Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 13/12/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution based on the report drafted by Roselyne **BACHELOT-NARQUIN** (EPP-ED, FR) and reached an informal compromise agreement with Council. The main amendments to the Commission's text are as follows:

- With the aim of stimulating economic growth and creating more jobs in the EU, the Regulation is intended to enable the Community to provide support for workers made redundant as a result of **major structural changes in world trade patterns due to globalisation** where these redundancies have a significant adverse impact on the regional or local economy. Assistance from the EGF shall provide solidarity and support for individual workers made redundant as a result of structural changes in world trade patterns. The EGF shall not finance the restructuring of companies or sectors. Its period of application shall be linked to the Financial Framework, from January 2007 to December 2013.
- The intervention criteria are as follows: at least 1 000 redundancies over a period of 4 months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers, or at least 1 000 redundancies, over a period of 9 months, particularly in small or medium-sized enterprises, in a NACE 2 sector in one region or two contiguous regions at NUTS II level. In small labour markets or in exceptional circumstances, duly substantiated by the Member State(s) concerned, an application for a contribution from the EGF may be considered admissible even if the conditions laid down above are not entirely met, when redundancies have a serious impact on employment and the local economy. The aggregated amount of contributions for exceptional circumstances may not exceed 15% of the EGF each year.
- A financial contribution may be made for **active labour market measures** that form part of a coordinated package, including job-search assistance, special time-limited measures, and measures to stimulate in particular disadvantaged or older workers, to remain in or return to the labour market. The EGF shall not finance passive social protection measures. On the initiative of the Member State, the EGF may finance the preparatory, management, information and publicity, and control activities for its implementation.
- The Commission and the Member States must ensure that **equality between men and women** and the integration of the gender perspective is promoted during the various stages of implementation of the EGF. The Commission and the Member States shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of the implementation of and, in particular, in access to, the EGF.
- The Commission shall set up an **Internet site**, available in all Community languages, to provide information on the EGF, guidance on the submission of applications, as well as updated information on accepted and refused applications, highlighting the role of the budgetary authority.
- Parliament made some amendments to the budgetary procedures to be followed.
- A mid-term evaluation will be made by **31 December 2011**, and the ex-post evaluation should be carried out by **31 December 2014** with the assistance of external experts and should measure the impact of the EGF and its added value.