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.

How will the EGF work in the future?
The EGF’s core mechanisms 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 those workers when numbers laid off are of a scale that calls for EU-level solidarity. But farmers do not easily meet these conditions. In order to prevent them from 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 meet.

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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 Employment Strategy for Social Cohesion and Impact of its Instruments 2014-20. The PSCI is scheduled to operate for three years, from 2014 to 2016.

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

What is the ESF Programme for Social Change and Innovation?

The ESF is a 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.

What are the changes for the European Social Fund?

The aim of the European Social Fund is to improve the economic and social cohesion of EU Member States, and to contribute to the European Employment Strategy for Social Cohesion and Impact of its Instruments 2020. It is the key EU instrument for investing in people.

The ESF could also function as a guarantee for loans to individuals and small businesses. With the new proposal, the role of the ESF will be strengthened.

What is the new for EURES?

EURES provides information and advisory services 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 1 200 000 job vacancies, over 7 000 000 CVs and around 55 000 registered employers. It receives some 4 million visits per month. Around 150 000 job-seekers per year get a job offer via EURES.

What is new for PROGRESS?

Progress contributes to the implementation of the Europe 2020 Strategy to raise the productivity of the EU economy, the quality of employment (e.g. against poverty and improving education), while supporting the implementation of the Buckley initiatives, and especially the European Platforms against Poverty and Social Exclusion, an Agenda for New Skills and Jobs and Trusts on the Move.

What is new for MICRO?

Access to microfinance would be allocated €87 million, i.e. 20% of the ESF. The priority is around €192 million for the period 2014 to 2020. For instance, a microfinance institution may need an IT system to deal with growing demand or have to hire additional loan officers to meet demands of the target groups better. This could be supported financially under the new programme.

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 decent level of living, e.g. young people in particular, social enterprises and microenterprises. It finances loans of less than €25 000 for small enterprises, people at risk of losing their jobs, people from disadvantaged groups, such as young people, older people and immigrants.

The Microfinance Facility does not provide direct financing for micro-enterprises or individuals, but works through intermediaries at national, regional and local level. By the end of 2011, 15 transactions had been signed with 15 microcredit providers, in 10 Member States, namely Bulgaria, Bulgaria, Cyprus, Greece, Latvia, Lithuania, the Netherlands, Poland, Portugal, Romania and Spain.

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

- 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 60% for more developed ones). This percentage corresponds to at least €94 million from the ESF compared to the current €77 million;
- Member States will have to concentrate the ESF on a limited number of directions and investment priorities in line with the Europe 2020 Strategy, in order to increase the impact and reach a critical mass;
- a minimum of 20% of the ESF will be devoted to small initiatives;
- 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;
- greater support will be provided for social innovation, i.e. testing and scaling up innovative solutions to address social needs;
- the participation of the social partners and civil society, in particular non-governmental organisations, is increased in the implementation of the ESF, through capacity-building, simplification of community-led local development projects and the simplification of the delivery system.

To help generate the reinforcement of projects by the ESF will be simplified, in particular for “small” beneficiaries – NGOs, small- and medium-sized organisations (NGOs), will be further encouraged in the implementation of the ESF, through capacity-building, simplification of strategies and the simplification of the delivery system.

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 innovations. It also supports the implementation of ESF legislation in the field of employment, social policy and working conditions.

For the 2014-10 period, Progress will continue its present activities (analysis, statistical features and grants) and will have a specific budget of €400 million with the support of the ESF.

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

- PROGRESS activities at national and cross-border level will be financed through the European Fund to support sectoral initiatives and policy recipient abroad;
- EURES portal will offer more detailed information on career opportunities and the search for jobs, and will provide policy makers with more detailed information on labour mobility across the EU;
- EURES will be used to create and develop new targeted mobility schemes; these will be of interest to both employers and job-seekers in the EU and will help specific groups of workers to become mobile and contribute to member state’s economic growth. It will in particular allow for the development of EURES Job schemes: This is currently being tested out in a pilot project in the form of a preparatory action to help young people (16-38) find job in another Member State, while strengthening 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. An additional budget for the Year 2014 EURES Job in 2014 will be €30 million. This should permit approximately 5 000 placements/positions of young people each year.

The total budget proposed for the microfinance and social entrepreneurship prioritises around €207 million for the period 2014 to 2016. Access to microfinance could be allocated €207 million, which could result in €400 to €500 million in microloans.

Institutional capacity-building will be allocated around €50 million and €60 million would be devoted to supporting the development of social enterprises.