What changes are there for the **European Globalisation Adjustment Fund**?

The EGF will become more operational and fairer: while maintaining the basic eligibility criteria, the Fund would also be able to assist workers on temporary contracts and those who are made redundant as a consequence of an unexpected and major crisis. The time needed to approve Member State applications will be shorter as a result of new deadlines and the streamlining of procedures. The EGF will also be able to assist farmers to adjust to new conditions resulting from the conclusion of international agreements.

Will we need the European Globalisation Adjustment Fund (EGF) in the future?

The EGF has a key advantage compared to other instruments. It provides one-off, targeted support specifically for workers who have lost their jobs because of trade globalisation or, more recently, the financial and economic crisis. It is an emergency intervention instrument that can step in when sudden massive job losses have an unexpected and severe impact on employment and the local economy.

From January 2007 when the EGF started operating to 31 December 2011, the Commission received 97 applications for assistance from the Fund from 20 Member States covering a total of €415million to help nearly 89 000 workers.

By continuing the EGF, the EU wants to build on its success in helping workers find new jobs or become self-employed. It will thus continue to show solidarity with workers made redundant in exceptional circumstances.

The EGF will remain outside the budget and will be mobilised only when the need arises, on the basis of a request from a Member State. The maximum support available from the EGF over the 2014-20 period will be €3 billion.

How will the EGF work in the future?

The EGF's core mechanism will be maintained. However, the new Regulation will bring some improvements and include some new elements.

The new EGF Regulation **contains four main new elements**:

1. **The EGF will be able to help additional categories of workers** who are currently excluded in practice (e.g. temporary-agency workers, workers on fixed-term contracts, self-employed workers and managers of micro-, small and medium-sized enterprises when they have to close down their businesses.
2. **The scope of the EGF will cover globalisation and unexpected crises**. The EGF will provide assistance to workers who have lost their jobs and managers who have stopped operating because of structural changes in world trade patterns, an unexpected major crisis or - in the case of farmers - the negative impact of new trade agreements concluded by the EU.
3. **EGF assistance will put more emphasis on active measures** by introducing a limitation on the allowances eligible for support.
4. **The administrative burden will be reduced**. Procedures will be simplified to cut the time between the date of application for EGF support and the date of payment. The information that the Member States need to provide in order to submit complete applications will be reduced, together with the time within which this information can be provided. The time available for the Commission to assess applications from the Member States will be capped by the new Regulation.

Why will the EGF have specific provisions for farmers?

All workers may be affected by trade liberalisation when it leads to business restructuring. The EGF will continue to assist these workers when numbers laid off are of a scale that calls for EU-level solidarity. But farmers do not easily meet these conditions. So, to prevent them being left without support, the EGF will be able to provide assistance to farmers in specific cases, on the basis of specific conditions that can more easily met.

http://ec.europa.eu/social/funding

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Social Europe

Investing in people

Modern programmes to face today's challenges

What are the changes for the **European Social Fund**?
What changes are there for the **European Globalisation Adjustment Fund**?
What is the **EU Programme for Social Change and Innovation**?

Social Europe

European Commission

What are the changes for the **European Social Fund**?

The aim of the European Social Fund is to improve employment opportunities, promote education and life-long learning, enhance social inclusion, contribute to combating poverty and develop the institutional capacity of public administration. It is the key EU instrument for investing in people. Around 10 million final beneficiaries are supported by the ESF every year, so increasing their chances of finding a job, or keeping the jobs they have.

With the new proposal, the role of the ESF will be reinforced:

1 there will be a **minimum percentage of** the **budget** allocated to each category of regions (25% for less-developed regions, 40% for transition regions and 52% for more developed ones). This percentage corresponds to at least €84 billion from the ESF, compared to the current €75 billion;

2 Member States will have to **concentrate** the ESF financing on a limited number of objectives and investment priorities in line with the **Europe 2020** Strategy, in order to increase the impact and reach a critical mass;

3 a **minimum** of **20%** of the ESF will be devoted to **social inclusion** actions;

4 greater emphasis is placed on combating youth unemployment, promoting active and healthy ageing, and supporting the most disadvantaged groups and marginalised communities such as Roma;

5 greater support will be provided for **social innovation**, i.e. testing and scaling up innovative solutions to address social needs;

6 the participation of the social partners and civil society, in particular non-governmental organisations (NGOs), will be further encouraged in the implementation of the ESF, through capacity-building, the promotion of community-led local development strategies and the simplification of the delivery system. Rules governing the reimbursement of projects by the ESF will be **simplified**, in particular for "small" beneficiaries – NGOs, small- and medium-sized enterprises and others, which account for at least 50% of recipients of ESF funding;

7 **equipment** linked to investments in social and human capital will become **eligible** for support from the ESF.

The ESF could also function as a guarantee for loans taken out by Member State bodies to finance measures within its scope.

What is the **EU Programme for Social Change and Innovation**?

The EU Programme for Social Change and Innovation (PSCI) is an instrument managed directly by the Commission, to support employment and social policy across the EU. Together with the European Social Fund and the EGF, it forms the third pillar of the EU Initiative for Employment and Social Inclusion for 2014-20.

The PSCI incorporates three existing programmes and extends their coverage: Progress (Programme for Employment and Social Solidarity), EURES (European Employment Services) and the European Progress Microfinance Facility.

It will enable the Commission to increase the policy coherence and impact of its instruments which have common objectives, and thus contribute to implementing the Europe 2020 Strategy for Jobs and Growth.

The PSCI will support policy coordination, sharing of best practice, capacity-building and testing of innovative policies, with the aim of upscaling the most successful measures, with support from the ESF.

What is new for Progress?

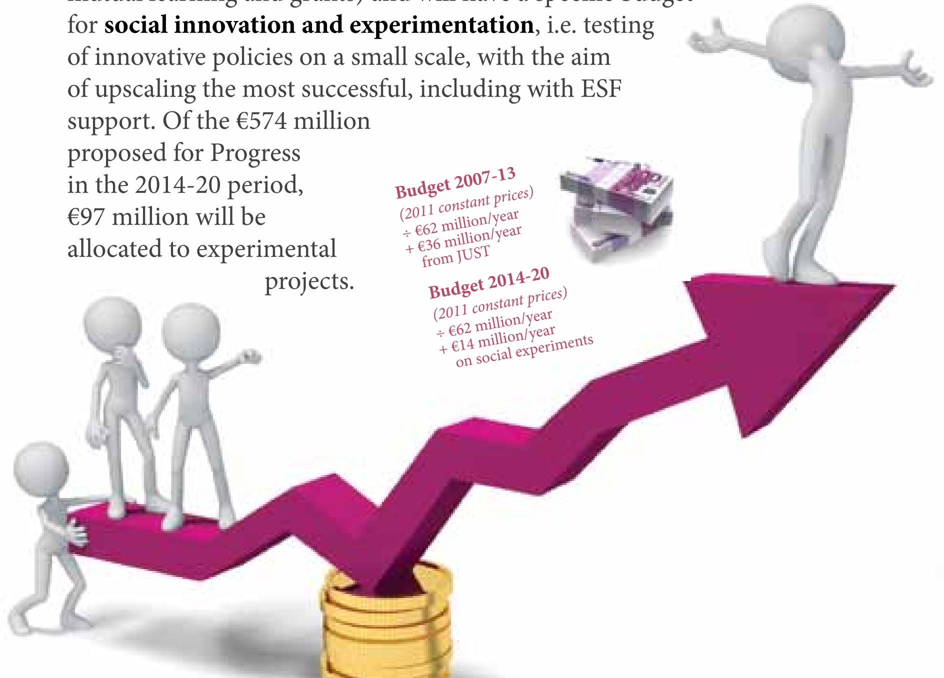
Progress contributes to the implementation of the Europe 2020 Strategy, to meeting its headline targets (of relevance to employment, the fight against poverty and improving education), while supporting the implementation of the flagship initiatives, and especially the European Platform against Poverty and Social Exclusion, an Agenda for New Skills and Jobs and Youth on the Move.

Progress supports and disseminates comparable analytical information in the field of employment, facilitates information-sharing and dialogue and provides policy-makers and implementers with financial support to test social and labour-market policy reforms. It also supports the implementation of EU legislation in the field of employment, social policy and working conditions.

For the 2014-20 period, Progress will continue its present activities (analysis, mutual learning and grants) and will have a specific budget for **social innovation and experimentation**, i.e. testing of innovative policies on a small scale, with the aim of upscaling the most successful, including with ESF support. Of the €574 million proposed for Progress in the 2014-20 period, €97 million will be allocated to experimental projects.

Budget 2007-13
(2011 constant prices)
÷ €62 million/year
+ €36 million/year
from JUST

Budget 2014-20
(2011 constant prices)
÷ €62 million/year
+ €14 million/year
on social experiments



What is new for EURES?

EURES provides information and advice to job-seekers and to any citizen wishing to take advantage of freedom of movement for workers. At the end of 2011, the EURES portal hosted around 1 230 000 job vacancies, over 750 000 CVs and around 25 500 registered employers. It receives some 4 million visits per month. Around 150 000 job-seekers per year get a job or a job offer via EURES.

The new proposal will strengthen the overall EURES system in the post-2013 period:

- **EURES activities at national and cross-border level** will be financed through the European Social Fund to support worker mobility and help companies recruit abroad;
- at **EU level**, the **EURES Portal** will offer modernised self-service tools for job-seekers and employers.At EU level, EURES will be used to create and develop **new targeted mobility schemes**. These will fill bottleneck and niche vacancies and will help specific groups of workers to become mobile and countries to become destinations for mobile workers. It will in particular allow for the development of the **Your First EURES Job** scheme. This is currently being carried out as a pilot project in the form of a preparatory action to help young people (18-30) find a job in another Member State, while encouraging SMEs, the largest group of employers in the EU, to offer young people work.

The overall EURES budget is expected to remain stable at around €20 million a year, but the estimated budget for Your First EURES Job as from 2014 will be €10 million a year. This should permit approximately 5 000 placements/recruitments of young people each year.

Budget 2007-13
(2011 constant prices)
÷ €20 million/year

Budget 2014-20
(2011 constant prices)
÷ €20 million/year

What changes are there in the Microfinance facility and Social Entrepreneurship?

The current European Progress Microfinance Facility was launched in 2010 to help people facing difficulty in securing a traditional bank loan, to gain better access to microcredit and become self-employed or set up their own businesses. It finances loans of less than €25 000 for unemployed people, people at a risk of losing their jobs and people from disadvantaged groups, such as young people, older people and migrants. The Microfinance Facility does not provide direct financing for micro-entrepreneurs or individuals, but works through microcredit providers at national, regional and local level. By the end of 2011, 15 transactions had been signed with 13 microcredit providers, in 10 Member States, namely Belgium, Bulgaria, Cyprus, Greece, Lithuania, the Netherlands, Poland, Portugal, Romania and Spain.

The new programme will:

- **extend support granted to microcredit providers** under the current European Progress Microfinance Facility;
- provide funding for **capacity-building in microfinance institutions**. For instance, a microfinance institution may need an IT system to deal with growing demand or have to hire additional loan officers to meet the needs of the target groups better. This could be supported financially under the new programme;
- include investments for developing and expanding **social enterprises**, i.e. businesses the primary purpose of which is social, rather than the maximising of profit distribution to private owners or shareholders.

The total budget proposed for the microfinance and social entrepreneurship priority is around €192 million for the period 2014 to 2020. Access to microfinance would be allocated €87 million, which could result in €400 to €450 million in microloans. Institutional capacity-building would be allocated almost €9 million and €95.5 million would be devoted to supporting the development of social enterprises.

Budget 2010-13
(2011 constant prices)
÷ €25 million/year

Budget 2014-20
(2011 constant prices)
÷ €25 million/year