

# **Open public consultation for the Mid-term Evaluation of the European Globalisation Adjustment Fund (EGF)**

## **Background of the European Globalisation Adjustment Fund (EGF)**

The European Globalisation Adjustment Fund (EGF) is a European funding instrument which objective it is to help workers that have lost their jobs due to the adverse impacts of globalisation or the global financial and economic crisis. EGF provides funding for measures to help dismissed workers find new jobs as soon as possible.

The term globalisation relates to major changes in world trade patterns which affect employment as a result of:

- A significant increase in imports of goods and/or services into the European Union from countries and regions that are able to produce goods and services at lower cost;
- A rapid decline in EU, Member State or regional market share in a given sector;
- The movement of production or service delivery (and therefore jobs) to countries outside the EU.

Redundancies linked to economic crises are considered to be those affecting:

- 'workers made redundant and self-employed persons whose activity has ceased as a result of the continuation of the global financial and economic crisis [...], or as a result of a new global financial and economic crisis'.

The EGF can help if redundancies caused by such factors – or indeed by the impact of the economic crisis – have a very negative impact on the local, regional or national economy.

Funding from the EGF can be used to support active labour market measures such as, help with job search, training/education and mobility allowances in cases of unanticipated (large-scale) redundancies.

The EGF was established in 2006 (Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 established the EGF for the period 2014-2020 and repealed Regulation (EC) No 1927/2006 of the European Parliament and of the Council).

Since 2007, the EGF has contributed more than 560 million euros to more than 140 cases of restructuring in Member States to support more than 130,000 workers who lost their job because of restructuring linked to changes in world trade patterns and globalisation or as a consequence of the economic and financial crisis. More information about experience of redundant workers who have found new jobs and opportunities with the help of the EGF can be found on the following webpages:  
<http://ec.europa.eu/social/main.jsp?langId=en&catId=326>

For the period 2014-2020, the maximum amount available for EGF actions has been reduced from €500 million to €150 million per year (This figure is based on 2011 prices). The new EGF Regulation makes support available to new groups of individuals. Among the groups which can currently benefit from EGF support (in regions where the youth unemployment rate exceeded 25% in 2012 and in equal numbers to redundant beneficiaries supported) are young people under the age of 25 (30 where a Member States decides to raise the age limit) who are not working, and are not taking part in education or training (so-called NEETS – not in education, employment or training). The specific part of the Regulation which allows such young people to benefit is only effective until December 2017. The current EGF Regulation also raises the rates at which support actions for individuals are co-funded from 50% to 60% EU level support.

The purpose of this consultation is to ensure that both the general public, beneficiaries of EGF and organisations involved in the planning and delivery of EGF have a say its future design and the assessment of how useful EGF funding has been with regard to the following criteria:

- Effectiveness: the extent to which the EGF co-funded activities have reached their goal in **enabling affected individuals to find a new job quickly** and, where relevant, has helped supported young people currently not in education, employment or training to find a job or to go back to education or training.
- Sustainability: have individuals getting a job (or entering education) following participation in in EGF supported actions been **able to keep this job** (or complete their education) over a period of 6 or 12 months after the end of the EGF support.
- Efficiency: is the **cost of the support provided justified given the results achieved...**
- Coherence: an assessment of coherence looks at the extent to which EGF funding supports other activities to help redundant workers (or NEETs) which are paid for with national resources or other European Funds (for example the European Social Fund) and whether **similar or complementary activities** are being funded. For instance, EGF may fund very similar measures to those available to workers affected by redundancy at national level, or it may complement or support such measures (for instance by offering activities which are more tailored to the needs of individuals such as individual counselling, peer group support, mobility support etc) or by providing the opportunity to offer different types of training or to offer training over longer periods than would be possible with national funds.
- Relevance: this part of the evaluation will look at whether the **criteria for the use of the EGF** (e.g. the number of workers that have to be made redundant in a case over a specific period of time to be eligible; the criteria that redundancies have to be linked to globalisation or the economic crisis) remain relevant and whether it is appropriate to use EGF to support young people not in education or a job with the same fund (and whether to continue doing so)..
- EU added-value: the concept of EU added value refers to the extent to which EGF has contributed to make support available to additional redundant workers (volume effects) or to make the support available **more relevant** to their individual situation which may otherwise not have been provided by national, regional or local authorities. It also assesses whether groups of individuals which would otherwise not have had access to help at all were supported (scope effects); whether the delivery of EGF funded measures **led to learning** on delivery of effective support activities, which have since been used elsewhere (role effects); and whether the way in which European or national funds are used and the types of activities supported has changed as a result of using EGF (process effects).