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Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2018/0202(COD) Procedure completed
European Globalisation Adjustment Fund (EGF) 2021?2027	
Subject 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>EMPL</b> <a href="#">Employment and Social Affairs</a>		02/09/2019
		 <a href="#">BLINKEVIČIŪTĖ Vilija</a>	
		Shadow rapporteur	
		 <a href="#">FRANSSEN Cindy</a>	
		 <a href="#">VEDRENNE Marie-Pierre</a>	
		 <a href="#">PHILLIPS Alexandra Louise Rosenfield</a>	
		 <a href="#">LIZZI Elena</a>	
		 <a href="#">SZYDŁO Beata</a>	
		 <a href="#">GUSMÃO José</a>	
		 <a href="#">VANA Monika</a>	
	Former committee responsible		
	<b>EMPL</b> <a href="#">Employment and Social Affairs</a>		31/05/2018
		 <a href="#">ARENA Maria</a>	
	Former committee for opinion		
	<b>INTA</b> <a href="#">International Trade</a>		29/08/2018
		 <a href="#">GRASWANDER-HAINZ Karoline</a>	
	<b>BUDG</b> <a href="#">Budgets</a>		28/06/2018
		 <a href="#">DOS SANTOS Manuel</a>	
	<b>CONT</b> <a href="#">Budgetary Control</a>		11/07/2018

		 <a href="#">PARGNEAUX Gilles</a>	
	 Environment, Public Health and Food Safety	The committee decided not to give an opinion.	
	 Regional Development		20/06/2018
		 <a href="#">DEUTSCH Tamás</a>	
	 Agriculture and Rural Development	The committee decided not to give an opinion.	
	 Women's Rights and Gender Equality		20/06/2018
		 <a href="#">BLINKEVIČIŪTĒ Vilija</a>	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Employment, Social Policy, Health and Consumer Affairs3679</a>		18/03/2019
European Commission	Commission DG	Commissioner	
	<a href="#">Employment, Social Affairs and Inclusion</a>	THYSSEN Marianne	
European Economic and Social Committee			
European Committee of the Regions			

Key events			
11/06/2018	Committee referral announced in Parliament, 1st reading		
27/11/2018	Vote in committee, 1st reading		
07/12/2018	Committee report tabled for plenary, 1st reading	<a href="#">A8-0445/2018</a>	Summary
15/01/2019	Debate in Parliament		
16/01/2019	Results of vote in Parliament		
16/01/2019	Decision by Parliament, 1st reading	<a href="#">T8-0019/2019</a>	Summary
22/01/2020	Committee decision to open interinstitutional negotiations after 1st reading in Parliament		
29/01/2020	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
27/01/2021	Approval in committee of the text agreed at early 2nd reading interinstitutional negotiations	<a href="#">PE663.161</a> <a href="#">PE680.763</a>	
21/04/2021	Act adopted by Council after Parliament's 1st reading		
26/04/2021	Committee referral announced in Parliament, 2nd reading		
26/04/2021	Vote in committee, 2nd reading		
27/04/2021	Debate in Parliament		
27/04/2021	Decision by Parliament, 2nd reading	<a href="#">T9-0136/2021</a>	Summary
28/04/2021	Act approved by Council, 2nd reading		

28/04/2021	Final act signed		
29/04/2021	End of procedure in Parliament		
03/05/2021	Final act published in Official Journal		

## Technical information

Procedure reference	2018/0202(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 175-p3
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	<a href="#">European Economic and Social Committee</a> <a href="#">European Committee of the Regions</a>
Stage reached in procedure	Procedure completed
Committee dossier	EMPL/9/01779

## Documentation gateway

Legislative proposal		<a href="#">COM(2018)0380</a>	30/05/2018	EC	Summary
Document attached to the procedure		SWD(2018)0289	30/05/2018	EC	
Committee draft report		<a href="#">PE625.202</a>	23/07/2018	EP	
Committee opinion	FEMM	<a href="#">PE625.507</a>	10/09/2018	EP	
Amendments tabled in committee		<a href="#">PE626.996</a>	18/09/2018	EP	
Committee opinion	INTA	<a href="#">PE627.617</a>	15/10/2018	EP	
Committee opinion	REGI	<a href="#">PE627.654</a>	26/10/2018	EP	
Committee opinion	BUDG	<a href="#">PE626.917</a>	07/11/2018	EP	
Committee opinion	CONT	<a href="#">PE627.884</a>	16/11/2018	EP	
Amendments tabled in committee		<a href="#">PE627.942</a>	26/11/2018	EP	
Committee of the Regions: opinion		<a href="#">CDR4106/2018</a>	05/12/2018	CofR	
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A8-0445/2018</a>	07/12/2018	EP	Summary
Economic and Social Committee: opinion, report		<a href="#">CES3907/2018</a>	12/12/2018	ESC	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T8-0019/2019</a>	16/01/2019	EP	Summary
Commission response to text adopted in plenary		SP(2019)150	27/02/2019	EC	

Reasoned opinion	SE_PARLIAMENT	<a href="#">PE638.496</a>	26/04/2019	NP	
Committee draft report		<a href="#">PE689.871</a>	16/04/2021	EP	
Commission communication on Council's position		<a href="#">COM(2021)0196</a>	20/04/2021	EC	
Council position		05532/2021	21/04/2021	CSL	
Committee recommendation tabled for plenary, 2nd reading		<a href="#">A9-0140/2021</a>	26/04/2021	EP	
Text adopted by Parliament, 2nd reading		<a href="#">T9-0136/2021</a>	27/04/2021	EP	Summary
Draft final act		00022/2021/LEX	28/04/2021	CSL	

#### Additional information

Research document

[Briefing](#)

#### Final act

[Regulation 2021/691](#)  
[OJ L 153 03.05.2021, p. 0048](#)

Final legislative act with provisions for delegated acts

## European Globalisation Adjustment Fund (EGF) 2021-2027

**PURPOSE:** to ensure the continuation of the European Globalisation Adjustment Fund (EGF).

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

**ROLE OF THE EUROPEAN PARLIAMENT:** the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

**BACKGROUND:** the European Globalisation Adjustment Fund (EGF) - initially established for the programming period 2007-2013 - is a concrete expression of EU solidarity with European workers who lost their jobs.

It was set up to provide support to workers made redundant as a result of major structural changes in world trade patterns caused by globalisation and whose redundancies have a significant adverse impact on the regional or local economy.

Union involvement through the EGF complements national measures in order to re-integrate dismissed workers by offering them a unique combination of tailored measures that lead to more sustainable results, increase the self-esteem of beneficiaries, who finally have a more proactive approach to job seeking, and improve their employability.

Experience achieved so far with the EGF indicates that the help offered would not have been available without the involvement of the EGF.

For the multiannual financial framework 2014-2020, the scope of the EGF has been extended by [Regulation \(EU\) No 1309/2013](#) of the European Parliament and of the Council, which has to be revised by the end of 2020.

The prime objective of this proposal is to ensure that the EGF continues to operate beyond 31 December 2020, to enlarge its objective offer and to amend some technical details in order to have more coherence and synergies, flexibility, focus on performance, and simplification.

**IMPACT ANALYSIS:** the most important finding regarding the EGF is that as an emergency assistance fund, the EGF should remain outside the budgetary ceilings of the multiannual financial framework.

**CONTENT:** the proposed Regulation - presented for a Union of 27 Member States - seeks to establish the European Globalisation Adjustment Fund (EGF). It lays down the objectives of the EGF, the forms of Union funding and the rules for providing such funding, including applications by the Member States for financial contributions from the EGF for measures targeting the eligible beneficiaries.

**Mission and objectives of the EGF:** it is proposed to explicitly include in the mission the role played by the EGF in contributing to the implementation of the principles defined under the European Pillar of Social Rights. In addition, the specific objective of the EGF is to offer assistance in case of unexpected major restructuring events, particularly those caused by globalisation-related challenges, such as:

- changes in world trade patterns;
- trade disputes;
- financial or economic crises;
- the transition to low-carbon economy;
- or as a consequence of digitisation or automation.

Particular emphasis shall lie on measures that help the most disadvantaged groups.

Intervention criteria: the Commission proposes to lower the threshold of displaced workers for a case to be eligible, from 500 to 250 within a reference period of four months (or 6 months in sectoral cases). This is because there is a general trend of fewer very large scale redundancies and because the dismissal of 250 workers usually has a significant impact in most regions. This is also to acknowledge the fact that in many Member States, most workers are employed by small and medium-sized enterprises (SMEs).

A new provision has been added allowing Member States to apply for EGF assistance if redundancies occur in the same region but in different economic sectors.

Eligible measures: as a change to the current Regulation, the inclusion of the dissemination of skills required in the digital age shall be a mandatory horizontal element of any coordinated package of personalised services offered. The proposed measures shall be based on the personal needs and qualifications of the beneficiary.

Technical assistance from the Commission: this assistance shall support any measures necessary to implement the proposed Regulation. This amount could reach up to 0.5 % of the annual maximum amount of the EGF. This is higher than in the current programming period. This shall also include additional measures to increase networking and the exchange of good practice between Member States.

Amount of financial contribution: the Fund's co-financing rate which currently stands at 60%, will be aligned with the highest ESF+ co-financing rates for a given Member State. In several cases this would mean that the EU co-finances a higher share of the total cost.

Eligibility period: the standard period for the implementation of EGF measures shall remain at 24 months. However, the proposal stipulates that the 24-month period shall be counted from the time the decision to mobilise the EGF is adopted and not from the date of application for EGF support.

Funding allocated to the EGF: the EGF is not included in the budgetary ceilings of the multiannual financial framework. The maximum amount that can be used by the EGF for the period 2021-2027 is estimated at EUR 1.57 billion (in current prices), or an average of EUR 225 million per year.

## European Globalisation Adjustment Fund (EGF) 2021-2027

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The Committee on Employment and Social Affairs adopted the report by Maria Arena (S&D, BE) on the proposal for a regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (EGF).

The committee recommended that the position of the European Parliament adopted at first reading in the framework of the ordinary legislative procedure amend the Commission proposal as follows.

Mission and objectives.

The new funds, re-named the European Fund for Transition (EFT) shall aim to support socio-economic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers through the promotion of alternative, sustainable employment. Members specified that the EFT should be an emergency fund that operates reactively and contributes to a just transition.

The general objective of the programme is to demonstrate solidarity with and offer financial support for re-employment measures with regard to displaced workers regardless of the type or duration of their employment relationship and self-employed persons whose activity has ceased in the course of unexpected major restructuring events resulting from globalisation, such as:

- changes in world trade patterns;
- trade disputes;
- financial or economic crises;
- the transition to a low-carbon economy or
- as a consequence of digitisation, automation and technological change.

Particular emphasis shall be placed on measures that help the most disadvantaged groups and on the promotion of gender equality.

Intervention criteria

The European Commission is proposing to lower the threshold of displaced jobs from 500 to 250 for a reference period of 4 months (or 6 months in sectoral cases). Members proposed a threshold of 200 jobs for a reference period of 6 months (or 9 months in sectoral cases).

Eligible beneficiaries

Members recalled that in the period between March 2007 and March 2017, the Commission received 148 applications for co-financing from the European Globalisation Adjustment Fund (EGF) from 21 Member States, for a total of almost EUR 600 million to help 138 888 displaced workers and 2 944 people not in employment, education or training (NEETs).

Accordingly, they suggested that applicant Member States may provide personalised services co-financed by the EFT to up to a number of NEETs under the age of 25, or where Member States so decide under the age of 30, on the date of submission of the application, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies occur in NUTS 2 level regions.

Eligible measures.

Members stated that financial contributions from the EFT should be primarily directed at active labour market measures and personalised services aimed at:

- reintegrating beneficiaries rapidly into quality and sustainable employment in a future-oriented sector, whether within or outside their initial sector of activity;
- seek to promote self-employment and enterprise creation, including through the establishment of cooperatives.

The financial contributions should complement and not replace any measures that are the responsibility of Member States and/or companies by virtue of national law or collective agreements. The coordinated package should be compatible with the shift towards a climate-friendly and resource-efficient economy.

Technical assistance.

The Commission should facilitate access to national and regional authorities through a dedicated helpdesk that would provide general information and explanations on procedures and on how to submit an application. That helpdesk should make available standard forms for statistics and further analysis.

The Commission should, in particular, promote the dissemination of existing best practice, raise awareness of the EFTs eligibility criteria and application procedures and do more to raise awareness of the EFT among Union citizens, in particular workers. Member States should ensure effective communication actions to promote FET financial contributions.

Procedure.

The decision to mobilise the EFT shall be taken jointly by the European Parliament and the Council within one month of the submission of the proposal to them. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

## European Globalisation Adjustment Fund (EGF) 2021-2027

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The European Parliament adopted by 570 votes to 103, with 14 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (EGF).

The European Parliament's position adopted at first reading in the framework of the ordinary legislative procedure amended the Commission proposal as follows.

Mission and objectives.

The new funds, re-named the European Fund for Transition (EFT) shall aim to support socio-economic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers through the promotion of alternative, sustainable employment. Members specified that the EFT should be an emergency fund that operates reactively and contributes to a just transition.

The general objective of the programme is to demonstrate solidarity with and offer financial support for re-employment measures with regard to displaced workers regardless of the type or duration of their employment relationship and self-employed persons whose activity has ceased in the course of unexpected major restructuring events resulting from globalisation, such as:

- changes in world trade patterns;
- trade disputes;
- financial or economic crises;
- the withdrawal of the United Kingdom from the EU;
- the transition to a low-carbon economy or
- as a consequence of digitisation, automation and technological change.

Particular emphasis shall be placed on measures that help the most disadvantaged groups and on the promotion of gender equality.

Intervention criteria

The European Commission is proposing to lower the threshold of displaced jobs from 500 to 250 for a reference period of 4 months (or 6 months in sectoral cases). Members proposed a threshold of 200 jobs for a reference period of 6 months (or 9 months in sectoral cases).

Eligible beneficiaries

Parliament suggested that applicant Member States may provide personalised services co-financed by the EFT to up to a number of NEETs (persons without employment and not in education or training) under 25 years of age, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies occur in NUTS 2 level regions.

Eligible measures

Members stated that financial contributions from the EFT should be primarily directed at active labour market measures and personalised services aimed at:

- reintegrating beneficiaries rapidly into quality and sustainable employment in a future-oriented sector, whether within or outside their initial sector of activity;
- seek to promote self-employment and enterprise creation, including through the establishment of cooperatives.

The financial contributions should complement and not replace any measures that are the responsibility of Member States and/or companies by virtue of national law or collective agreements. The costs of the measures shall not exceed 35 % of the total costs for the coordinated package of personalised services.

The coordinated package should be compatible with the shift towards a climate-friendly and resource-efficient economy. It may include special time-limited measures, such as job-search allowances, mobility allowances, childcare allowances and employers recruitment incentives including incentives to provide flexible working arrangements for displaced workers.

Particular emphasis should be placed on disseminating the skills required in the digital age and, where appropriate, combating gender

stereotypes in the world of work.

#### Technical assistance

The Commission should facilitate access to national and regional authorities through a dedicated helpdesk that would provide general information and explanations on procedures and on how to submit an application. That helpdesk should make available standard forms for statistics and further analysis.

The Commission should, in particular, promote the dissemination of existing best practice, raise awareness of the EFTs eligibility criteria and application procedures and do more to raise awareness of the EFT among Union citizens, in particular workers. Member States should ensure effective communication actions to promote FET financial contributions.

#### Procedure

The decision to mobilise the EFT shall be taken jointly by the European Parliament and the Council within one month of the submission of the proposal to them. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

## European Globalisation Adjustment Fund (EGF) 2021-2027

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The European Parliament adopted a legislative resolution approving the Council position at first reading with a view to the adoption of a regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013.

The aim of the regulation is to renew the European Globalisation Adjustment Fund for the period covered by the multiannual financial framework 2021-2027 and thus enable the EU to finance measures to improve the skills and employability of workers who have lost their jobs.

#### Mission and objectives

The Fund is intended to offer assistance to redundant workers in the event of major restructuring events, in particular as a result of problems arising from globalisation, such as changes in international trade patterns, trade disputes, significant changes in EU trade relations or in the composition of the internal market, financial or economic crises, and the transition to a low-carbon economy, or as a consequence of the digital transition or automation.

#### Intervention criteria

In order to retain the European nature of the EGF, an application for support should be triggered when a major restructuring event has a significant impact on the local or regional economy. The regulation sets the threshold at 200 job displacements within a reference period of four months (or six months in sectoral cases).

#### Eligible measures

A financial contribution from the EGF may be made for active labour market policy measures that form part of a coordinated package, designed to facilitate the reintegration of the targeted beneficiaries, in particular the most disadvantaged among them, into employment or self-employment.

Given the importance of skills required in the digital industrial age and in a resource-efficient economy, the dissemination of such skills shall be considered to be a horizontal element for the design of coordinated packages.

#### Co-financing rate

The regulation provides for the alignment of the co-financing rate with the European Social Fund (ESF+) co-financing rate in the Member State concerned, but not below 60%.

Investments for self-employment, business start-ups or employee takeovers may not exceed EUR 22 000 per beneficiary.

The regulation provides that aid for the beneficiaries concerned shall complement measures taken by the Member States at national, regional and local level, including such measures that also receive other financial support from the Union budget.