



# Report on the 23rd meeting of the Contact Persons of the European Globalisation Adjustment Fund (EGF)

*Athens, 7th March 2019*

## Table of Contents

Table of Contents .....	2
Overall introduction .....	3
1. Introduction and adoption of the agenda .....	3
2. Update on the EGF since the last Contact Persons Meeting .....	3
2.1 Final reports .....	3
2.2 Recoveries.....	3
2.3 Closures.....	3
2.4 Applications received .....	4
2.5 Applications planned.....	4
3. Biennial Report on the activities of the EGF in 2017-2018.....	4
4. SFC developments and Member State feedback.....	5
5. Ex-post evaluation.....	5
6. Audit findings.....	5
7. Data protection – legal framework.....	6
8. The Commission’s role in the ordinary legislative procedure.....	7
9. EGF post-2020.....	7
10. Communication updates .....	8
10.1 Commission communication updates .....	8
10.1.1 Social Europe: European Pillar of Social Rights.....	8
10.1.2 EU protects Campaign.....	8
10.2 Member State communication activities .....	9
11. Forthcoming EGF related events.....	9

## Overall introduction

The purpose of this document is to report on the presentations and discussions, which took place during the 23rd meeting of the Contact Persons of the European Globalisation Adjustment Fund (EGF). The meeting was held on the 7th of March 2019, in Athens, Greece.

This document provides a concise summary of the meeting. The reader is referred to the presentation used during the meeting for an overview of the Commission's key messages and the full agenda of the meeting, available on the EGF website<sup>1</sup>.

## 1. Introduction and adoption of the agenda

Ms Fabienne Levy, Head of Unit EMPL F.2 (Directorate-General for Employment, Social Affairs and Inclusion), responsible for the EGF and Shared Management, welcomed the participants to the Contact Persons meeting and introduced the agenda.

## 2. Update on the EGF since the last Contact Persons Meeting

The Commission presented the state of play of EGF final reports, recoveries, closures and application received.

### 2.1 Final reports

Since the last Contact Persons meeting, the Commission had received two final reports, both from 2016, from Estonia (EGF/2016/003 Petroleum and chemicals) and the Netherlands (EGF/2016/005 Drenthe Overijssel Retail).

### 2.2 Recoveries

Six debit notes have been sent to Member States since the last meeting, for cases from 2015 and 2016. Two debit notes were sent to Sweden (EGF/2015/009 Volvo Trucks and EGF/2016/002 Ericsson), one to Belgium (EGF/2015/003 Ford Genk), one to France (EGF/2015/010 MoryGlobal), one to Greece (EGF/2015/011 Supermarket Larissa) and one to Finland (EGF/2016/001 Microsoft).

The overall funds granted for the projects amounted to EUR 28 998 992, while EUR 12 734 490 was recovered. The overall recovery rate was thus 43.91%, while for the individual cases recovery rates ranged from 14.99% to 76.40%. The Commission noted the broad range of the recovery rates.

### 2.3 Closures

Since the last Contact Persons meeting, there had been seven cases in winding up, dated from 2014, 2015 and 2016. Two Greek projects had been wound up (EGF/2014/013 Odyssefs Fokas and EGF/2015/011 Supermarket Larissa), as well as three Belgian (EGF/2015/003 Ford Genk, EGF/2015/007 Hainaut-Namur-Glass, and EGF/2015/012 Hainaut Machinery), a Swedish case (EGF/2015/009 Volvo Trucks) and a Finnish case (EGF/2016/001 Microsoft).

---

<sup>1</sup> <https://ec.europa.eu/social/main.jsp?langId=en&catId=326&eventsId=1388&furtherEvents=yes>

## 2.4 Applications received

No applications had been received since the last Meeting, while the Budgetary Authority had adopted and the Commission has paid two cases – from Portugal (EGF/2018/002 PT/Norte Centro Lisboa Wearing Apparel, in October 2018) and Greece (EGF/2018/03 EL/Attica Publishing Activities, in December 2018).

## 2.5 Applications planned

Next, the Commission asked the Member State representatives to present the applications they had planned for the near future at a tour-de-table. The Belgian representative from Wallonia explained that Wallonia was considering a case in the retail sector (NACE Revision 2 division 47), as 1 006 workers (of which 388 are in Wallonia) were being dismissed in a large supermarket-chain, due to a globalisation-induced increase in imports.

There were other Member States considering applications for cases, in different sectors. Croatia in the water transport sector (NACE Revision 2 division 50), Estonia in the petroleum and chemicals sector – a continuation of the Estonian EGF case EGF/2016/003 in the oil shale industry (NACE Revision 2 division 19). France was considering an application in the automotive (NACE Revision 2 Division 29) and energy sectors (NACE Revision 2 Division 35). Germany was also considering a case in the automotive sector and Ireland in the energy sector, while Poland was also looking at a retail sector case. Romania was considering a case in the textiles and wearing apparel sector (NACE Revision 2 Division 13 and 14) and Spain was considering a case in the manufacturing sector (not specified).

## 3. Biennial Report on the activities of the EGF in 2017-2018

The Commission presented the main findings from the draft biennial report on the EGF activities (2017-2018) which was still under preparation and would be published and distributed later in 2019 via the EGF website. The Biennial Report was stipulated by Article 19 of the EGF Regulation (Regulation (EU) No 1309/2013), which requires that the Commission presents a comprehensive report on the results achieved by the EGF to the European Parliament and to the Council every two years. The report mostly focused on information relating to submitted applications and adopted decisions, statistics on funded cases, the reintegration rate for assisted beneficiaries per Member State, winding-up of information on financial contributions, as well as the complementarity of the EGF with other funds (the ESF in particular).

The Commission had received 13 EGF applications in 2017 and 2018. Per Member State, the Commission received two applications from Spain, Greece and Finland, and one from Italy, Sweden, Germany, France, Belgium, the Netherlands and Portugal – overall 13 applications from ten Member States. The total EGF contribution for the 13 adopted cases was EUR 41 006 837, on average EUR 3 154 372 per application and EUR 4 100 684 per Member State. The contributions ranged significantly between Member States, from EUR 720 000 to nearly EUR 10 million.

The co-financed applications related to redundancies in 11 different sectors. The total number of targeted workers was 12 896, on average 1 290 per Member State. Overall, three applications targeted 1 155 NEETs (300 in Belgium, 125 in Spain and 730 NEETs in Portugal).

Since the contribution for two cases from 2016 (Finland and the Netherlands) was only granted in 2017, there were overall 15 contributions granted for the 2017-2018

period, taking the total granted contributions up to EUR 45 467 387 and the targeted beneficiaries up to 14 517 (out of a total number of 18 174 dismissed workers). Of the targeted workers, 43% were female and 57% male. The 25-54 age group constituted 70% of the targeted workers, while 24% were in the 55-64 range, 5% in the 15-24 range and 2% above the age of 64.

The Commission received 23 final reports from eight Member States on the implementation of EGF contribution in 2017 and 2018. The results show that of the 29 401 workers dismissed, 23 970 workers had been targeted and 21 244 (89%) assisted. 12 723 workers (60%) were reintegrated into the labour market, with 419 (2%) being in education or training and 7 411 (35%) workers unemployed or inactive.

## **4. SFC developments and Member State feedback**

The Commission presented the new section of the EGF Final Report module on SFC 2014 (System for Fund Management in the European Union). Apart from this new addition, which the EGF team hoped would help Member States when the Commission sent a forthcoming closure letter and winding-up letter to them, the speaker explained that there were no major new SFC2014 developments. This new addition constituted a small section with fields for the Member States – to fill in with the name and address of the relevant person when submitting the final report.

The speaker also reminded the MS to submit the employment status reports 12 months after the submission of the final report, via SFC platform.

## **5. Ex-post evaluation**

The European Commission is obliged to carry out an ex-post evaluation of the EGF by the end of 2021, according to Article 20(1)(b) of the EGF Regulation. An EGF team member explained that the Commission planned to prepare and launch the call for tender by the end of 2019, so that the contractor that would be chosen could finish the study by the end of 2020. Based on this external expert study, the European Commission would then draft a Staff working document – to be published by the end of 2021. The speaker promised to update Member States when more information was available. In the event that the external contractor would need more information from Member States, the EGF team would get in contact with the representatives first.

## **6. Audit findings**

Article 21(4) of the EGF Regulation is the legal basis for the on-the-spot audit checks done by DG EMPL auditors on the EGF. The Commission next presented the recurrent findings identified in these audit events in connection with management and control, and financial issues. In terms of the management and control findings, the speaker stressed that Member States have to verify the correctness of the minimum number of redundancies within the reference period (i.e. that the threshold of 500 redundancies was met), and to keep track of their checks. If the number of redundant workers changed, the Commission asked Member States to reflect these changes in the final report. The audit findings showed a lack of systems audit on the Management and Control System in place, as well as a lack of second level checks on expenditures in certain Member States. Furthermore, insufficient information was given to the assisted workers on the role of the Union in co-financing the EGF support provided to them.

The speaker asked the Member States to consider the issue of communication more closely and to make sure they complied with the Commission information requirements. Another issue comprised of national Audit Authority checks and audit opinions being completed after the deadline for the final report, since by requirement they had to be done before that.

Next, the speaker focused on the financial findings identified in the audit. The Contact Persons were reminded that as stipulated in the EGF Regulation, the payment for allowances (Article 7(1)(b) measures)(at maximum 35% of the package) had to be linked to participation in Article 7(1)(a) or (c) measures, such as training and counselling activities. The Commission asked the Member States to keep a well-defined audit trail on this, as sometimes proof was needed that this link had been established. Similarly, Member States were asked to make sure that technical assistance spending was kept at a reasonable rate (around 4%). If further technical assistance was needed, the speaker asked the Member States to explain this – the Commission is aware that low absorption rates could trigger high percentages of technical assistance.

Member States were also asked to consider using a filter in their accounting systems, which would draw attention to the same amount being entered twice, as the audit on-the-spot checks had raised erroneously double-declared costs as a concern. Another topic of concern for auditors had been increases of 20% or more in single budget lines. The Commission asked Member States to keep the EGF team informed on this and to keep an audit trail.

One Contact Person raised the concern that it was not possible for some national Audit Authorities to have the audit opinion ready before the final report. This was because the independent body operated based on ESF norms, taking a year to finish the audit report (which was often after the deadline of the final report). The Commission replied to this concern by highlighting that the national audit body had to follow the EGF provisions.

## **7. Data protection – legal framework**

Subsequently, the Commission presented the implications of Regulation (EU) 2016/679 (General Data Protection Regulation (GDPR)) and Regulation (EU) 2018/1725 (on the protection of natural persons regarding the processing of personal data by the Union institutions), for the EGF. The regulations refer to both the identified and identifiable data of natural persons. The Commission had already established European Data Protection Supervisors (EDPS) to provide independent control of EU institutions, as well as setting nominating Heads of Units and/or Directors at the Commission as data controllers. This was in order to ensure that data was processed lawfully, fairly and transparently, treated with confidentiality, limited to necessary information, kept up-to-date and only stored for a limited time.

Considering the new regulations, the EGF team asked the Contact Persons to sign a consent form, so that the Commission may continue to have Member State contact details on the EGF website. Only clear and affirmative consent was a valid proof of consent, while silence and inaction not being valid.

## 8. The Commission's role in the ordinary legislative procedure

Under the next agenda point, an EGF representative explained the legislative process for the adoption of the new (post-2020) EGF Regulation. The Ordinary Legislative Procedure (OLP), or the tri-partite co-decision process, stipulated that the European Parliament and Council had to agree on the EGF Regulation proposed by the Commission, either at the first reading (86% of decisions adopted at this stage from 2009-2014), second reading (12%, including early second reading) or third reading (2%).

The European Parliament already adopted at the first reading an opinion on the draft EGF Regulation on the 20<sup>th</sup> of January 2019; however, Council had not yet issued their own stand-alone position on the draft EGF Regulation (following the meetings and discussions of the Working Party on Social Questions). Therefore, it was likely that the EGF Regulation would go to the early second reading stage, when there would be no deadlines for the parties. The Commission hoped that the early second reading stage could start in autumn 2019 after the Parliament had reconvened.

According to the formal procedure, the second reading, which follows the early second reading, included deadlines for the parties. If no agreement was reached at that stage, conciliation would have to be reached in the third reading, the speaker explained. If there were an agreement in the third reading – the legislation would be adopted. If no agreement were reached after the third reading, the Commission would have to either propose a new text or abandon the proposal.

The speaker explained that the Commission hoped that the EGF Regulation would be approved during the second reading stage.

## 9. EGF post-2020

Next, the European Commission presented the current discussions on the MFF (multiannual financial framework) and the EGF legislative proposal, post-2020. The European Parliament was in favour of continuing with the EGF as a special instrument outside the MFF ceiling, whereas several Member States voiced their opinion in Council that they were not in favour of any special instruments outside and above the MFF ceilings. There were many options still on the table, including merging the EGF with ESF or abolishing the fund altogether. The maximum annual amount for the EGF for the duration of the next MFF is still under discussion. The Parliament proposed a budget of EUR 200 million without an annual adjustment; the Committee of the Regions (CoR) proposed to raise the maximum annual amount to EUR 500 million and the European Economic and Social Committee to EUR 1 billion. The different EU institutions also had diverse views on the EGF Regulation proposed by the Commission, including changing the name of the fund. Other proposed changes were the duration of the Regulation (the Council proposed to limit it to the duration of the MFF), and the objectives of the fund (the Parliament and Council proposed adding Brexit or change in EU-membership as a possible trigger and specifying "bringing displaced workers back into sustainable employment" as an aim).

Different EU institutions also articulated diverse views on the EGF intervention criteria; the Parliament proposed to lower the threshold to 200 (instead of the proposed 250) and the Council insisted on "at least" 250, while the CoR supported an even lower threshold of 150. The Parliament had furthermore proposed to keep the NEETs derogation, while the CoR warned that the NEET acronym would be derogatory. The

institutions also had different views on eligible measures (whether and how digital skills and skills required for a resource efficient economy could be included or stipulated) and whether anticipatory measures could be included (CoR). The Parliament did not propose a different co-financing rate, while Council proposed introducing a 60% minimum clause for co-financing. Although the Commission had the Council's support, the Parliament was not in favour of a streamlined mobilisation procedure preferring a full budgetary procedure for each case. The Parliament strongly supported the Commission's calls for more detailed output indicators and reporting, while the Council proposed removing the beneficiary survey and long-term result indicators.

The speaker explained that the EPSCO (Employment, Social Policy, Health and Consumer Affairs Council configuration) meeting on the 15th of March could lead to a partial agreement of the text at the Council level. A compromise text on small labour markets had been uploaded in the morning of the meeting as the last version of the Council's position. The Commission also clarified that no changes regarding technical assistance were being discussed at the time.

## 10. Communication updates

### 10.1 Commission communication updates

#### 10.1.1 Social Europe: European Pillar of Social Rights

The Commission explained that DG COMM (The Directorate-General for Communication) and DG EMPL communications team had made a lot of resources available for Member States to promote the European Pillar of Social Rights,, including leaflets, documents and posters, as well as social media resources such as visuals, GIFs and short one-minute videos to capture the audience's attention. The Commission had translated all the resources into the official EU languages (except Irish) and these were available online<sup>2</sup>. The speaker advised Member States to contact the Social Rights team at EMPL via email<sup>3</sup> with any queries about how to use the materials provided. The speaker also invited Member States to visit regularly the web page 'Delivering on the European Pillar of Social Rights' which provides with information about what the EC is doing to implement the 20 principles of the Social Pillar of Social Rights.

#### 10.1.2 EU protects Campaign

The speaker next discussed the "EU Protects" campaign, the new DG COMM corporate communication campaign with a 35+ ambivalent target group. The message of the campaign was that the EU was protecting its citizens from environmental, social and economic risks, such as national catastrophes, cyberattacks, terrorism, economic slowdowns, trafficking, food safety and many more. The EGF was included in the infographic material but not as video material as part of the campaign, which would be online in May. As an example of the "EU Protects" campaign, the speaker showed

---

<sup>2</sup> General information on the European Pillar of Social Rights available under:  
[https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights\\_en](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights_en)

Information on what the Commission is doing to deliver on the 20 principles:  
<https://ec.europa.eu/social/main.jsp?catId=1226&langId=en>

Social media materials for Member States to use to promote the Pillar:  
<https://www.dropbox.com/sh/g9pgbtsz7gmt5c1/AADqcU8Ggb00QczTTuZKOPC8a?dl=0>

<sup>3</sup> The email address of the team: [EMPL-SOCIAL-RIGHTS@ec.europa.eu](mailto:EMPL-SOCIAL-RIGHTS@ec.europa.eu)

attendees a video<sup>4</sup> on wild fires and how the EU institutions cooperate to keep citizens safe.

## 10.2 Member State communication activities

No Member States reported communicated activities.

## 11. Forthcoming EGF related events

The Commission reported that the Next EGF Contact Persons meeting and Networking Seminar would take place in October or November 2019, in Belgium.

No Member States had EGF related events planned.

---

<sup>4</sup> The EU Protect promotional video on stopping wildfires is available under:  
<https://www.youtube.com/watch?v=dauzWlcbavA&index=1&list=PLJmEREKFYU8Whdm4O4EbNfHHXIfPGgLik>

Other EU Protect videos and animated visual stories available on:

- How to EU is connecting researchers on Epilepsy:

[https://www.youtube.com/watch?v=\\_nxis0PIE3A&list=PLJmEREKFYU8Whdm4O4EbNfHHXIfPGgLik&index=5](https://www.youtube.com/watch?v=_nxis0PIE3A&list=PLJmEREKFYU8Whdm4O4EbNfHHXIfPGgLik&index=5)

- How the EU is combating radicalisation:

<https://www.youtube.com/watch?v=JmBtm1nUacE&list=PLJmEREKFYU8Whdm4O4EbNfHHXIfPGgLik&index=9>

- How the EU shattered a human trafficking ring:

<https://www.youtube.com/watch?v=LuoqDjrUPTw&list=PLJmEREKFYU8Whdm4O4EbNfHHXIfPGgLik&index=3>

- How the EU is helping to break the cycle of poverty:

[https://europa.eu/euprotects/our-society/building-foundations-how-eu-helping-break-cycle-poverty\\_en](https://europa.eu/euprotects/our-society/building-foundations-how-eu-helping-break-cycle-poverty_en)