



**2021/0109(BUD)**

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## **DRAFT REPORT**

on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Belgium – EGF/2020/005 BE/Belgium Swissport (COM(2021)0212 – C9-0159/2021 – 2021/0109(BUD))

Committee on Budgets

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from Belgium – EGF/2020/005 BE/Belgium Swissport (COM(2021)0212 – C9-0159/2021 – 2021/0109(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2021)0212 – C9-0159/2021),
  - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006<sup>1</sup> (“EGF Regulation”),
  - having regard to Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027<sup>2</sup>, and in particular Article 8 thereof,
  - having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>3</sup>, (“IIA of 16 December 2020”), and in particular point 9 thereof,
  - having regard to the opinion of the Committee on Employment and Social Affairs,
  - having regard to the report of the Committee on Budgets (A9-0000/2021),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis, and to assist their reintegration into the labour market; whereas this assistance is made through a financial support given to workers and the companies for which they worked;
- B. whereas Belgium submitted application EGF/2020/005 BE/Swissport for a financial contribution from the European Globalisation Adjustment Fund (EGF), following 1 468 redundancies<sup>4</sup> in the company Swissport Belgium, within a reference period for the application from 9 June 2020 to 9 October 2020;
- C. whereas the application relates to 1 468 workers made redundant in the company

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ L 433I, 22.12.2020, p. 11.

<sup>3</sup> OJ L 433I, 22.12.2020, p. 28.

<sup>4</sup> Within the meaning of Article 3 of the EGF Regulation.

Swissport Belgium;

- D. whereas the application is based on the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased;
- E. whereas the COVID-19 pandemic and the following global economic crisis caused an immense shock to the travel industry in Belgium, especially the air carriers and enterprises operating at Brussels Airport, where in the first week of lockdown (16-22 March 2020), the number of flights decreased by 58% compared to January 2020, and the movements of passenger planes at the airport stopped almost completely over the following weeks;
- F. whereas Swissport Belgium had been successfully implementing a recovery plan before the pandemic struck, forecasting a 37% reduction in losses for 2020 compared to 2019, and was declared bankrupt on 9 June 2020 by the Brussels Court;
- G. whereas due to the great uncertainty about the short-term recovery of the passenger air transport sector, no enterprise showed any interest in taking over the handling activities of Swissport Belgium;
- G. whereas there is a real risk that further bankruptcies among ground handling service providers may take place throughout 2021;
- H. whereas the Commission declared that the health crisis resulted in an economic crisis, set out a recovery plan for the economy, and underlined the role of the EGF as an emergency tool<sup>5</sup>;
1. Agrees with the Commission that the conditions set out in point (a) of Article 4(1) of the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 3 719 224 under that Regulation, which represents 60 % of the total cost of EUR 6 198 708, comprising expenditure for personalised services of EUR 5 977 108 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 221 600;
  2. Notes that the Belgian authorities submitted the application on 22 December 2020, and that, following the provision of additional information by Belgium, the Commission finalised its assessment on 27 April 2021 and notified it to Parliament on the same day;
  3. Notes that the application relates in total to 1 468 workers made redundant in the company Swissport Belgium, welcomes the fact that all the redundant workers are expected to participate in the measures;
  4. Recalls that the sudden shutdown of certain key sectors in Belgium (catering, tourism, culture, etc) has caused unemployment in Brussels to reach 15% in Q3 2020<sup>6</sup>, and that a

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<sup>5</sup> COM(2020) 442 final

<sup>6</sup> <https://statbel.fgov.be/fr/themes/emploi-formation/marche-du-travail/emploi-et-chomage>

large proportion of the former workforce of Swissport Belgium are disadvantaged groups, as they are mostly low-skilled and semi-skilled workers and about one third (32,5%) are over 50 years old;

5. Notes that Belgium started providing personalised services to the targeted beneficiaries on 9 June 2020 and that the period of eligibility for a financial contribution from the EGF will therefore be from 9 June 2020 to 22 December 2022;
6. Recalls that personalised services to be provided to the workers and self-employed persons consist of the following actions: information, job-search assistance and vocational guidance, trainings, support for and contribution to business creation, as well as incentives and allowances, welcomes that workers of the lesser represented gender who opt for vocational training for significantly gender-unbalanced jobs<sup>7</sup> will receive a bonus of EUR 700;
7. Notes that Belgium started incurring administrative expenditure to implement the EGF on 10 June 2020 and that expenditure on preparatory, management, information and publicity, control and reporting activities will therefore be eligible for a financial contribution from the EGF from 10 June 2020 to 22 June 2023;
8. Welcomes that the co-ordinated package of personalised services was drawn up by Belgium in consultation with workers' representatives and the social partners as well as an employment centre specialized in the aviation sector;
9. Stresses that the Belgian authorities have confirmed that the eligible actions do not receive assistance from other Union funds or financial instruments, and that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation;
10. Reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements;
11. Approves the decision annexed to this resolution;
12. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
13. Instructs its President to forward this resolution, including its Annex, to the Council and the Commission;

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<sup>7</sup> Occupations with at least 75% of workers belonging to the same gender.

## **ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

### **on the mobilisation of the European Globalisation Adjustment Fund following an application from Belgium – EGF/2020/005 BE/Belgium Swissport**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,  
Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006<sup>1</sup>, and in particular Article 15(4) thereof,

Having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>2</sup>, and in particular point 9 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.
- (2) The EGF is not to exceed a maximum annual amount of EUR 186 million (2018 prices), as laid down in Article 8(1) of Council Regulation (EU, Euratom) 2020/2093<sup>3</sup>.
- (3) On 22 December 2020, Belgium submitted an application to mobilise the EGF, in respect of redundancies in Swissport in Belgium. It was supplemented by additional information provided in accordance with Article 8(3) of Regulation (EU) No 1309/2013. That application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013.
- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 3 719 224 in respect of the application submitted by Belgium.
- (5) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ L 433I, 22.12.2020, p. 28.

<sup>3</sup> Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027 (OJ L 433I, 22.12.2020, p. 11).

HAVE ADOPTED THIS DECISION:

*Article 1*

For the general budget of the Union for the financial year 2021, the European Globalisation Adjustment Fund shall be mobilised to provide the amount of EUR 3 719 224 in commitment and payment appropriations.

*Article 2*

This Decision shall enter into force on the day of its publication in the Official Journal of the European Union. It shall apply from [*the date of its adoption*]\*.

Done at Brussels,

*For the European Parliament  
The President*

*For the Council  
The President*

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\* Date to be inserted by the Parliament before the publication in OJ.

# EXPLANATORY STATEMENT

## I. Background

The European Globalisation Adjustment Fund has been created in order to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns.

According to the provisions of Article 8(1) of Council Regulation (EU, Euratom) No 2020/2093<sup>4</sup> laying down the multiannual financial framework for the years 2021-2027<sup>4</sup> and of Article 15 of Regulation (EU) No 1309/2013<sup>5</sup>, the Fund may not exceed a maximum annual amount of EUR 186 million (2018 prices).

As concerns the procedure, according to point 9 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>6</sup>, in order to activate the Fund the Commission, in case of a positive assessment of an application, presents to the budgetary authority a proposal for mobilisation of the Fund and, at the same time, a corresponding request for transfer.

## II. Belgium's application and the Commission's proposal

On 22 December 2020, Belgium submitted an application EGF/2020/005 BE/Swissport for a financial contribution from the EGF, following 1 468 redundancies<sup>7</sup> in the company Swissport Belgium.

Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

On 27 April 2021, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of Belgium to support the reintegration in the labour market of 1 468 targeted beneficiaries, i.e. workers made redundant in Swissport Belgium.

The Commission Belgium deemed the application admissible under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and/or self-employed persons whose activity has ceased.

This is the third application of 2020 and the second to be examined under the 2021 budget, including the new MFF (to Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027<sup>8</sup> and the IIA of 16 December 2020. The Budget 2021 has reserve budget lines for EGF payments (prior 2021) which will be used for payments mobilised under the EGF regulation 2014-2020. The

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<sup>4</sup>OJ L 433I, 22.12.2020, p. 15.

<sup>5</sup>OJ L 347, 20.12.2013, p. 855.

<sup>6</sup>OJ L 433I, 22.12.2020, p. 28.

<sup>7</sup> Within the meaning of Article 3 of the EGF Regulation.

<sup>8</sup> OJ L 433I, 22.12.2020, p. 11.



successor EGF regulation for 2021-2027 (2018/0202(COD)) has been adopted by the European Parliament plenary on 28 April 2021, but will have no impact on this procedure nor any upcoming procedures for mobilisations under the old 2014-2020 programme.

The number of 1 468 total redundant workers has been calculated from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker.

The application concerns 1 468 workers made redundant and refers to the mobilisation of a total amount of EUR 3 719 224 from the EGF for Belgium representing 60 % of the total costs of the proposed actions.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Belgium bases the application on the declaration of the Commission that the global health crisis has resulted in a global economic crisis, which has been addressed by the Commission's recovery plan and which expressively mentions the EGF as one of its tools<sup>9</sup>.

To contain the COVID-19 pandemic, Belgium went into lockdown on 18 March 2020. The impact was immediate for the air carriers and enterprises operating at Brussels Airport. In the first week of lockdown (16-22 March), the number of flights at this airport dropped to just 578, a 58% decrease from January 2020. Over the following weeks, the movements of passenger planes at the airport stopped almost completely, except for a limited number of repatriation, medical emergency or diplomatic flights. Swissport Belgium, one of the airport's two ground handlers, was responsible for 60% of the handling and cleaning services at the airport. When the pandemic hit, Swissport Belgium was successfully implementing a recovery plan: in the fourth quarter of 2019 total turnover had increased by 5,8% compared to the fourth quarter of 2018. At its board meeting on 20 February 2020, Swissport presented a turnover forecast of EUR 4,5 million of losses for 2020, which represents a 37% reduction in losses compared to 2019. Lacking liquidity after three months of inactivity, Swissport filed for bankruptcy. The Brussels Court declared the enterprise bankrupt on 9 June 2020. due to the great uncertainty about the short-term recovery of the passenger air transport sector, no enterprise showed any interest in taking over the handling activities of Swissport Belgium<sup>10</sup>.

The six types of actions to be provided to redundant workers, for which EGF co-funding is requested consist of:

- a. Information, job-search assistance and vocational guidance. Along with general and individual information on measures, this will include the profiling of workers, outplacement assistance, active job oriented guidance and job mediation. Job-fairs will also be organised.
- b. Training. Specific training will be offered to cater for the workers' needs. This will include horizontal training such as foreign language and ICT, vocational training in the skills required in airport services or sectors with skills shortages.
- c. On-the-job training. This will be offered for vacancies that lack suitable candidates. After successfully completing the training, the worker in question will be offered a contract.
- d. Support for business creation. With the aim of developing viable business or self-employment projects, workers interested in becoming self-employed will

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<sup>9</sup> COM(2020) 442 final

<sup>10</sup> <https://www.beci.be/nl/toekomst-van-brussels-airport-verzekeren-als-internationale-motor-van-onze-economie/>

receive the support of regional organisations. This might cover planning, carrying out feasibility studies, preparing business plans, help with identifying financing possibilities, etc. Training allowances and other allowances are offered to beneficiaries to support their participation in the active measures.

- e. Contribution to business start-up. Workers who start a business or an activity as self-employed persons will receive a contribution up to EUR 15 000.
- f. Incentives and allowances. (1) Job-search and training allowances. Workers will receive EUR 1 per hour of effective participation in training or job-search activities. (2) Contribution to commuting expenses. To encourage regional and interregional mobility, workers who take a job at more than 60 km from their home, or at a distance that involves more than four hours of return commuting time, will receive a lump sum of EUR 500 if they commute by private transport or EUR 750 if they commute by public transport. (3) Bonus for breaking gender stereotypes. Workers of the lesser represented gender who opt for vocational training for significantly gender-unbalanced jobs will receive a bonus of EUR 700 paid in two instalments, one at the beginning and the other the end of the training. (4) Allowance for business creation. Workers will received a monthly contribution of EUR 350, for a maximum of 12 months, while preparing to start their own business. To support the newly self-employed person in the first few months of activity, a contribution of EUR 200, for a maximum of five months, will also be made available. (5) Return-to-school allowance. A monthly allowance of EUR 350 will be granted to workers who embark on tertiary studies full-time for at least one year, or qualifying training of at least 3 months to acquire the necessary skills for jobs that are in demand and that it is difficult to find people for, linked to critical functions, etc.

Given that a large share of the beneficiaries are low-skilled and semi-skilled workers and about one third (32,5%) are over 50 years old, additional job-search guidance and support, along with upskilling and reskilling tailored to their needs, is deemed important for their future employment.

According to the Commission, the described measures constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation and do not substitute passive social protection measures.

Belgium provided the required information on actions that are mandatory for the enterprises concerned by virtue of national law or pursuant to collective agreements. They confirmed that a financial contribution from the EGF will not replace such actions.

## **Procedure**

In order to mobilise the Fund, the Commission has submitted to the Budgetary Authority a request to transfer a global amount of EUR 3 719 224 from the EGF reserve (30 04 02) to the EGF (prior 2021) budget line (16 02 99 01). The trilogue procedure shall be initiated in the event of disagreement, as provided for in Article 15(4) of the EGF Regulation.

According to an internal agreement, the Employment and Social Affairs Committee should be associated to the process, in order to provide constructive support and contribute to the assessment of the applications from the Fund.