DRAFT REPORT


Committee on Budgets

Rapporteur: Petri Sarvamaa
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION


The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council (COM(2023)0470 – C9-0369/2023),


– having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-20272, 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 resources3 (“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 letter of the Committee on Regional Development,

– having regard to the report of the Committee on Budgets (A9-0000/2023),

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/2023/002 BE/Makro for a financial contribution from the European Globalisation Adjustment Fund (EGF), following 1 431 redundancies4 in the economic sector classified under the NACE Revision 2 division 47 (Retail trade, except of motor vehicles and motorcycles) in the provinces Antwerp, East Flanders, Flemish Brabant, Hainaut and Liège within a reference period for the

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4 Within the meaning of Article 3 of the EGF Regulation.
application from 10 January 2023 to 10 May 2023;

C. whereas the application relates to 1 431 workers made redundant in the company Makro Cash & Carry Belgium NV (Makro NV);

D. whereas the application is based on the intervention criteria of criteria of Article 4(2), point (a), of the EGF Regulation, which requires at least 200 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 Russian war of aggression against Ukraine have reduced economic competitiveness and have a negative impact on economic growth in Belgium;

F. whereas Makro NV used to run eleven stores for food and non-food products open to food and beverage services professionals (“Metro” brand) and six such stores open to general customers (“Makro” brand); whereas following years of financial difficulties and declining sales Makro NV applied for judicial reorganisation in 2022; whereas the redundancies resulted from the absence of any sound offer for taking over the Makro brand and its subsequent bankruptcy;

G. whereas the requirements of the Belgian law on the active management of restructuring that foresee outplacement services to redundant workers does not apply in the event of bankruptcy;

H. whereas the EGF shall not exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093;

1. Agrees with the Commission that the conditions set out in Article 4(2), point (a), of the EGF Regulation are met and that Belgium is entitled to a financial contribution of EUR 2 828 223 under that Regulation, which represents 85 % of the total cost of EUR 3 327 322, comprising expenditure for personalised services of EUR 3 233 822 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 93 500;

2. Notes that the Belgian authorities submitted the application on 3 July 2023, and that, following the provision of additional information by Belgium, the Commission finalised its assessment on 12 October 2023 and notified it to Parliament on the same day;

3. Notes that the application relates to 1 431 workers made redundant in the company Makro Cash & Carry Belgium NV; notes further that 421 workers will be targeted beneficiaries in total, corresponding to the number of former Makro workers in Wallonia while the Flemish regional authorities consider that there is no need to top-up the support available to former Makro workers in Flanders with co-financing from the EGF, given the situation on its regional labour market;

4. Takes note that the displacements in Makro are particularly impacting workers that are over 50 years old and/or low skilled; points to the fact that the unemployment rate in Wallonia stand at 8,8 % and over half (55,1 %) of the people in this region who were unemployed in the first quarter of 2022 are still unemployed one year later; highlights
that 65% of Makro former workers are older than 50 years and the majority of Makro workforce was essentially made up of cashiers and warehouse workers; stresses that for these workers it is especially difficult to re-integrate into employment;

5. Welcomes the fact that the co-ordinated package of personalised services was drawn up by Belgium in consultation with targeted beneficiaries, their representatives and social partners, in compliance with Article 7(4) of Regulation (EU) 2021/691;

6. Recalls that personalised services to be provided to the workers and self-employed persons consist of the following actions: information services, occupational guidance and outplacement assistance, training, retraining and vocational training, support towards and contribution to business creation, as well as incentives and allowances;

7. Notes that Belgium started providing personalised services to the targeted beneficiaries on 1 February 2023 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 February 2023 until 24 months after the date of the entry into force of the financing decision;

8. Notes that Belgium started incurring administrative expenditure to implement the EGF on 1 January 2023 and that expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 10 January 2023 until 31 months after the date of the entry into force of the Financing Decision;

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;
ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund (application from Belgium – EGF/2023/002 BE/Makro)

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) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/20135, and in particular Article 15(1), first subparagraph, 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 resources6, and in particular point 9 thereof,
Having regard to the proposal from the European Commission,

Whereas:

(1) The European Globalisation Adjustment Fund for Displaced Workers (EGF) aims to demonstrate solidarity and promote decent and sustainable employment in the Union by providing support for workers made redundant and self-employed persons whose activity has ceased in the case of major restructuring events and assisting them in returning to decent and sustainable employment as soon as possible.

(2) The EGF is not to exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/20937 and Article 16 of Regulation (EU) 2021/691.

(3) On 3 July 2023, Belgium submitted an application to mobilise the EGF in accordance with Article 8(1) of Regulation (EU) 2021/691, in respect of worker’s displacements in Makro Cash & Carry Belgium NV in Belgium. It was supplemented by additional information provided in accordance with Article 8(5) of Regulation (EU) 2021/691. That application is considered to comply with the conditions for providing a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) 2021/691, on the basis of the assessment made by the Commission in the Proposal for a mobilisation decision of the European Parliament and of the Council8.

(4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 2 828 223 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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6 OJ L 433 I, 22.12.2020, p. 29
8 COM(2023) 470.
HAVE ADOPTED THIS DECISION:

Article 1
For the general budget of the Union for the financial year 2023, the European Globalisation Adjustment Fund for Displaced Workers shall be mobilised to provide the amount of EUR 2 828 223 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]¹.

Done at Brussels,

For the European Parliament For the Council
The President The President

¹ Date to be inserted by the Parliament before the publication in OJ.
EXPLANATORY STATEMENT

I. Background

The European Globalisation Adjustment Fund (EGF) was created to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns. According to Article 8(1) of Council Regulation (EU, Euratom) No 2020/2093 laying down the multiannual financial framework for the years 2021-2027 and of Article 16 of Regulation (EU) 2021/691, the Fund may not exceed a maximum annual amount of EUR 186 million (in 2018 prices).

In accordance with point 9 of the Interinstitutional Agreement of 16 December 2020, the Commission is required, following the positive assessment of an application, to submit a proposal to mobilise the Fund to the budgetary authority and to complement it with a corresponding request for transfer to the relevant budget lines.

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

On 3 July 2023, Belgium submitted an application EGF/2023/002 BE/Makro for a financial contribution from the EGF, following 1,431 redundancies at the company Makro Cash & Carry Belgium NV (Makro NV) resulting from the bankruptcy of the Makro brand. This is the second application of 2023 and the fourth to be examined under the 2023 budget.

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 12 October 2023, 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 421 targeted beneficiaries, i.e. workers made redundant by Makro NV. In total, EUR 2,828,223 will be mobilised from the EGF for Belgium, representing 85% of the total costs of the proposed actions.

The Commission deemed the Belgian application admissible under the intervention criteria of Article 4(2)(a) of the EGF Regulation, which requires at least 200 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.

EGF co-funding has been requested for the following five types of actions, to be provided to redundant workers:

a) Information, occupational guidance and outplacement assistance. Individual guidance and job-search services along with support by social workers. Particular attention will be paid to vulnerable people in a situation of psychological distress,

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3 Interinstitutional agreement 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, OJ L 433I, 22.12.2020, p. 28.
4 Within the meaning of Article 3 of the EGF Regulation.
indebtedness, or recognised disability through professionals specialised in assisting these groups.

b) **Training, retraining and vocational training.** Besides standard training provided by Forem and its partners, after the profiling and agreement of individual projects with the vocational counsellor, specific training will be offered to cater for the identified needs.

c) **Support for business creation.** To help workers wishing to launch their own business, offers include a diagnosis and guidance phase, awareness-raising actions on entrepreneurship, information sessions on the potential for business creation through territorial economic diagnoses, and networking with relevant entrepreneurs and with certified coaches in business creation.

d) **Contribution to business creation.** Workers who start a business or an activity as self-employed persons will receive a contribution up to EUR 15 000.

e) **Incentives and allowances.** (1) Job-search and training allowances. Workers will receive EUR 2 per hour of effective participation in training or job-search activities. (2) Bonus for improving IT skills. A lump sum of EUR 400 will be provided to workers actively participating in and completing the module for access to digital autonomy, which aims to improve their IT skills. (3) Bonus for improving language skills. With a view to encouraging development of cross-disciplinary language skills to facilitate job re-integration, a lump sum of EUR 500 will be granted to workers who follow an intensive language training module organized by Forem or a language immersion course in an enterprise to improve their Dutch, English or German language skills as part of a specific job search. (4) Return-to-school allowance. A monthly allowance of EUR 350 will be granted to workers who embark on secondary or 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 for which it is difficult to find applicants. (5) Allowance towards business creation. Workers will receive a monthly contribution of EUR 350, for a maximum of 12 months, while setting up their own business.

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 2 828 223 from the EGF reserve (budget line 30 04 02; commitment appropriations) to the EGF (budget line 16 02 02; commitment appropriations).

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