



Basic information	
<p>2006/0033(COD)</p> <p>COD - Ordinary legislative procedure (ex-codecision procedure) Regulation</p>	Procedure completed
<p>Establishing the European Globalisation Adjustment Fund (EGF)</p> <p>Repealed by 2011/0269(COD) Amended by 2008/0267(COD)</p> <p>Subject</p> <p>4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 4.15.12 Workers protection and rights, labour law 5.03 Global economy and globalisation</p>	

Key players				
European Parliament	Committee responsible		Rapporteur	Appointed
	EMPL Employment and Social Affairs		BACHELOT-NARQUIN Roselyne (PPE-DE)	15/03/2006
	Committee for opinion		Rapporteur for opinion	Appointed
	INTA International Trade		CHIESA Giulietto (ALDE)	21/03/2006
	BUDG Budgets (Associated committee)			
	ECON Economic and Monetary Affairs		The committee decided not to give an opinion.	15/05/2006
	ITRE Industry, Research and Energy			
	IMCO Internal Market and Consumer Protection		The committee decided not to give an opinion.	
	REGI Regional Development		MADEIRA Jamila (PSE)	02/05/2006
	Council of the European Union	Council configuration		Meetings
Employment, Social Policy, Health and Consumer Affairs		2733	2006-06-01	
Agriculture and Fisheries		2774	2006-12-19	
European	Commission DG		Commissioner	

Key events

Date	Event	Reference	Summary
01/03/2006	Legislative proposal published	COM(2006)0091 	Summary
16/03/2006	Committee referral announced in Parliament, 1st reading		
01/06/2006	Debate in Council		
06/07/2006	Referral to associated committees announced in Parliament		
26/10/2006	Vote in committee, 1st reading		Summary
31/10/2006	Committee report tabled for plenary, 1st reading	A6-0385/2006	
12/12/2006	Debate in Parliament	CRE link	
13/12/2006	Decision by Parliament, 1st reading	T6-0560/2006	Summary
13/12/2006	Results of vote in Parliament		
19/12/2006	Act adopted by Council after Parliament's 1st reading		
20/12/2006	Final act signed		
20/12/2006	End of procedure in Parliament		
30/12/2006	Final act published in Official Journal		

Technical information

Procedure reference	2006/0033(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Repealed by 2011/0269(COD) Amended by 2008/0267(COD)
Legal basis	EC Treaty (after Amsterdam) EC 159-p3
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/6/34875

Documentation gateway

European Parliament









Document type	Committee	Reference	Date	Summary
Committee draft report		PE376.402	30/06/2006	
Amendments tabled in committee		PE376.641	19/07/2006	
Amendments tabled in committee		PE376.583	20/07/2006	
Amendments tabled in committee		PE376.606	25/08/2006	
Amendments tabled in committee		PE376.592	29/08/2006	

Amendments tabled in committee		PE378.519	07/09/2006	
Committee opinion	INTA	PE374.408	12/09/2006	
Committee opinion	BUDG	PE374.432	18/09/2006	
Committee opinion	REGI	PE374.423	20/09/2006	
Amendments tabled in committee		PE378.591	03/10/2006	
Committee opinion	ITRE	PE376.439	04/10/2006	
Amendments tabled in committee		PE380.677	12/10/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0385/2006	31/10/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0560/2006	13/12/2006	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	03678/1/2006	20/12/2006	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2006)0091 	01/03/2006	Summary
Document attached to the procedure	SEC(2006)0315 	01/03/2006	
Document attached to the procedure	SEC(2006)0274 	01/03/2006	
Document attached to the procedure	SEC(2006)0314 	01/03/2006	
Document attached to the procedure	SEC(2006)0834 	20/06/2006	Summary
Commission response to text adopted in plenary	SP(2007)0303	24/01/2007	
Follow-up document	COM(2008)0421 	02/07/2008	Summary
Follow-up document	COM(2011)0466 	22/08/2011	Summary
Follow-up document	COM(2012)0462 	04/09/2012	Summary

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
ESC	Economic and Social Committee: opinion, report	CES1147/2006	13/09/2006	
EU	Follow-up document	32006R1927R(02) OJ L 202 31.07.2008, p. 0074	20/12/2006	

Additional information

Source	Document	Date
National parliaments	IPEX	
European Commission	EUR-Lex	

Final act

[Corrigendum to final act 32006R1927R\(01\)](#)
[OJ L 048 22.02.2008, p. 0082](#)

[Summary](#)

[Regulation 2006/1927](#)
[OJ L 406 30.12.2006, p. 0001](#)

[Summary](#)

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 04/09/2012 - Follow-up document

In accordance with the requirements of Regulation (EC) No 1927/2006 the Commission presents a report on the activities of the European Globalisation Adjustment Fund (EGF) in 2011. The report states that the trends evident so far show that EGF applications have been presented in a growing number of sectors, and by an increasing number of Member States. Member States have furthermore gained experience in selecting the most suitable measures, programming their assistance to redundant workers in an efficient manner, and making use of the EGF to test new approaches. They are also increasingly using the possibility of re-allocating funds between measures during project implementation in order to make full use of the available funds.

Overview of activities in 2011: the Commission received 26 applications for contributions from the EGF, which was slightly less than in 2010 (31 applications). The 26 applications were submitted by 10 Member States, targeted 16 870 redundant workers and requested a total of EUR 77 546 044 from the EGF. Two Member States were first-time applicants in 2011: Greece and Romania. In 2011, the Budgetary Authority took 22 decisions to draw on the EGF to co-finance active labour market policy measures. Five of these concerned applications made in 2011, while 16 concerned applications received in 2010 and one was in response to an application received in 2009. Regulation (EC) No 546/2009, adopted on 18 June 2009, applies to all contributions granted (i.e. 65 % co-funding rate, 24-month implementation period from the date of application, etc.).

The 22 contributions granted targeted 21213 redundant workers in twelve Member States with a total of EUR 128 167 758 paid from the EGF (25.6 % of the annual maximum amount available to the EGF). This represents a 54.1% increase in terms of EGF co-financing compared to 2010 (EUR 83 171 941 for 30 contributions granted).

Actions funded: the measures approved for the 22 EGF contributions granted in 2011 aimed to reintegrate 21213 redundant workers into the labour market. They consisted mainly of intensive, personalised job search assistance and case management including placement research with potential employers, a variety of vocational training, upskilling and retraining measures, various temporary financial incentives/allowances for the duration of the active support measures up to the period of actual work reintegration, some mentoring during the initial phase in the new job and other types of activities such as entrepreneurship promotion/business creation, supported employment and one-time employment/hiring incentives.

Summary of the results: in 2011, the Commission received four final reports presented by the three Member States on the following applications FEM /2009/004 BE/Oost-West Vlaanderen, FEM/2009/005 BE/Limburg, FEM/2009/007 SE/Volvo et FEM 2009/008 IE/Dell. The four reports, presented by three Member States (BE, IE and SE) showed that, at the end of the EGF implementation period, 2 352 workers (45.0% of 5 228) had found new jobs or were self-employed. The others were either in education or training (approximately 10.9%), or unemployed or inactive for personal reasons (NEET: not in education, employment, or training): approximately 44.1%.

Temporary crisis derogation: applying for EGF support was made a lot easier by the temporary 'crisis derogation' (applicable for EGF applications submitted between 1.5.2009 and 30.12.2011, according to the amended EGF Regulation) allowing the EGF to support workers made redundant as a result of the global financial and economic crisis and increasing the EGF contribution from 50% to 65% of total costs. The permanent changes, i.e. the reduction of the threshold from 1 000 to 500 redundancies and the extension of the implementation period from 12 to 24 months from the date of application, also had a positive impact: Member States were able to request EGF support for workers made redundant by smaller enterprises and to programme longer support for the workers than was possible in the past. The impact of the longer duration of EGF support on the employment and employability of redundant workers will be apparent after completion of the projects.

In June 2011, the Commission proposed to [extend the 'crisis derogation' until the end of 2013](#), and this was fully endorsed by the European Parliament on 21 September 2011. However, despite extensive debates in Council, the Commission proposal did not receive a qualified majority in the Council. Since no political agreement on the extension of the 'crisis derogation' was reached, as from 31 December 2011 applications for EGF support can be justified only on the grounds of structural changes in world trade patterns, and the co-funding rate has been reduced to the original 50 % of total eligible costs.

The report states that the fact that the EGF's temporary 'crisis derogation' has not been extended beyond the end of 2011 (failure to achieve a qualified majority in the Council as eight countries voted against) has limited the possibilities for EU assistance to workers who are still greatly affected by the economic and financial crisis.

From 2012 until the end of the current programming period (end of 2013), the permanent changes in the amended Regulation (threshold reduced to 500 redundancies, implementation period increased to 24 months from the date of application) will continue to apply, facilitating applications from Member States related to redundancies as a consequence of major structural changes in world trade patterns. If the full potential of the EGF is developed, in complementarity with other available instruments and in consultation with the major stakeholders, dismissed workers who are eligible for

EGF support can be helped in a tailor- made and personalised manner, thereby improving their opportunities in the labour market in the medium and longer term as markets gradually recover from the crisis.

Post-2013: the EGF Regulation has to be reviewed by 31 December 2013, which coincides with the end of the programming period (see [COD/2011/0269](#)). The Commission is keen to maintain the EGF over the next programming period 2014 to 2020, and wants specific, one-off support to be provided over this period to workers made redundant as a result of major structural changes triggered by the increasing globalisation of production and trade patterns. The EU should also be able to provide support in the event of large-scale redundancies resulting from serious disruption of local, regional or national economies caused by an unexpected crisis. Furthermore, the scope of the EGF should be extended to provide compensation in certain cases for the consequences of trade agreements in certain agricultural sectors.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 20/12/2006 - Final act

PURPOSE: the establishment of a "European Globalisation Adjustment Fund" (EGF).

LEGISLATIVE ACT: Regulation (EC) No 1927/2006 of the European Parliament and of the Council on establishing the European Globalisation Adjustment Fund.

CONTENT: the Council adopted this Regulation accepting all amendments suggested by the European Parliament at first reading. Notwithstanding the positive effects of globalisation in terms of growth, jobs, prosperity and the need to enhance European competitiveness, globalisation may also have negative consequences for the most vulnerable and the least qualified workers in some sectors.

The purpose of this Regulation, therefore, is to establish a "European Globalisation Adjustment Fund" or EGF, the purpose of which is to provide support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and where these redundancies have a significantly adverse impact on the regional or local economy. The EGF will cover the period 1 January 2007 – 31 December 2013. The Fund may not exceed a maximum annual amount of EUR 500 million at current prices.

A financial contribution from the EGF will be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a substantial increase of imports into the EU, or a rapid decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

- at least 1 000 redundancies over a period of 4 months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers; or
- at least 1 000 redundancies, over a period of 9 months, particularly for small and medium sized enterprises, in a NACE 2 sector in one region or two contiguous regions at NUTS II level;
- small labour markets or in exceptional circumstances, duly substantiated by the Member State(s) concerned, an application for a contribution from the EGF may be considered admissible even if the conditions laid down above are not entirely met, when redundancies have a serious impact on employment and the local economy. The aggregated amount of contributions for exceptional circumstances may not exceed 15% of the EGF each year.

A financial contribution under this Regulation may be made for active labour market measures that form part of a coordinated package of personalised services designed to re-integrate redundant workers into the labour market, including:

- job-search assistance, occupational guidance, tailor-made training and re-training including ICT skills and certification of acquired experience, outplacement assistance and entrepreneurship promotion or aid for self-employment;
- special time-limited measures, such as job-search allowances, mobility allowances or allowances to individuals participating in lifelong learning and training activities; and
- measures to stimulate disadvantaged or older workers, to remain in or return to the labour market.

The EGF will not finance passive social protection measures.

The Regulation establishes provisions on: the type of financial contribution; applications; complementarity, compliance and co-ordination; equality between women and men and non-discrimination; technical assistance at the initiative of the Commission; information and publicity; determination of the financial contribution; the eligibility of expenditure; the payment and use of the financial contribution; and the use of the Euro.

Measures have also been put in place requiring the Commission:

- to prepare a final report (no later than six months after the expiry of the period specified);
- to present annual reports (the first being in 2008);
- to prepare a mid-term evaluation of the effectiveness and sustainability of results by 31 December 2011; and
- to prepare an ex-post evaluation by 31 December 2014, with the assistance of external experts.

On the basis of the first annual report the European Parliament and the Council may review this Regulation – no later than 31 December 2013.

APPLY: 1 January 2007.

ENTRY INTO FORCE: 20 January 2007.

Establishing the European Globalisation Adjustment Fund (EGF)

In accordance with the requirements of Regulation (EC) No 1927/2006 the Commission presents a report on the activities of the European Globalisation Adjustment Fund in 2010. The trends available so far show that EGF applications are being presented in a growing number of sectors, and by an increasing number of Member States. Member States are furthermore gaining experience in selecting the most suitable measures, programming their assistance to redundant workers, and making use of the EGF to test new approaches.

Developing the full potential of the EGF, in complementarity with other available instruments and in consultation with the major stakeholders, will increasingly help redundant workers in a tailor-made and personalised manner, thereby improving their opportunities on the labour market.

Overview of EGF activities in 2010: the Commission received **31 applications** for contributions from the EGF, which was one application more than in 2009. The Budgetary Authority took 31 decisions to mobilise the EGF in 2010, which represents a 300% increase in terms of decisions and a 60% increase in terms of EGF co-financing compared to 2009. Six EGF contributions granted in previous years were wound up.

The applications received related to 16 sectors, and may be summarised as follows: Austria (two applications: basic metals, electronic equipment), Belgium (one application: automotive), Czech Republic (one application: retail trade), Denmark (four applications: machinery/equipment, shipbuilding), France (one application: automotive), Germany (one application: machinery/equipment), Ireland (three applications: construction), Netherlands (seven applications: electronic equipment, printing industry, financial services, wholesale trade), Poland (three applications: automotive, machinery/equipment), Portugal (one application: shoe manufacture), Spain (six applications: automotive, wearing apparel, stone/marble, retail trade), Slovenia (one application: wearing apparel).

The EGF contributions requested per case in 2010 **ranged from EUR 114 250 to EUR 38 052 069 (average EUR 5 483 695)**.

The 31 contributions granted targeted 23 688 redundant workers in nine Member States with a total of EUR 83 554 141 paid from the EGF (16.7% of the annual maximum amount available to the EGF). The amounts proposed per worker in 2010 varied from slightly above EUR 600 to over EUR 23 000.

Actions funded with EGF assistance: the measures approved for the 31 EGF contributions granted in 2010 aimed to reintegrate 23 688 redundant workers into the labour market. They consisted mainly of intensive, personalised job search assistance and case management, a variety of vocational training, up-skilling and retraining measures, various temporary financial incentives/allowances for the duration of the job search, training and other active labour market measures up to the period of actual work reintegration, and other types of activities such as entrepreneurship promotion and supported employment.

Complementarity with actions funded by the Structural Funds, notably the European Social Fund (ESF): the EGF is designed to increase employability and ensure the rapid reintegration of redundant workers within the labour market through active labour market measures, thus complementing the ESF, which is the major EU instrument for promoting employment in the EU. The report gives specific examples of good complementarity between the ESF and the EGF.

Results achieved by the EGF: the main sources of information on the results achieved by the EGF are the final reports presented by Member States. The four final reports presented by the three Member States in 2010 (Spain, Portugal and Germany) showed that at the end or shortly after the end of the EGF implementation period, 629 workers (20% of 3 146) had found new jobs or were self-employed. The others were either in education or training (approximately 5%), or unemployed or inactive for personal reasons. The results in terms of reintegration into work were hampered by the significantly reduced absorption capacities of local and regional labour markets as a direct consequence of the global financial and economic crisis. The importance of the reintegration rate should not be overestimated since it merely provides a snapshot of the workers' employment situation at the moment the data are collected. It does not give any information on the type of employment and the quality of the work that the person has found, and can change significantly a short time later. According to information received from several Member States, the reintegration rates already tend to be higher a few months after submission of the final reports, especially in cases where workers continue to receive the tailor-made assistance beyond the EGF period, at the Member States' own expense or with the help of the ESF.

The Member States reported a series of interesting facts and encouraging information indicating that the personal situation, self-confidence and employability of the workers concerned visibly improved thanks to the EGF assistance and services, even if they did not always find new work quickly. The EGF gave Member States the opportunity to act more intensively in the regions affected by redundancies, in terms of the number of people assisted and the duration and quality of support, than would have been possible without EGF funding. The EU funds enabled them to respond more flexibly and to include in their packages highly personalised, sometimes innovative, actions and more attention for the least skilled. The assistance co-funded by the EGF therefore represents an enhanced investment in skills, which can have a positive impact in the medium and longer term when markets gradually recover from the crisis. In addition, the EGF was felt to be a useful instrument at a time of budget deficits and public sector cuts, when national resources have become scarce and when Member States and companies are struggling to recover from the global crisis. The mid-term evaluation of the EGF, due in 2011 as required by Regulation (EC) No 1927/2006, will assess the impact of the EGF in more detail.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 20/06/2006 - Document attached to the procedure

Following the Interinstitutional Agreement of 17 May 2006 on the financial framework 2007-2013, the Commission drafted a revised legislative and financial statement which it set out in a working document.

The procedure for entering the European Globalisation Fund appropriations in the budget is aligned to the provisions in Point 28 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management. This document highlights how the commitment appropriations shall be entered into the budget.

The amounts set out in the initial proposal remain the same.

For further information concerning the financial implications of this measure, please refer to the financial statement.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 13/12/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution based on the report drafted by Roselyne **BACHELOT-NARQUIN** (EPP-ED, FR) and reached an informal compromise agreement with Council. The main amendments to the Commission's text are as follows:

- With the aim of stimulating economic growth and creating more jobs in the EU, the Regulation is intended to enable the Community to provide support for workers made redundant as a result of **major structural changes in world trade patterns due to globalisation** where these redundancies have a significant adverse impact on the regional or local economy. Assistance from the EGF shall provide solidarity and support for individual workers made redundant as a result of structural changes in world trade patterns. The EGF shall not finance the restructuring of companies or sectors. Its period of application shall be linked to the Financial Framework, from January 2007 to December 2013.
- The intervention criteria are as follows: at least 1 000 redundancies over a period of 4 months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers, or at least 1 000 redundancies, over a period of 9 months, particularly in small or medium-sized enterprises, in a NACE 2 sector in one region or two contiguous regions at NUTS II level. In small labour markets or in exceptional circumstances, duly substantiated by the Member State(s) concerned, an application for a contribution from the EGF may be considered admissible even if the conditions laid down above are not entirely met, when redundancies have a serious impact on employment and the local economy. The aggregated amount of contributions for exceptional circumstances may not exceed 15% of the EGF each year.
- A financial contribution may be made for **active labour market measures** that form part of a coordinated package, including job-search assistance, special time-limited measures, and measures to stimulate in particular disadvantaged or older workers, to remain in or return to the labour market. The EGF shall not finance passive social protection measures. On the initiative of the Member State, the EGF may finance the preparatory, management, information and publicity, and control activities for its implementation.
- The Commission and the Member States must ensure that **equality between men and women** and the integration of the gender perspective is promoted during the various stages of implementation of the EGF. The Commission and the Member States shall take appropriate steps to prevent any discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation during the various stages of the implementation of and, in particular, in access to, the EGF.
- The Commission shall set up an **Internet site**, available in all Community languages, to provide information on the EGF, guidance on the submission of applications, as well as updated information on accepted and refused applications, highlighting the role of the budgetary authority.
- Parliament made some amendments to the budgetary procedures to be followed.
- A mid-term evaluation will be made by **31 December 2011**, and the ex-post evaluation should be carried out by **31 December 2014** with the assistance of external experts and should measure the impact of the EGF and its added value.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 02/07/2008 - Follow-up document

This Communication reviews the European Globalisation Adjustment Fund (EGF) in 2007, after one year in operation and makes suggestions as to immediate and longer term ways to improve its performance.

The EGF was designed as one way to show solidarity – to help workers made redundant by globalisation to find a new job quickly. Following the adoption of Regulation (EC) No. 1927/2006, the EGF became operational from 1 January 2007. It received ten applications in 2007 targeting 11,339 workers. Four applications were approved by the Commission before the end of 2007, following mobilisation of the necessary funds by the EU Budgetary Authority; five remained under consideration, and one was withdrawn (to be re-submitted at the beginning of 2008 after some technical modifications). The EGF granted assistance amounting to EUR 18.6 million or 3.7% of the maximum amount of EUR 500 million allowed under the Interinstitutional Agreement on budgetary discipline and sound financial management. The funds were used for active labour market measures for the 5,113 workers concerned.

The Commission notes that take-up is limited, partly due to the favourable economic climate in 2007. The limited take-up could also reflect, however, Member States' uncertainty about eligibility for funding. Although the EGF can intervene immediately once workers are made redundant, Member States have been hesitant to apply for EGF funding right from the first day of the redundancy crises because of uncertainty over whether or not their application would be approved.

Immediate steps to improve the operation of the EGF:

- Simplify procedures: the Commission will simplify its procedures to respond quickly to Member States on the eligibility of their applications. It will also disseminate detailed information on the previous cases, successful or unsuccessful, in order to help Member States assess the criteria used by the EU Institutions in coming to their decisions. The Commission will examine ways to accelerate the processing of applications, streamlining its internal procedures while maintaining a high quality of analysis.
- Promoting exchange of experience and good practice, including the methodologies extensively tested through the ESF, and in particular the EQUAL Community Initiative: this can reduce delays arising in the Member States while they devise adequate measures for a large-scale redundancy crisis. A commendable example is the approach used by Portugal, where a Ministerial Decision adopted a set of measures which can be drawn on at short notice in typical EGF cases.
- Intensify awareness-raising activities in order to achieve greater visibility of the Fund.

Adjusting the EGF Regulation: with a view to reinforcing the impact of the EGF on the creation of jobs, training and opportunities for Europe's workers, the Commission is examining ways in which the Fund could be modified, within the present budgetary limits, so as to improve its performance.

- Covering redundancies not directly attributable to changes in trade patterns: the EGF focuses on redundancies caused by major structural changes in global trade patterns. Globalisation may also work through other types of structural change. Such changes include major progress in production and product technology; changes in the organisation of production (such as company outsourcing); and the access to, and price of, raw materials and other inputs. This is particularly illustrated by recent increases in oil prices and their impact on sectors where fuel inputs represent a high cost factor. Such major and abrupt changes may lead to redundancies which cannot be covered by the existing Regulation. The Commission will examine these drivers of globalisation to see if they could be considered triggers for EGF support.

- Expanding the scope of the EGF to smaller redundancy events: the general requirement of at least 1,000 redundancies could be reduced in order to give more flexibility to Member States to present applications, including for SMEs and isolated labour markets. The Commission is analysing the implications of reducing this threshold on numbers of eligible persons and the budget. A possible alternative to reducing the existing threshold could be to include not just the redundancies in the suppliers or downstream producers of the main company in question but also other redundancies in other companies in the concerned geographical area.

- Expanding the duration of EGF assistance: as not all workers who lose jobs find employment during the period of EGF support, there is a need for longer term support. Consideration could be given to extending the maximum period for the use of EGF funding beyond the 12 months specified in the current regulation. Other possibilities such as using the EGF to foster mobility of workers between Member States are also being examined. Consideration might also be given to devoting a limited amount of funds to analysis and anticipation of the changes due to globalisation.

The Commission concludes that it will simplify procedures, promote exchange of good practice and intensify awareness-raising about the EGF. It will assess the feasibility of modifying the Regulation and will make appropriate proposals in this regard before issuing the next annual report.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 20/12/2006 - Corrigendum to final act

PURPOSE: **Corrigendum** to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund (Regulation initially published in Official Journal of the European Union L 406 of 30 December 2006).

The purpose of this Regulation is to establish a "European Globalisation Adjustment Fund" or EGF, the purpose of which is to provide support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and where these redundancies have a significantly adverse impact on the regional or local economy. The EGF will cover the period 1 January 2007 – 31 December 2013.

The corrigendum concerns the entire text of the Regulation.

Establishing the European Globalisation Adjustment Fund (EGF)

2006/0033(COD) - 01/03/2006 - Legislative proposal

PURPOSE : to establish a European Globalisation adjustment Fund (EGF).

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTEXT : increased market openness and international competition bring new opportunities in terms of economic dynamism, competitiveness and the creation of high-quality jobs. However, job losses in less competitive sectors are an inevitable impact of trade opening and globalisation: these adjustment costs of trade opening should be acknowledged and addressed through appropriate policy and financial instruments. The Commission report from October 20th 2005 on 'European Values in a Globalised world' highlighted the benefits of more open trade but also underlined the need to help those who experience the negative consequences of globalisation through job losses. In this context before the Hampton Court Summit, in a letter to the Presidents of the EU and the Parliament on 20/10/05, President Barroso proposed a Globalisation Fund.

CONTENT : this proposal aims to establish a European Globalisation adjustment Fund to enable the Community to provide support for workers made redundant as a result of major structural changes in world trade patterns where these redundancies have a significant adverse impact on the regional or local economy. It lays down rules regarding the operation of the EGF in order to facilitate re-integration into employment of workers affected by trade-related redundancies.

A financial contribution from the EGF shall be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a massive increase of imports into the EU, or a progressive decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

- a) at least 1000 redundancies in an enterprise, including workers made redundant in its suppliers or downstream producers, in a region where unemployment, measured at NUTS III level, is higher than the EU or national average, or
- b) at least 1000 redundancies, over a period of 6 months, in one or more enterprises in a sector, measured at NACE 2 level, which represents at least 1% of regional employment measured at NUTS II level.

A financial contribution under this Regulation shall be made for actions, as part of a coordinated package of personalised services designed to re-integrate redundant workers into the labour market, including:

- a) active labour market measures, such as job-search assistance, occupational guidance, tailor-made training and re-training including ICT skills, outplacement assistance and entrepreneurship promotion or aid for self-employment;
- b) special in-work time-limited income supplements, such as job search allowances, mobility allowances, income support allowances to individuals participating in training activities; and temporary wage supplements for workers of at least 50 years of age who accept to re-enter the labour market at a lower wage.

For further information concerning the financial implications of this measure, please refer to the financial statement.