €21.17 a day.

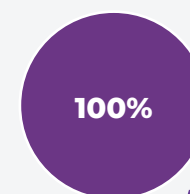
On the other hand, its amount is different since only the 3% of the supplementary pension is deducted. Social security contributions, including accidents in the workplace cover, are not.

(Art. R. 6342-2(2) of the French Labour Code)

Number of benefit recipients in 2020



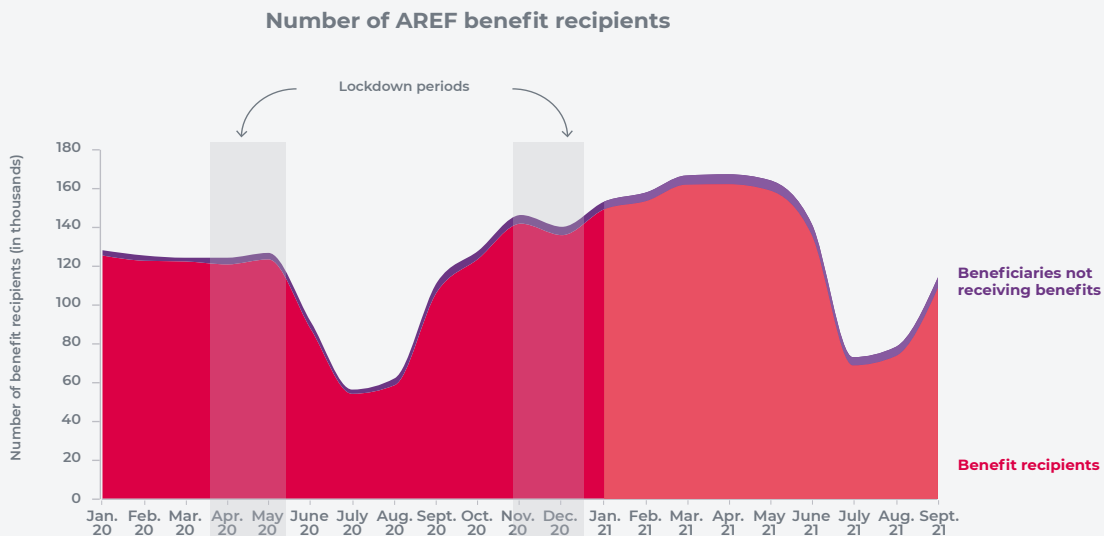
Return-to-work training allowance (AREF)



€1.6bn

Unédic's share of financing of which 19% funded by Social Bonds (€0.3bn)

## Increasingly important training efforts



Source: FNA raw data at the end of September 2021, provisional data for August and September 2021  
 Scope: unemployment insurance beneficiaries at the end of the month.

The first lockdown naturally impacted jobseekers' training, without affecting the number of AREF beneficiaries.

From the second half of 2020, there was an increase in training through distance learning, support from the various funders of vocational training and through the investment in skills plan ("*Plan d'investissement dans les compétences*" – PIC).

The decrease in the number of AREF beneficiaries in June, July and August was due to a seasonal effect linked to the training sector.

# → Contribution to jobseekers' pension credits

## Protection



Periods for which unemployment insurance benefits are received are taken into account for the determination of the number of quarters on which a person's state pension ("Assurance vieillesse" – basic pension insurance) is, and pension credits (supplementary pension) are, calculated.

Pension credits are financed by the supplementary pension funds, by the Unemployment insurance scheme for unemployment insurance benefits, and by the State for the benefits it finances.

Beneficiaries of Unemployment insurance contribute to this financing: a contribution of 3% based on the reference salary used for calculating their unemployment benefit is deducted by Pôle Emploi. This levy may not result in a benefit less than the minimum benefit (€29.38 since 1 July 2020).

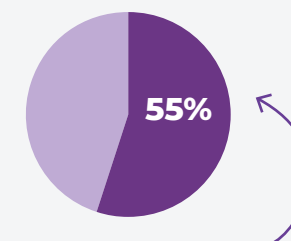
Number of beneficiaries in 2020

3.0 million



Validation of pension credits

€2.7bn



Unédic's share of financing of which 19% funded by Social Bonds (€0.5bn)

# → Contribution to jobseekers' pension credits

## Protection



## Basic pension insurance

Basic pension entitlements differ depending on whether unemployment insurance benefits are received or not.

### Benefit recipients

Those receiving unemployment insurance benefits from Pôle Emploi, under the Unemployment insurance scheme, the self-employed allowance, the solidarity payments, or for early retirement from the National Employment Fund ("*Fonds National de l'Emploi*" – FNE), automatically acquire basic pension quarters corresponding to the periods for which the benefits are paid (Article L.351-3(2) of the French Social Security Code).

### Those not receiving benefits

For those not receiving benefits who are involuntarily unemployed, the periods are taken into account under the following conditions and limits (Article R.351-12(4)(d) of the French Social Security Code):

The first period of unemployment for which no benefits are paid, whether continuous or not, is taken into account up to a limit of 1.5 years.

Each subsequent period of unemployment for which no benefits are paid is taken into account, up to a maximum of 1 year, provided that it follows continuously on from a period of unemployment for which benefits are paid.

## Supplementary pension

### AGIRC-ARRCO

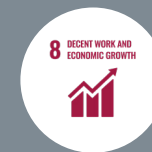
Unemployed persons receiving benefits following the end of their employment contract may acquire additional pension credits if they are covered by the supplementary pension scheme for managers or the one for non-manager employees (AGIRC-ARRCO).

### Other pension schemes

- Unemployed persons covered by other schemes are entitled to pension credits if an agreement has been concluded between their scheme and Unédic. To date, the pension funds concerned are:
- The supplementary pension institution for non-tenured employees of the State and public authorities (IRCANTEC),
- The French lawyer pension fund (CNBF), and
- The flight crew pension fund (CRPN).

# → Financing of Pôle Emploi's operating budget

## Support



The law entrusts Pôle Emploi with several missions, including **the calculation and payment of unemployment benefits and self-employed benefits**. Pôle Emploi undertakes its mission on behalf of Unédic, the body that manages the unemployment insurance scheme.

Prior to 2008, Unédic managed the network of Assédic offices which paid benefits to those who had lost their jobs. Jobseekers also had to register with the ANPE, which helped them in their job search.

In **2008**, the roles of assisting jobseekers and paying their benefits were merged within **Pôle Emploi**.

In practice, therefore, jobseekers have **only one point of contact**: their Pôle Emploi office.

Their benefits application is made at the time of registering. The employer's certificate or electronic payroll declaration (DSN) is sent to Pôle Emploi at the end of the employment contract

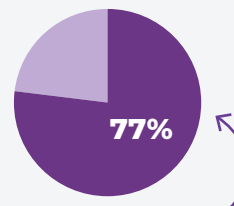
Number of beneficiaries in 2020

**6.7**  
million



Financing of Pôle Emploi operating budget

**€4.1bn**



Unédic's share of financing of which 19% funded by Social Bonds (€0.8bn)





# → Financing of Pôle Emploi's operating budget

## Support



Unédic implements the unemployment insurance regulations and ensures the financing for the Unemployment insurance scheme.

Unédic has **4 roles** :

- It ensures the **financing of benefits** to be paid to unemployed persons receiving unemployment insurance benefits.
- It ensures the proper application of the **rules on benefits**.
- It pays Pôle Emploi the equivalent of **11% of the unemployment insurance contributions ("cotisations") and other contributions**, which finances a major share of Pôle Emploi's operating budget; since 1 January 2020, financing has increased from 10% to 11% of Unédic's contributions due to the increased assistance given to jobseekers.
- Together with the State and Pôle Emploi, **it defines the objectives regarding benefits and assistance to jobseekers** provided by Pôle Emploi and monitors their achievement using indicators and analyses within the framework of the Tripartite Convention.



# → Pôle Emploi and adaptation of its services to jobseekers' needs

A **survey of jobseekers** who updated their situation with Pôle Emploi in February 2020 shows that **63%** of those questioned said they had received a call from Pôle Emploi in March encouraging them to update their situation with Pôle Emploi\*:

- **73% said they updated their situation with Pôle Emploi concerning their job search in March, alone or with the help of a trusted third party** using the Pôle Emploi mobile app or website.
- **16% used the 3949 voice server.**
- **89% of jobseekers found the information provided by Pôle Emploi on how to update their situation useful** and 88% believed the options available to update their situation were user friendly.

This survey also helped to better understand the motivations of jobseekers who went to a Pôle Emploi office to update their situation:

- **26% go to a Pôle Emploi office** because they do not have the equipment or internet connection needed; **22% because they need to be helped** and reassured by an advisor, but also to **print documents proving their update** or because **they do not know how to use a computer** or are afraid of making a mistake.
- More rarely, the reasons given are proximity and **ease provided by a Pôle Emploi office** to scan wage slips, or because of internet access problems.
- Finally, some jobseekers go to an office for another reason: to **look for job offers**, out of habit or to maintain a **social connection**.

*\* Telephone survey conducted by Pôle Emploi with 1,002 jobseekers who work on their job search in a Pôle Emploi office. These persons were questioned between 22 and 27 April.*



# → Pôle Emploi and adaptation of its services to jobseekers' needs

In recent years, Pôle Emploi has continued to develop **assistance that is differentiated** according to jobseekers' needs. The following are examples of various schemes put in place.

These schemes do not cover all Pôle Emploi's many roles. Certain public-policy measures concerning employment or exceptional support measures financed by the State complement the assistance detailed below and are financed in part by Unédic's contribution to the functioning of Pôle Emploi.

## Assisting young people

Hardly hit by the economic and social consequences of the crisis, young people are receiving prioritised support under France's recovery plan "*France relance*". This is why, as early as July 2020, the government announced the launch of the *#1jeune#1solution* plan, which provides **€6.5bn to help young people aged between 16 and 25 to find work**.

Pôle Emploi is strongly mobilised to deploy the benefit schemes and help young people find work.

A doubling in the number of places available for additional assistance for young people ("*Accompagnement Intensif des jeunes*" - AIJ): **157,000 young people benefited in 2020**. The target of 240,000 young people assisted in 2021 will be realised through the efforts of **650 additional advisers**.

# 157,000

young people were helped to find work



# → Pôle Emploi and adaptation of its services to jobseekers' needs

## Support and assistance provided to precarious workers

Pôle Emploi has increased the assistance it provides to the most disadvantaged through the launch in July 2020 of two new services for precarious workers (those with alternating periods of employment and unemployment): "all the keys for long-term work" or "a stable job is for me".

These services aim to make the techniques used to find work more effective. It is a **personalised programme of 3 months duration** that combines individual assistance, choice of workshops and flexibility (100% online or by phone and time slots allotted according to needs). At end of May 2021, since the launch of these two services **134,300 jobseekers had benefited**.

## Promoting the return to employment for the self-employed

Autonomy is defined in particular as the ability to search for job offers and respond to them without assistance concerning the procedures and resources usually used (job search, CV, cover letter, professional network, etc.). Unédic published a study on "Autonomy seen by the jobseekers" in July 2019 to better identify and understand the needs of these jobseekers.

To speed up the return to employment of self-employed applicants, Pôle Emploi has deployed a series of measures:

- **New monitoring** aimed at the most autonomous jobseekers, offering more digital and collective services. **80% of Pôle Emploi's offices already offer this assistance and monitoring.** One of the new services being offered is the "online booster". A questionnaire is sent to jobseekers at regular intervals to assess their "feeling of personal effectiveness", that is to say, their confidence in their ability to find work on their own. Depending on the responses, the adviser may offer them services or an interview in the light of changes in their situation and needs.
- **AcceleR'emploi:** individualised support service co-designed with external service providers, advisers and jobseekers. The aim is to consolidate the skills of self-employed jobseekers in using the tools and techniques that can help them in their search for work as well as providing personalised responses to their needs. Nearly 20,000 jobseekers benefited by the end of 2020.

# → Pôle Emploi and adaptation of its services to jobseekers' needs

## Developing comprehensive assistance

Comprehensive assistance is a personalised and intensive assistance, provided by a two-person team consisting of a dedicated Pôle Emploi adviser and a caseworker. It is intended for jobseekers with social and occupational difficulties (health, housing, mobility, etc.).

To remove these obstacles to finding work, the Pôle Emploi adviser and caseworker coordinate their actions to provide personalised responses to help jobseekers build their professional project and/or find a job. Pôle Emploi's role is key in this scheme, which aims to accelerate the return to employment: it provides jobseekers with a point of contact through which they access Pôle Emploi's and its partners' services.

## In a recent report, the Court of Auditors noted the effectiveness of comprehensive assistance. It stated that:

- The beneficiaries of this assistance are mainly those who have been out of work for a long time, have few qualifications, live in deprived inner-city areas, are beneficiaries of the active solidarity income ("*Revenu de solidarité active*" – RSA) and are foreigners.
- More than half of those benefiting from the 'comprehensive assistance' scheme found work one year after joining the

scheme: 43% found work of duration of more than one month and 23% found sustainable employment (permanent contract or temporary contract of more than six months).

It is on the basis of these results that the 'comprehensive assistance' scheme has been identified as a main component of one of the main commitments - commitment No 5 "Invest to help those looking for work find work" as part of the strategy to prevent and combat poverty and is considered by the State as being an essential service of the public service of employment.

**984**  
occupational  
psychologists

**24,178**  
advisers who  
monitor and assist  
jobseekers

# → Pôle Emploi and adaptation of its services to jobseekers' needs

Aware also of the difficulties that some jobseekers may experience, health insurance and Pôle Emploi signed a convention in December 2020 to strengthen the already existing local collaborations, by co-building a national strategy **to combat for the uptake of healthcare and remove the obstacles to returning to employment due to poor health.**

The convention signed strengthens the areas of cooperation between the two bodies:

- **support measures for jobseekers regarding access to healthcare entitlements,**
- **actions to prevent the loss of employment.**

The main objective of this convention is to improve the service provided to the public, through increased understanding of the assistance offered by each of the two bodies in terms of healthcare and finding work.

**968,972**

jobseekers who received enhanced assistance

**90,448**

jobseekers benefiting from comprehensive assistance

**57,808**

Pôle Emploi employees

# → Assistance maintained during lockdown periods

During lockdown, a significant portion of economic activity was suspended or substantially reduced, resulting in a sharp decline in recruitment and return to employment. This resulted in a sizeable increase in the number of jobseekers. At the same time, Pôle Emploi offices temporarily stopped receiving the public, in order to prevent the spread of coronavirus.

During this period, Pôle Emploi maintained services to jobseekers and businesses: guaranteeing the payment of unemployment benefit; responding to requests; registering jobseekers, in particular through the first interview; offering support services; and assisting employers to recruit key workers.

During the two months of lockdown, 3.2 million telephone calls from jobseekers were processed, 800,000 more than in 2019 over the same period; and nearly 9 million emails were exchanged between jobseekers and Pôle Emploi with an average response from advisers within 5 hours. This assistance was crucial in responding to the constraints faced by all jobseekers and more particularly those who had difficulties completing the necessary formalities and conducting their job search online.



**3.2**  
million

telephone calls from jobseekers processed during the two-month lockdown



**9 million**  
emails exchanged between jobseekers and Pôle Emploi

# → Assistance maintained during lockdown periods

In particular, conducting the assessment interview remotely met the needs of **200,000 newly registered jobseekers** by carrying out an assessment of their situation. This interview with an adviser takes place within two to four weeks of registering. A thorough assessment helps to identify how best to monitor their search for work and provide assistance. During these two months, as a result of the lockdown measures, a little **more than 200,000 assessment interviews were conducted remotely** (by telephone or videoconference).

Despite this exchange conducted remotely, **98.2% of jobseekers surveyed found that this interview met their needs** in these particular circumstances. It allowed them both to **discuss their work project** (93.4% of respondents) and to be **informed about Pôle Emploi's contact arrangements during lockdown** (97%)\*

An exceptional system helped jobseekers complete the necessary formalities and conduct their search for work **remotely**, particularly those encountering difficulties. Unédic published a study about jobseekers and the digital in May 2019.

*\* Survey conducted by e-mail by Pole Emploi between 22 and 29 April 2020 of 800 jobseekers having had an assessment interview by telephone.*



**493 million**  
visits in 2020 on the  
website pole-emploi.fr



**257,346**  
videoconferences  
in 2020



# → Assistance maintained during lockdown periods

Every month, jobseekers must update their situation to remain registered with Pôle Emploi (and thus receive their unemployment benefit where applicable). **This update is done online or by phone.** However, some jobseekers continued to update their situations in a Pôle Emploi office (about 180,000 in February 2020, the last month before lockdown), on open access computer workstations (or by asking for an adviser).

It was therefore essential to maintain assistance to these jobseekers during lockdown:

- **Telephone reception** was stepped up for jobseekers who needed specific assistance from an adviser;
- Jobseekers who had updated their situations in an office in February 2020 were contacted by **letter** (in March), text message and telephone, to help update their situation, if necessary;

- An **information campaign** was conducted in the national and local media to remind jobseekers of the need to update their situation.

Thanks to these actions, more than **97% of jobseekers who had updated their situation in an office at the end of February were able to update their situation at the end of March or beginning of April) for the month of March** (an update rate higher than that of all jobseekers combined).



## 41.6 millions

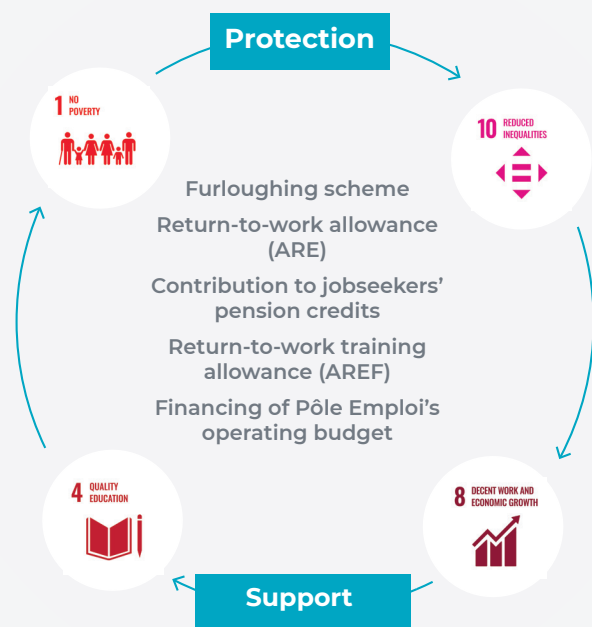
calls to 3949, the short number for jobseekers in 2020

# 5 Contribution to Sustainable Development Goals

↓



# → The impact of Unédic-funded schemes on the achievement of France's SDGs



The measures targeted by Unédic's Social Bonds have served as a barrier to the spread of the socio-economic consequences of the Covid crisis.

The **financing of the furloughing scheme** kept a substantial portion of the scheme's beneficiaries in employment and avoided the closure of companies for which the decline in activity could have led to bankruptcy (**SDG No 8**).

**The funding of Pôle Emploi and its measures to support jobseekers** (training, job-search assistance and benefits) also contribute to **SDG No 4** (Quality Education) and **No 1** (No Poverty).

With 70% of its benefit recipients living below the poverty line and its benefits system based on the principle of redistribution, the Unemployment insurance scheme helps **reduce inequality in France (SDG No 10)**.

# → Unemployment insurance scheme's contribution to France's Gini Index

## According to studies conducted by Insee\*:

"Inequalities in living standards would level off in 2020. Whereas **the massive use of the furloughing scheme [...] has limited job losses** and partially or totally compensated for the loss of salary of furloughed workers".

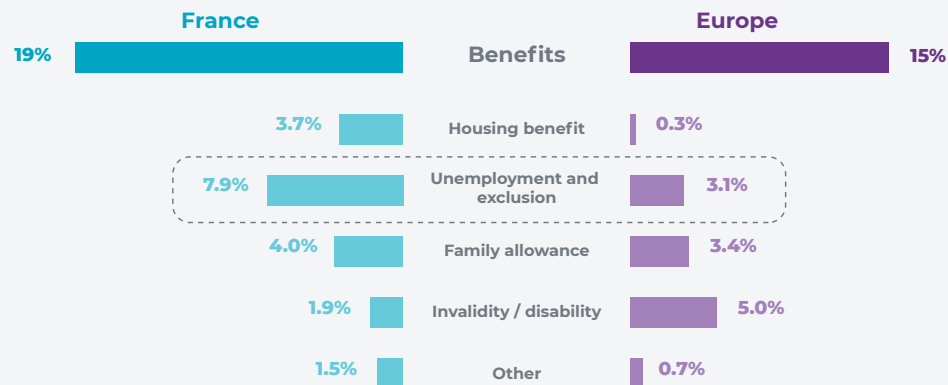
"**Without the furloughing scheme [...] the monetary poverty rate would increase by 0.6 percentage points and the Gini index by 0.007 points in 2020**"\*\*

"This situation cannot, however, be considered as what would have happened if these measures had not been put in place, as **it is impossible to assess the extent of business failures and job losses that would then have occurred.**"

\* Advanced estimate of the monetary poverty rate and inequality indicators, Insee, 03/11/2021

\*\* "To simulate the year 2020, the number of income growth assumptions is higher than usual, which could increase the discrepancies between the leading indicators presented here and the final data to be published in 2022."

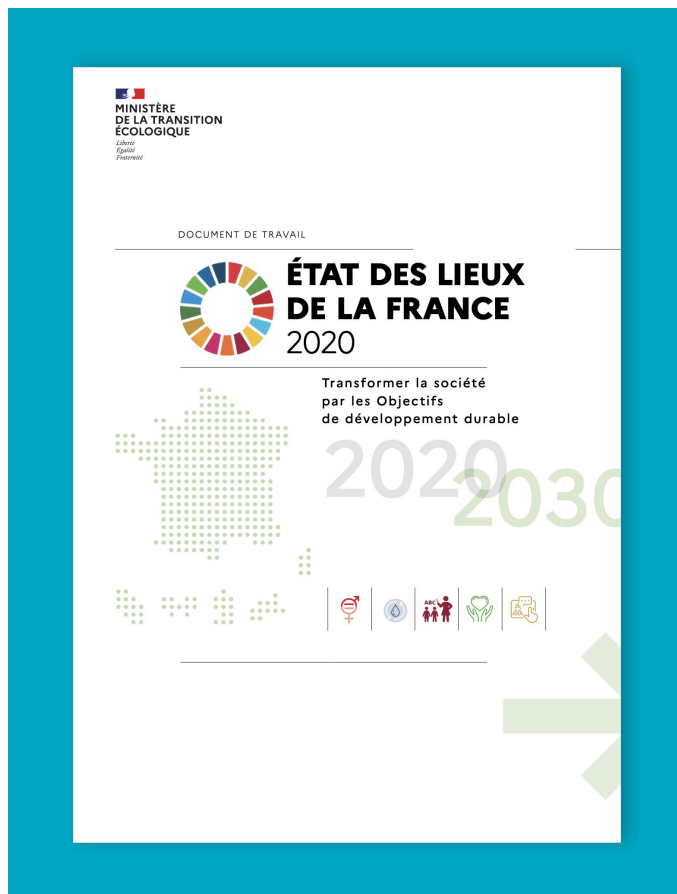
Relative effect on the Gini index of disposable income  
Components of redistribution



In France, benefits dedicated to unemployment and combating exclusion reduce inequality by 7.9%, well above the 3.1% European median.



# → The Social Bond is aligned with the French strategy for sustainable development



In October 2021, France published an assessment of its situation with regard to the SDGs. This measure of progress builds on Eurostat's work to analyse progress concerning the SDGs over a five-year period.

Topics are grouped into one of three categories:

- on track,
- to be improved,
- significant progress expected\*.

\* Categories:

- "on track": issues where targets are very close to being reached or on the right trajectory.
- "to be improved": issues where targets are yet to be met, although progress has already been made.
- "significant progress expected": issues whose targets are far from being met.

# → The four Sustainable Development Goals targeted by Unédic

→ 1 NO POVERTY



France's 2030 target is to reduce poverty and exclusion by 1.9 million people (9 million currently).

By limiting the increase in monetary poverty through the payment of benefits, Unédic's schemes funded by Social Bonds contribute to achieving this objective, on which it is noted that significant progress is expected. The number of people living in poverty is reduced through a benefits system based on the principle of redistribution (i.e. through the payment of benefits funded by compulsory contributions).

→ 4 QUALITY EDUCATION



France aligns itself with the European Union's education objectives and is committed to encouraging lifelong learning, with the European target of **at least 60% of adults receiving training every year by 2030**. France has an intermediate target of at least 47% of adults being in education and/or receiving training by 2025.

Through the funding of Pôle Emploi, Social Bonds contribute to the effort to achieve this objective. Between February 2020 and January 2021, 730,056 jobseekers benefited from training prescribed by Pôle Emploi.

→ 8 DECENT WORK AND ECONOMIC GROWTH



One of the sub-indicators measuring France's progress towards achieving SDG No 8 is the **employment rate**.

By maintaining employment and limiting company bankruptcies, the financing of the furloughing scheme has contributed to limiting the decline in the employment rate in France and therefore to preserving the performance concerning SDG No 8.

→ 10 REDUCED INEQUALITIES



France's objective is to **reduce inequalities in income and access to employment, in particular as part of its national strategy to combat poverty**.

France has a lower level of primary inequalities than the majority of European countries\* thanks in particular to its redistribution mechanisms to which Unédic contributes. Unédic's Social Bonds are financing mechanisms that facilitate access to employment (Pôle Emploi) and limit the increase in income inequalities (furloughing scheme and return-to-work allowance).

\* Primary inequalities, redistribution: how France compares with the rest of Europe, France Stratégie, Dec. 2020



At the time of the publication of Unédic's Social Bond Reporting, the impact indicators were still under development. Those presented in this Reporting represent a preliminary first set of options.

Unédic will further develop the impact indicators in the next year and update them at the next reporting.

# → Bibliography

State-Pôle Emploi tripartite convention 2019-2022 (*Convention tripartite État-Unédic-Pôle emploi 2019-2022*)

Convention between ASP and Unédic on the terms of financing by Unédic of its participation under the furloughing scheme as of 1 March 2020  
Convention between Agirc-Arrco and Unédic implementing Decree No 2019-797 of 26 July 2019 about the unemployment insurance scheme for 2020

Agenda 2030: Assessment of France in relation to the Sustainable Development Goals (*État des lieux de la France au regard des Objectifs de développement durable*)

Insee: Flash estimates of poverty rate and inequality indicators (*Estimation avancée du taux de pauvreté monétaire et des indicateurs d'inégalités*)

Insee: In 2019, the median standard of living increased sharply and the poverty rate decreased (*En 2019, le niveau de vie médian augmente nettement et le taux de pauvreté diminue*)

Insee: The furloughing scheme cushioned the economic impact of the health crisis (*Le dispositif d'activité partielle a amorti l'impact économique de la crise sanitaire*)

Pôle Emploi: 2020 Annual Report (*Rapport Annuel 2020*)

Pôle Emploi: Assist jobseekers and businesses during lockdown (*Accompagner les demandeurs d'emploi et les entreprises pendant le confinement*)

Unédic: *2020 Activity Report*

Unédic: *2020 Financial Report*

Unédic: Autonomy and jobseekers (*L'autonomie vue par les demandeurs d'emploi*)

Unédic: Extension of entitlements: what effects on the Unemployment insurance scheme? (*Prolongation des droits : quels effets sur le régime d'assurance chômage ?*)

Unédic: Financial forecasts:

- Year 2020: February 2020 (*février 2020*), June 2020 (*juin 2020*), October 2020 (*octobre 2020*),
- Year 2021: February 2021 (*février 2021*), June 2021 (*juin 2021*), October 2021 (*octobre 2021*)

Unédic: First assessment of furloughing scheme since the beginning of the Covid-19 crisis (*Premier bilan de l'activité partielle depuis le début de la crise Covid-19*)

Unédic: Jobseekers and the digital (*Les demandeurs d'emploi face au numérique*)

Unédic: Who are the recipients of Unemployment Insurance benefits in 2019 (*Qui sont les allocataires indemnisés par l'Assurance chômage en 2019*)

United Nations: *17 Goals to Transform Our World*



# → Glossary

- 3949** Telephone service for anyone wishing to contact Pôle Emploi (register or re-register, update their situation, etc.).
- 1jeune1solution** Plan to facilitate the entry into working life of young people particularly affected by the consequences of the health crisis.
- Active job search actions** Regular job search actions for which the jobseeker must be able to produce proof.
- AGIRC** Supplementary pension scheme for managers ("Association Générale des Institutions de Retraites des Cadres").
- Allocation and impact report** Annual report on the allocation of funds raised through Social Bonds as well as impact analysis of the expenses allocated.
- Allocations (bond issuance)** When a debt issue is undertaken, investors listed in the order book are allocated according to predefined principles.
- Allocations (Social Bond)** Eligible expenses to Social Bonds are defined and allocated in accordance with Unédic's Social Bond Framework "Protect and support sustainable employment".
- ANPE** *Agence nationale pour l'emploi* - France's employment agency merged in 2008 with the Assédic offices to become Pôle Emploi.
- APLD** Long-term furloughing scheme ("*Activité partielle de longue durée*").
- Apprenticeship (contract)** Employment contract which allows the apprentice to work in a company under the responsibility of a supervisor and receive training in an apprenticeship training centre.
- ARCE** Allowance for creating or taking over a business ("*Aide à la reprise ou à la création d'entreprise*").
- ARE** Return-to-work allowance ("*Aide au retour à l'emploi*").
- ARE-Mayotte** Return-to-work allowance in accordance with compensation rules as provided for in the Mayotte Unemployment insurance convention.
- ARE-Projet** Allowance paid to jobseekers who have a career development plan, but who are unable to implement the plan if they remain in employment.

# → Glossary

**AREF** Return-to-work training allowance ("*Aide au retour à l'emploi formation*").

**ARCO** Supplementary pension scheme for non-manager employees ("*Association pour les régimes de retraite complémentaire des salariés*").

**ASP** Services and payment agency ("*Agence de services et de paiement*").

**Assédic** Association for Employment in Industry and Commerce merged with ANPE in 2008 to become Pôle Emploi.

**ATI** Allowance for the self-employed ("*Allocation pour les travailleurs indépendants*").

**Basic pension** First level pension. It is collected by any individual who has pursued a professional activity or has been affiliated to one or more pension funds.

**Beneficiary without benefits** Beneficiary not receiving benefits under the Unemployment insurance scheme.

**Benefit recipient** Person who does not have sufficient financial resources and therefore receives financial assistance.

**Casual workers in the entertainment industry** Artist or professional technician who works for live entertainment, cinema, and audiovisual companies and who benefits from special conditions of registration and benefits.

**Categories of jobseekers** Jobseekers are registered with Pôle Emploi according to 5 categories: A, B, C, D and E. The categories are based on jobseekers' availability for work.

**Category A** Unemployed person, having to actively look for work, regardless of the type of employment contract (indefinite duration, fixed-term, full-time, part-time, temporary or seasonal).

**Category B** Person with reduced activity of no more than 78 hours a month, required to actively look for work.

**Category C** Person with reduced activity of more than 78 hours a month, required to actively look for work.

**Category D** Unemployed person who is not immediately available for work, and who is not required to actively look for work (jobseeker in training, in poor health, etc.).

**Category E** Person who is employed and not required to actively look for work.

# → Glossary

**CNBF** French lawyer pension fund ("*Caisse nationale des barreaux français*").

**Convention** Agreement between several parties governing the rights and responsibilities of each party.

**Conventional debt** Medium- and long-term debt that is not part of Unédic's Social Bond issuances.

**Conventional termination** Allows the employer and employee employed under an employment contract of indefinite duration to mutually agree on the conditions of termination of the employment contract that binds them. It may be individual or collective.

**Coverage rate** Portion of jobseekers registered in category ABC who are eligible for benefits.

**CRDS** Contribution to the Reduction of the Social Debt ("*Contribution à la réduction de la dette sociale*").

**CRPN** The flight crew pension fund ("*Caisse de retraite des personnels navigants professionnels de l'aviation civile*").

**CSP** Career safeguarding contract ("*Contrat de sécurisation professionnelle*").

**DA** Authorised application for the furloughing scheme ("*Demande autorisée*").

**DAP** Application for authorisation to use the furloughing scheme ("*Demande d'autorisation préalable*").

**DARES** France's directorate for research, studies and statistics ("*Direction de l'Animation de la recherche, des Études et des Statistiques*").

**DEFM** Jobseeker receiving benefits at end of month ("*Demandeurs d'emploi en fin de mois*").

**Demobilised jobs** Jobs endangered by a decline in activity.

**DI** Claim under the furloughing scheme ("*Demande d'indemnisation*").

**DSN** Electronic payroll declaration ("*Déclaration sociale nominative*").

# → Glossary

**Eligible expenditures** Expenditures meeting a set of criteria defined in the context of Unédic's Social Bond issuances.

**Emergency measure** Exceptional measure taken in the context of a state of emergency.

**Employer's certificate** Document given by the employer to the employee at the end of his or her employment contract. It gives entitlement to unemployment benefits.

**Employment rate** Ratio of the number of employed individuals to the total number of individuals.

**End-of-entitlements benefit** At the end of entitlement to unemployment benefit, a beneficiary may receive new unemployment benefit, if he or she fulfils certain conditions.

**ESG** The Environmental, Social and Governance criteria allow for the inclusion of long-term sustainable development in the strategy of economic actors.

**Extension of entitlements** Measure decided to extend the entitlements of a jobseeker whose entitlements have ended in order to protect him.

**FNA** National data file of Unemployment Insurance beneficiaries ("*Fichier national des allocataires*").

**FNE** The National Employment Fund ("*Fonds National de l'Emploi*") was created to meet the different needs of companies in connection with the furloughing scheme.

**France Relance** Plan put in place by the French government to revive the French economy following the economic crisis linked to the Covid-19 pandemic.

**Furloughing scheme** Scheme enabling employers facing specific difficulties to cover all or part of the cost of their employees' pay.

**GSC** Generalised Social Contribution ("*Contribution sociale généralisée*").

**ICMA** International Capital Market Association.

**ILO** International Labour Office.

**Insee** National institute of statistics and economic studies ("*Institut national de la statistique et des études économiques*").

# → Glossary

<b>Intensive Youth Assistance</b>	Scheme put in place by Pôle Emploi to help young people find a job more quickly ("Accompagnement Intensif des Jeunes" - AIJ).	<b>Liquidity buffer</b>	Unédic's liquidity reserve, the amount of which depends on criteria defined by Unédic's Board of Directors.
<b>Investors</b>	Institutional investors collecting savings whose commitments and/or assets are governed by regulatory texts.	<b>Nominal amount</b>	Face value of a bond issuance.
<b>Ircantec</b>	Supplementary pension institution for non-tenured employees of the State and public authorities (" <i>Institution de Retraite Complémentaire des Agents Non Titulaires de l'Etat et des Collectivités</i> ").	<b>OAT</b>	French Treasury bonds (" <i>Obligations assimilables au Trésor</i> ").
<b>ISIN Code</b>	The "International Securities Identification Numbers" code is used to identify a security on the financial markets.	<b>Orderbook</b>	Brings together all the purchase intentions of potential investors when undertaking a syndicated bond issuance on the primary financial market.
<b>Jobseeker receiving benefits</b>	Beneficiary receiving benefit under the Unemployment insurance scheme.	<b>PE</b>	Pôle emploi.
<b>Jobseeker with entitlements</b>	Person registered with Pôle Emploi who is entitled to benefits.	<b>Pension credits</b>	As part of the management of the Unemployment insurance, the employer has been replaced by Unédic for the payment of contributions to supplementary pension schemes for benefit recipients.
<b>Labour force</b>	For the purposes of the ILO, this includes the employed population (persons in employment) and the unemployed within the meaning of the ILO.	<b>Poverty line</b>	An individual (or household) is considered to be poor when living in a household whose standard of living is below the poverty line. In France and Europe, the line is most often set at 60% of the median standard of living.
		<b>PPAE</b>	The personalised project for returning to employment (" <i>Projet personnalisé d'accès à l'emploi</i> ") is the definition of the nature and characteristics of the job or jobs sought by a jobseeker.

# → Glossary

<b>Redundancy for economic reasons</b>	Redundancy for economic reasons is when an employee's employment contract is terminated for reasons unrelated to the employee himself. This termination is motivated by economic reasons.
<b>Replacement income</b>	Income to compensate for loss of earnings during a period of partial or total inactivity.
<b>Replacement rate</b>	Unemployment benefit received net in relation to the average monthly wage received during the period of activity.
<b>Responsible investment funds</b>	Investment fund that incorporates environmental, social and governance (ESG) criteria into its investment processes and that has the SRI Label defined by France's Ministry of Economy and Finance.
<b>Retention of workers</b>	Maintenance by an organisation of its employees in employment.
<b>RSA</b>	Active solidarity income (" <i>Revenu de solidarité active</i> ").
<b>SBPs</b>	Social Bond Principles defined by the International Capital Market Association (ICMA).

<b>SDGs</b>	Sustainability development goals of the United Nations.
<b>Self-employed</b>	Individual who works for himself.
<b>Short-term contract</b>	Fixed-term contract of duration of less than 1 month.
<b>Smic</b>	Minimum wage in France (" <i>Salaire minimum interprofessionnel de croissance</i> ").
<b>Social Bond</b>	Debt issued in respect of the Social Bond Framework.
<b>Social Bond Committee</b>	Unédic internal committee (Finance and Treasury Department, Studies and Analysis Department and Communication Department) responsible for the governance of Unédic's Social Bond Framework.
<b>Social Bond Framework</b>	Document illustrating the contribution of the Unemployment insurance scheme to the SDG and France's roadmap for implementing the 2030 Agenda.
<b>Social security contributions</b>	All payments that individuals and their employers make to social security funds and private schemes.
<b>Sole-trader employer</b>	Individual recruiting a paid and declared employee, without any intermediary and not as part of an organisation.

# → Glossary

<b>SPE</b>	Employment Public Service (" <i>Service public de l'emploi</i> ").	<b>Unédic forecasts</b>	Financial forecasts of the Unemployment insurance published by Unédic 3 times a year (February, June, October).
<b>Spread</b>	Difference between the yield of a bond and a reference rate.	<b>Unédic's Bureau</b>	The body responsible for managing Unemployment insurance on a day-to-day basis. It is composed of 5 employee representatives and 5 employer representative.
<b>Supplementary pension</b>	Pension which supplements the basic pension.	<b>Unemployment benefit</b>	Replacement income paid by Pôle Emploi, under certain conditions, to persons registered as jobseekers and involuntarily deprived of employment.
<b>Support measure</b>	Measure to support the economy.	<b>Unpaid leave allowance</b>	An individual who has not acquired paid leave entitlements may receive the unpaid leave allowance if the company for which he or she works closes.
<b>Technical management</b>	In Unédic's chart of accounts, it concerns the income and expense items relating to the various schemes of Unemployment insurance. Other categories of management of the Unemployment insurance chart of accounts are Administrative management and Financial Management.	<b>Voluntary redundancy</b>	Collective departure scheme within a company based on employees accepting redundancy. Employees who agree to leave the company benefit from a number of compensatory payments.
<b>Tenor</b>	Duration of a debt on the issue date and until maturity date.	<b>Yield</b>	Corresponds to the rate offered to investors at the time of issuance.
<b>Tripartite Convention</b>	Agreement between the State, Unédic and Pôle Emploi.		
<b>Unédic Board of Directors</b>	The body responsible for deciding Unédic's major strategic decisions. It is composed of 25 employee representatives and 25 employer representatives.		



# Unédic

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