



EUROPEAN COMMISSION

Brussels, 12.6.2012
C(2012) 3834 final

Dear President,

The Commission would like to thank the Bundesrat for its Opinion on the Proposal on the European Globalisation Adjustment Fund (EGF) 2014-2020 {COM(2011) 608 final}.

The EGF is an expression of solidarity at the European level, assisting Member States at their request in coping with unforeseen effects of globalisation. It has been conceived as a useful complement to policies decided, developed and implemented at national level.

In respect of the principle of subsidiarity, it is up to the Member States to decide whether to apply for EGF funding at all, and if so, which redundant workers to target, which measures to implement and at what costs to the budget. Member States implement the measures according to their own legislation, procedures and rules.

The EGF gives Member States the option to go beyond the measures generally made available to workers made redundant in mass redundancy cases, by providing them with more personalised support, by supporting them for longer periods, and by making available measures not (yet) provided in respective national general schemes. The EGF can thus be used to test innovative actions and delivery methods – but only if the Member States so desire.

The Commission takes note of the suggestion of the Bundesrat to integrate the EGF in the structural funds framework. One of the possibilities could be to merge the EGF with or to integrate it into the European Social Fund (ESF). When preparing its proposals for the next Multiannual Financial Framework, the Commission has assessed this option and came to the conclusion that both instruments, different by nature, should remain distinct.

The EGF has been established to provide one-off, time-limited personalised support to redundant workers who share a common dismissal background. In doing so, it complements, but does not replace not only national policy instruments, but also the overall, long-term-oriented actions and policies implemented through the cohesion policy tools, in particular those of the ESF.

This also explains why the Commission proposed to keep the EGF outside the main budget. The very nature of the EGF – i.e. a crisis instrument – makes it very difficult to foresee how much funding will be required, as the number and level of applications depend on unforeseeable circumstances. At times when budgets need to be very carefully planned, and each euro budgeted smartly spent, it makes even more sense to keep the EGF outside the main budget, in a flexible reserve, as is the case at present.

*Mr Horst SEEHOFER
Präsident des Bundesrates
Leipziger Straße 3 - 4
D-10117 BERLIN*

As regards the expansion of the future EGF to include new categories of workers, in particular temporary agency workers and workers with fixed-term contracts, the Commission (following the stakeholders' advice expressed in two consultations in early 2011) considers it important to put an end to the unequal treatment that exists under the current rules of the Fund. Indeed, the current Regulation governing the EGF provides that only workers who have been made redundant (i.e. whose contract of employment has been ended before its expiry) can receive assistance from it. Notwithstanding the fact that temporary workers could have lost their job because of trade globalisation, this provision in practice excludes workers whose contracts have simply not been renewed and who deserve assistance in their efforts to find another job as quickly as possible.

Including additional categories of workers, in particular farmers, would also be a means for the EU to further demonstrate solidarity with sectors facing potential negative impacts of free trade agreements. The targeted, one off support farmers could obtain with the EGF would be complementary to the general, structural support provided by the Common Agricultural Policy.

Finally, in 2011, the Commission carried out the mid-term evaluation of the effectiveness and sustainability of the results obtained by the EGF and presented its outcome to the various European institutions and stakeholders. The Member States, particularly those with EGF cases for which final reports had been submitted, were closely involved in this evaluation. In addition, all Member States were invited to send participants to the Conference on the results of the evaluation, held in Brussels on 2 February 2012.

The Commission hopes that these explanations serve to clarify the concerns raised in your Opinion and looks forward to continuing the political dialogue with the Bundesrat on this very important issue.

Yours faithfully,

*Maroš Šefčovič
Vice-President*