

LEGAL BASIS

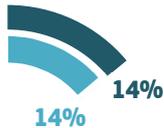
Regulation (EU) No 1309/2013 of the European Parliament and of the Council

MORE INFORMATION

<https://europa.eu/!jG47dp>

CEILING FOR 2014-2020

EUR 1 142.2 million

CONSUMPTION FROM THE CEILINGS
(2014-2020)

- Payments
- Commitments

Evaluations/
studies conducted

A report on the activities of the EGF in 2017 and 2018 was published in 2019. For further information please consult:

<https://europa.eu/!TB67Bq>

The midterm evaluation of the EGF was completed in 2018. For further information please consult: <https://europa.eu/!Vx38pj>

How is it implemented?

The Directorate-General for Employment, Social Affairs and Inclusion is the lead DG for the implementation of the fund under shared management.

EGF

EUROPEAN GLOBALISATION ADJUSTMENT FUND

What is the EGF?

The European Globalisation Adjustment Fund (EGF) supports workers made redundant as a result of major structural changes in world trade patterns due to globalisation or the negative effects of global economic and financial crises.

The EGF is an emergency relief instrument. It co-finances active labour market policy measures organised by the Member States, such as job guidance, careers advice, coaching, training courses and assistance for dismissed workers in setting up their own business. These services help the workers reposition themselves on the labour market and return to employment as quickly as possible by enabling them to update their knowledge and skills or benefit from other suitable means, such as mobility allowances or childcare allowances.



Specific objective

- To contribute to smart, inclusive and sustainable economic growth and to promote sustainable employment in the EU by enabling the EU to demonstrate solidarity with and to support workers who have been made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation or as a result of a global financial and economic crisis.

Why is it necessary?

The EGF addresses the adverse effects of globalisation, strengthens overall participation in the labour market and demonstrates the EU's solidarity with the workers affected. The EU's involvement through the EGF allows it to complement national and European Social Fund resources available for the reintegration of workers made redundant as a consequence of trade-related globalisation and a global financial and economic crisis. According to the EGF's midterm evaluation, the evidence gathered from EGF cases demonstrates that it provides support to dismissed workers that is in addition to what would have been available in the absence of the fund. The volume of the effects is particularly significant. Namely, the EGF provides additional resources to Member States, as it adds to existing mainstream restructuring assistance programmes and services of labour market actors without replacing existing resources. The EGF does this by:

- substantially increasing the overall number and variety of services that would not otherwise be available to redundant workers through national funding and programming;
- enabling partnerships on cases in order to provide flexibility that would not be possible without the EGF;

- reinforcing the package of measures provided to redundant workers through national resources;
- enabling the leveraging of an additional volume of in-kind support (i.e. quality assurance, certification, etc.);
- supporting existing national actions by extending the duration of national restructuring assistance measures;
- supporting more young people not in education, employment or training than would otherwise be possible.

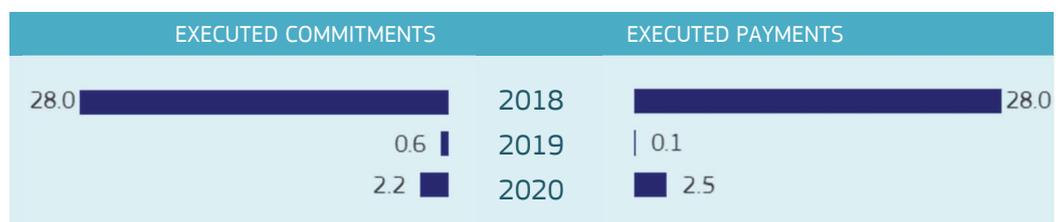
Outlook for the 2021-2027 period

The Commission has proposed the continuation of this fund, with a much greater scope and increased flexibility.

To this end, improvements have been introduced, such as:

- broadening the scope of the EGF to support any type of significant restructuring event, including the economic effects of the COVID-19 crisis, as well as larger economic trends such as decarbonisation and automation; and
- lowering the threshold from 500 to 200 displaced workers.

Budget implementation (in million EUR)



Key performance indicators

	Baseline	PROGRESS TOWARDS THE TARGET	Target	Results	Assessment
Redundant workers reintegrated into employment following EGF-supported measures ⁽¹⁾		> 100%	50%	59% of redundant workers reintegrated compared to a target of 50%	On track

 % of target achieved by the end of 2020

⁽¹⁾ Cumulative results for 2014-2020.

Where are we in the implementation?

- In 2020, seven applications were submitted by six Member States. Four of them were submitted in relation to the repercussions of the global economic and financial crisis, and three under the trade-related globalisation criterion.
- The COVID-19 crisis has led to considerable job losses, which may affect persons who previously benefited from EGF support. The crisis may thus impact the long-term reintegration results of the EGF. This trend was also confirmed by the final reports received in 2020, which showed that on average only 45% of beneficiaries, compared to 65% in 2019, have found new employment following EGF implementation.
- Furthermore, the crisis has had a significant impact on the implementation of ongoing EGF funding actions. Notably, a number of measures that required personal contact and could not be pursued online, along with management and control activities, had to be suspended. The principle of *force majeure* has been applied in two cases, leading to the temporary suspension of the deadlines set out in the regulation.
- In order to foster the exchange of best practices and discuss issues of common interest, the Commission organises EGF contact persons' meetings and invites Member State representatives who are responsible for managing EGF cases on the ground. In 2021 this meeting will have to be organised remotely in the first semester, and will focus mainly on the new EGF regulation.

Performance assessment

- Between 2014 and 2020, the EGF supported 55 168 targeted workers and 4 099 young people not in employment, education or training in 52 different economic sectors. According to the final reports concerning the 2014-2020 period, an average of 60% of workers who have been assisted have taken up new employment following an EGF intervention. However, the reintegration rate in individual cases varied from 28% to 92%, depending on the economic sector and the area concerned, as it is influenced by the absorption capacities of local and regional labour markets. Given that the beneficiaries supported by EGF co-funded measures are usually among those facing the greatest difficulties on the labour market, these results are encouraging. To improve the efficiency of the measures while assessing the applications for EGF funding, the Commission advises Member States to ensure that they reflect the needs of the local or regional labour market. Furthermore, from 2021 onwards, the quantitative information on the assistance provided will be complemented with qualitative information through beneficiary surveys.
- In 2020, in response to the COVID-19 crisis, the Commission proposed to allow the mobilisation of EGF support for workers permanently dismissed as a consequence of the ensuing economic crisis. As a result, at the end of 2020, four Member States submitted applications related to the COVID-19 crisis, and more are in preparation for submission in 2021. These applications relate to redundancies in three sectors particularly heavily hit by the COVID-19 crisis, i.e. air transportation and storage, water transportation, and leisure- and tourism-related activities. Due to the COVID-19 crisis, in 2020 the Member States also reported a relatively lower average reintegration rate (45%) than in the previous year (65%). The rate depends heavily on the number of cases, as one large EGF case with a low reintegration rate will skew the results.
- In 2020, a study supporting the EGF's *ex post* evaluation for the 2014-2020 period found that the fund adds value over and above what could be achieved by Member States alone, for instance by increasing the number and variety of services offered. This is mainly due to the EGF's targeted, tailored and individualised support for beneficiaries. The average reintegration rate of EGF beneficiaries, i.e. the main indicator of the fund's effectiveness, is 60%. However, as the effectiveness is strongly influenced by external factors, it is recommended that the more long-lasting effects, such as new skills gained from participation in EGF measures, should also be taken into account. In addition, there is room to improve the visibility of the outcomes of EGF cases. Furthermore, a faster decision-making process at the EU level and a simplified application process could improve the fund's efficiency and lift a barrier that prevents some Member States from applying for EGF support.
- These recommendations have been taken into account in the 2021-2027 EGF regulation. In particular, the scope was broadened and the administrative burden of demonstrating that job losses were caused by globalisation or a crisis was eliminated. This simplification is expected to speed up the mobilisation of EGF assistance and improve its efficiency. In 2021 and 2022, given the gravity of the socioeconomic consequences of the COVID-19 crisis, the EGF will provide continued support to workers who have lost their jobs as result of major restructuring events. It is expected that broadening the scope and lowering the threshold to enable an application for dismissed workers to 200 will make the fund more inclusive and more accessible, potentially triggering a higher number of applications from Member States.

Concrete examples of achievements

55	55 168	4 099	EUR 175 220 016	60%
applications were received (excluding those withdrawn or rejected) between 2014 and 2020.	workers were targeted between 2014 and 2020.	young people not in employment, education or training were targeted between 2014 and 2020.	in contributions from the EGF were requested by 12 Member States between 2014 and 2020.	of beneficiaries, on average, found employment following intervention by the EGF between 2014 and 2020.