



2015/2284(INI)

25.5.2016

OPINION

of the Committee on Budgets

for the Committee on Employment and Social Affairs

on the activities, impact and added value of the European Globalisation
Adjustment Fund between 2007 and 2014
(2015/2284(INI))

Rapporteur: Jean-Paul Denanot

(*) Associated committee – Rule 54 of the Rules of Procedure

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SUGGESTIONS

The Committee on Budgets calls on the Committee on Employment and Social Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes that the EGF funding can support or complement Member States' actions in employment and social policy, but it cannot replace the primary action and responsibilities of the national authorities and therefore should not compensate national workers' income schemes; recalls also that the Member States have the responsibility to co-fund EGF action under the modalities set by national laws and the obligation to implement the EGF budget effectively;
2. Believes that the European Globalisation Adjustment Fund (EGF) is a valuable instrument through which the EU delivers support to and expresses its solidarity with workers and helps unemployed persons get back to work, and whose objective is to contribute to smart, inclusive and sustainable growth and to the promotion of sustainable employment in Europe; suggests, however, that there is considerable room for improvement with the EGF; considers, in particular, that the EGF could deliver better value for money and be better focused on outcomes; believes that the EGF should continue to operate outside the MFF during the next programming period;
3. Is of the opinion that the co-funding rate of 60% should not be increased;
4. Notes that, between 2007 and 2014, 131 funding applications for a total amount of EUR 542.4 million were submitted by 20 Member States targeting 121 380 workers;
5. Notes that the EGF is supposed to be a mechanism that delivers short-term assistance where a quick response is needed; regrets that the average approval period for EGF assistance between 2007 and 2013 was 303 days; welcomes efforts by the Commission to streamline the application process; suggests that reducing the number of official languages into which a draft decision needs to be translated could save at least two weeks in time; emphasises that any further translations requested could be done by the Commission at a later date;
6. Notes that in the period between 2007 and 2014 eight Member States did not make use of the available EGF support; calls on the Commission to examine all cases where regulatory or administrative capacity or other barriers obstructed EGF participation, and to propose action to remove such obstacles;
7. Calls on the Commission and the Member States to use the scope for implementing the EGF budget more flexibly and effectively, with the focus on outcomes, impact and value added, and without compromising appropriate and transparent use of funds and compliance with the rules; is of the opinion that the application procedure should be made faster in order to make the fund more effective for workers made redundant; is concerned about the disparity between resources requested from the EGF and amounts reimbursed by Member States, with an average budget implementation rate of only 45%; calls, therefore, on the Commission to assess thoroughly the reasons for the low implementation rates and to propose measures to address the existing bottlenecks and ensure optimal use of the

fund; notes that the re-employment rate at the end of the EGF assistance varies considerably from 4 % to 86 % and underlines therefore the importance of active and inclusive labour market measures; notes that EGF expenditure in some Member States consistently performs better than others; suggests that the Commission continues to provide guidance and enables Member States to share best practice in the application of EGF funds and their use in order to ensure the maximum re-employment rate per euro spent;

8. Notes that, according to the European Parliamentary Research Service, the EGF delivers the best EU added value when used to co-finance services for redundant workers not ordinarily existing under Member State's public employment services, and when these are focused on training and re-training activities rather than allowances;
9. Welcomes the fact that nearly 50 % of workers who received financial assistance under applications dealt with in 2013-2014 are now back in employment; emphasises, however, that the EGF should provide funding for sectors likely to face problems in the future in order to ensure that workers concerned, in sectors with future potential, are guaranteed sustainable re-employment;
10. Notes the short-term character of the EGF and stresses the need for greater synergies, additionality and coordination with the ESF, the ERDF and measures funded at regional and national levels, in order to also accompany businesses in difficulty through a job-creating transitional phase; proposes, to this end, that in line with the traditions and customs of the Member States, applications for EGF funding could be submitted by the authorities that manage the Structural Funds in each Member State, provided that regional managing authorities have sufficient administrative and financial resources to ensure this; proposes that the applications for EGF funding be made publicly accessible;
11. Notes that in a number of EGF cases higher costs for actions under Article 7(4) of the EGF Regulation weaken the overall impact of the EGF investment; calls on the Commission to tackle the issue of such costs by introducing limits;
12. Believes that more widespread use of the derogation from the eligibility thresholds, particularly to benefit SMEs, extension of the reference periods and the possibility of classifying workers who provide related services and who are made redundant as workers made redundant by the company claiming assistance should be assessed carefully case by case, seeking in every way to limit distorted use of the EGF budget;
13. Calls on the Commission to improve the existing technical assistance to the Member States and to step up communication with them on the forms of assistance available under the EGF in order to increase the use made of this fund, and calls for applications by the Member States for financial support from the EGF, and all the relevant documentation, to be published on the website of the European Commission;
14. Takes the view that ex post social intervention, often relating to the repayment of funding provided by Member States, means that the European Union's activity to assist workers who have been made redundant is invisible; calls on the Commission to step up its communication to national and local trade union networks and to the general public in order better to promote the social measures taken by the EU;

15. Calls on the Commission to include in its mid-term evaluation of the EGF a specific qualitative and quantitative assessment of the EGF support to young persons not in employment, education or training (NEETs), especially in view of the implementation of the Youth Guarantee and the necessary synergies between national budgets, the ESF and the Youth Employment Initiative (YEI); takes the view that the derogation relating to NEETs should be extended beyond 2017 after such analysis;
16. Calls on the Commission to carry out sector-specific studies on the impact of globalisation and, on the basis of the findings, make proposals to encourage companies to anticipate changes in their industries and to prepare their workers before making them redundant;
17. Believes that there is further scope for improvement on the use of the EGF for projects to support entrepreneurship and start-up activity; calls on the Commission to examine this further;
18. Notes the European Parliamentary Research Service's concerns as regards the methodology for calculating the benefits of the EGF; underlines the need for additional requirements on performance indicators.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	23.5.2016
Result of final vote	+ : 20 - : 4 0 : 2
Members present for the final vote	Jean Arthuis, Lefteris Christoforou, Jean-Paul Denanot, José Manuel Fernandes, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Sophie Montel, Liadh Ní Riada, Jan Olbrycht, Younous Omarjee, Urmas Paet, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Daniele Viotti, Auke Zijlstra
Substitutes present for the final vote	Anneli Jäätteenmäki, Georgios Kyrtos, Andrej Plenković, Ivan Štefanec, Nils Torvalds
Substitutes under Rule 200(2) present for the final vote	Laura Agea, Rainer Wieland