

European Globalisation Adjustment Fund for Displaced Workers (EGF): support to workers affected by imminent job displacement in enterprises undergoing restructuring

2025/0073(COD) - 01/04/2025 - Legislative proposal

PURPOSE: to enable the European Globalisation Adjustment Fund for Dismissed Workers (EGF) to not only support displaced workers, but also workers affected by imminent job displacement.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament acts in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the EGF was established to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation. Under the EGF, the EU provides specific, one-off support in the form of active labour market policy measures to facilitate the reintegration into decent and sustainable employment. This support complements the more anticipatory assistance offered by ESF+.

In its current configuration, the EGF is only able to help workers who have already lost their jobs. However, if it is already known that a future group of workers will lose their jobs, it is appropriate to help them cope with this imminent threat in order to mitigate its effects.

Whereas longer-term anticipatory assistance falls under the European Social Fund Plus (ESF+), the EGF is an emergency instrument to respond to restructuring events. This proposal supports and strengthens the emergency character of the EGF. In the short term, it is often not possible to reprogramme ESF+ funding, and enterprises undergoing restructuring have limited means to support the workers affected by redundancy. The EGF could fill this gap by responding to restructuring events occurring over a mid-term timeframe.

CONTENT: the objective of the EGF is to support workers made redundant during major restructurings which, by their scale and effects, have a significant impact, and to facilitate the reintegration of workers into decent and sustainable employment.

This proposal amending Regulation (EU) 2021/691 will add an objective, namely **to also provide support to workers threatened by imminent redundancy** in a company undergoing restructuring, so that they are better prepared to complete a career transition in a shorter timeframe, and facilitate their change of role or career. The objective is to enable **a more common approach to redundancies caused by large-scale restructuring**.

Enterprises undergoing restructuring must be able to request EGF assistance through national authorities. The funding must be used to offer personalised packages of active labour market policy measures to workers that are affected by imminent job displacements in the near future.

Since the EGF is implemented under shared management, each EU country sets-up a **single-entry point** to handle requests by enterprises. The EU country concerned then submits an application for EGF

assistance. Expenses incurred by the applicant EU country for preparatory, management, information and publicity, and control and reporting activities relating to such applications must be **co-financed at 100%** across the EU.

To facilitate future evaluations, a beneficiary **survey** should be conducted after the implementation of each EGF financial contribution. The beneficiary survey would be developed by the Commission. Companies should assist the Commission by sending beneficiaries the invitation to participate in the survey. The Commission should use the data collected for evaluation purposes.

In accelerating the procedure to mobilise EGF support for both workers who are made redundant and workers who anticipate imminent job displacement, Regulation (EU) 2021/691 could set out a **procedure** whereby the Commission, under strict conditions, can request the European Parliament and the Council to **mobilise the full maximum annual amount budget** at the beginning of each year. If that mobilisation is approved, the Commission would adopt individual financing decisions in relation to the applications introduced by the EU countries concerned. The Commission will immediately inform the European Parliament and the Council of its adoption, including the conditions that led the Commission adopting the financing decisions, as well as the corresponding amounts.

If the full maximum annual amount is not used by the Commission in a given year, that amount will lapse at the end of the financial year.

In order to implement this Regulation, in particular the guidance, information, evaluation and information measures, the Commission deems it necessary to **raise the ceiling for the technical assistance to 1.5%** of the EGF's maximum annual amount.