

# European Globalisation Adjustment Fund (EGF) 2021–2027

2018/0202(COD) - 07/12/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Employment and Social Affairs adopted the report by Maria Arena (S&D, BE) on the proposal for a regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (EGF).

The committee recommended that the position of the European Parliament adopted at first reading in the framework of the ordinary legislative procedure amend the Commission proposal as follows.

## *Mission and objectives.*

The new funds, re-named the **European Fund for Transition** (EFT) shall aim to support socio-economic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers through the promotion of alternative, sustainable employment. Members specified that the EFT should be an **emergency fund that operates reactively and contributes to a just transition**.

The general objective of the programme is to demonstrate solidarity with and offer financial support for re-employment measures with regard to displaced workers regardless of the type or duration of their employment relationship and self-employed persons whose activity has ceased in the course of **unexpected major restructuring events resulting from globalisation**, such as:

- changes in world trade patterns;
- trade disputes;
- financial or economic crises;
- the transition to a low-carbon economy or
- as a consequence of digitisation, automatisation and technological change.

Particular emphasis shall be placed on measures that help the most disadvantaged groups and on the promotion of gender equality.

## *Intervention criteria*

The European Commission is proposing to lower the threshold of displaced jobs from 500 to 250 for a reference period of 4 months (or 6 months in sectoral cases). Members proposed a threshold of **200 jobs for a reference period of 6 months** (or 9 months in sectoral cases).

## *Eligible beneficiaries*

Members recalled that in the period between March 2007 and March 2017, the Commission received 148 applications for co-financing from the European Globalisation Adjustment Fund (EGF) from 21 Member States, for a total of almost EUR 600 million to help 138 888 displaced workers and 2 944 people not in employment, education or training (NEETs).

Accordingly, they suggested that applicant Member States may provide personalised services co-financed by the EFT to up to a number of **NEETs under the age of 25**, or where Member States so decide under the age of 30, on the date of submission of the application, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies occur in NUTS 2 level regions.

#### ***Eligible measures.***

Members stated that financial contributions from the EFT should be primarily directed at active labour market measures and personalised services aimed at:

- reintegrating beneficiaries rapidly into quality and sustainable employment in a future-oriented sector, whether within or outside their initial sector of activity;
- seek to promote self-employment and enterprise creation, including through the establishment of cooperatives.

The financial contributions should **complement and not replace** any measures that are the responsibility of Member States and/or companies by virtue of national law or collective agreements. The coordinated package should be compatible with the shift towards a climate-friendly and resource-efficient economy.

#### ***Technical assistance.***

The Commission should facilitate access to national and regional authorities through a dedicated helpdesk that would **provide general information and explanations** on procedures and on how to submit an application. That helpdesk should make available standard forms for statistics and further analysis.

The Commission should, in particular, promote the dissemination of existing best practice, **raise awareness of the EFT's eligibility criteria** and application procedures and do more to raise awareness of the EFT among Union citizens, in particular workers. Member States should ensure effective communication actions to promote EFT financial contributions.

#### ***Procedure.***

The decision to mobilise the EFT shall be taken jointly by the European Parliament and the Council within one month of the submission of the proposal to them. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.