



**2024/0044(BUD)**

5.3.2024

## **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 for  
Displaced Workers (application from Denmark – EGF/2023/004 DK/Danish  
Crown)  
(COM(2024)0035 – C9-0040/2024 – 2024/0044(BUD))

Committee on Budgets

Rapporteur: Janusz Lewandowski

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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 for Displaced Workers (application from Denmark – EGF/2023/004 DK/Danish Crown) (COM(2024)0035 – C9-0040/2024 – 2024/0044(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2024)0035 – C9-0040/2024),
  - 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 1309/2013<sup>1</sup> (“EGF Regulation”),
  - having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027<sup>2 3</sup> as amended by Regulation (EU, Euratom) 2024/765<sup>4</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>5</sup>, and in particular point 12 thereof,
  - having regard to the opinion of the Committee on Employment and Social Affairs,
  - having regard to the opinion of the Committee on Regional Development,
  - having regard to the report of the Committee on Budgets (A9-0000/2024),
- 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 Denmark submitted application EGF/2023/004 DK/Danish Crown for a financial contribution from the European Globalisation Adjustment Fund (EGF),

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<sup>1</sup> OJ L 153, 3.5.2021, p. 48.

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

<sup>3</sup> OJ L 433 I, 22.12.2020, p. 11.

<sup>4</sup> Council Regulation (EU, Euratom) 2024/765 of 29 February 2024 amending Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L, 2024/765, 29.2.2024, ELI: <http://data.europa.eu/eli/reg/2024/765/oj>).

<sup>5</sup> OJ L 433 I, 22.12.2020, p. 28.

following a total number of 751 displacements<sup>6</sup> in the economic sector classified under the NACE Revision 2 division 10 (Manufacture of food products) in the province of Nordjylland with 692 displacements within a reference period for the application from 19 May 2023 to 19 September 2023, and 59 displacements before or after the reference period;

- C. whereas the application relates to 692 displacements within the reference period for the application, 651 displaced workers whose activity has ceased in Danish Crown (Danish Crown A/S) and 41 displaced workers in 2 suppliers and downstream producers of Danish Crown<sup>7</sup>;
- D. whereas the application relates to 59 displacements whose activity ceased before or after the reference period of four months, where a clear causal link can be established with the event that triggered the cessations of activity of the displaced workers during the reference period as required by Article 6(2) of the EGF Regulation;
- E. whereas the application is based on the intervention 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;
- F. whereas the Danish slaughterhouse sector is in a structural crisis; whereas since 2005, the number of pigs slaughtered in Denmark has decreased by 4,4 million (20 %); whereas the decline is largely due to the shift from raising pigs for slaughter to raising piglets for export; whereas exporting piglets is more profitable for Danish farmers than fattening pigs for slaughter due to low pork prices,
- G. whereas Danish Crown is a group of Danish food companies engaged in the butchery, processing and sale of primarily pork and beef; whereas the event giving rise to these displacements is the closure of Danish Crown's slaughterhouse in Sæby in Frederikshavn Municipality following the decline of pig available for slaughtering;
- H. whereas the requirements laid down in national and Union legislation concerning collective redundancies have been complied with;
- I. whereas financial contributions from the EGF should be primarily directed at active labour market policy measures and personalised services that aim to reintegrate beneficiaries rapidly into decent and sustainable employment within or outside their initial sector of activity, while preparing them for a greener and more digital European economy;
- J. whereas the MFF revision reduces the maximum annual amount of the EGF from EUR 186 million to EUR 30 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093 as amended by Regulation (EU, Euratom) 2024/765; whereas all institutions need to ensure that, despite these cuts,

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<sup>6</sup> Within the meaning of Article 3 of the EGF Regulation.

<sup>7</sup> 37 displaced workers in TekniClean A/S, and 4 displaced workers in the Danish Veterinary and Food Administration.

workers made redundant can count on EU solidarity via support of the EGF;

1. Agrees with the Commission that the conditions set out in Article 4(2), point (a), of the EGF Regulation are met and that Denmark is entitled to a financial contribution of EUR 1 882 212 under that Regulation, which represents 60 % of the total cost of EUR 3 137 021, comprising expenditure for personalised services of EUR 2 878 001 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 259 020;
2. Notes that the Danish authorities submitted the application on 6 December 2023, and that, following the provision of additional information by Denmark, the Commission finalised its assessment on 29 February 2024 and notified it to Parliament on the same day;
3. Notes that the application relates to 751 displaced workers affected by the closure of Danish Crown's slaughterhouse in Sæby; notes further that 390 displaced workers in total will be targeted beneficiaries and are expected to participate in the measures;
4. Takes note that most of the displaced workers have low levels of formal qualifications (46 %) or rather outdated qualifications and skills (40 %); takes note that the 305 (41%) of the displaced workers are of a migrant background and are not fluent in Danish; the EGF package also proposes measures on improving general competences including improving language skills in Danish;
5. Welcomes the fact that the co-ordinated package of personalised services was drawn up by Denmark in consultation with targeted beneficiaries, their representatives and social partners;
6. Recalls that personalised services to be provided to the workers and self-employed persons consist of the following actions: motivation, retention, training on general competences, upskilling/reskilling training, and training and job-search allowance;
7. Notes that Denmark started providing personalised services to the targeted beneficiaries on 16 October 2023 and that the period of eligibility for a financial contribution from the EGF will therefore be from 16 October 2023 until 24 months after the date of the entry into force of the financing decision;
8. Notes that Denmark started incurring administrative expenditure to implement the EGF on 1 June 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 1 June 2023 until 31 months after the date of the entry into force of the financing decision;
9. Stresses that the Danish 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 for Displaced Workers following an application from Denmark – EGF/2023/004 DK/Danish Crown**

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 1309/2013<sup>1</sup>, 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 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 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 30 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093<sup>3</sup>.
- (3) On 6 December 2023, Denmark submitted an application to mobilise the EGF in accordance with Article 8(1) of Regulation (EU) 2021/691, in respect of workers' displacements in Danish Crown and 2 suppliers and downstream producers in Denmark, in the economic sector classified under the Statistical classification of economic activities in the European Community ('NACE')<sup>4</sup> Revision 2 division 10 (Manufacture of food products) in the Nomenclature of Territorial Units for Statistics ('NUTS')<sup>5</sup> level 2 region of Nordjylland (DK05) in Denmark. 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

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<sup>1</sup> OJ L 153, 3.5.2021, p. 48.

<sup>2</sup> OJ L 433 I, 22.12.2020, p. 29

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

<sup>4</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<sup>5</sup> Commission Delegated Regulation 2019/1755 of 8 August 2019 amending the Annexes to Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS). OJ L 270, 24.10.2019, p. 1–56.

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 Council<sup>6</sup>.

- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 1 882 212 in respect of the application submitted by Denmark.
- (5) In order to minimise the time taken to mobilise the EGF, this Decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

#### *Article 1*

For the general budget of the Union for the financial year 2024, the European Globalisation Adjustment Fund for Displaced Workers shall be mobilised to provide the amount of EUR 1 882 212 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*]<sup>□</sup>.

Done at,

*For the European Parliament*  
The President

*For the Council*  
The President

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<sup>6</sup> COM(2024) 035.

<sup>□</sup> 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.

In accordance with point 9 of the Interinstitutional Agreement of 16 December 2020<sup>7</sup>, 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. Denmark's application and the Commission's proposal

On 6 December 2023, Denmark submitted an application EGF/2023/004 DK/Danish Crown for a financial contribution from the EGF, following 751 redundancies<sup>8</sup> at the company Danish Crown (Danish Crown A/S) and 2 suppliers and downstream producers resulting from the closure of Danish Crown's slaughterhouse in Sæby. This is the fourth application of 2023 and the second to be examined under the 2024 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 29 February 2024, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of Denmark to support the reintegration in the labour market of 390 targeted beneficiaries, i.e. workers made redundant as a result of the closure of Danish Crown's slaughterhouse in Sæby. In total, EUR 1 882 212 will be mobilised from the EGF for Denmark, representing 60 % of the total costs of the proposed actions.

The Commission deemed the Danish 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) Motivation: This first measure is a combination of information, motivation, and counselling, along with workers' profiling. The main goal of the motivation process is to develop participants' confidence in their own abilities, make them realise that improving their skills will help them obtain a new job, discuss possible barriers that could hinder their skill improvement and together find solutions to remove these barriers.

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<sup>7</sup> 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.

<sup>8</sup> Within the meaning of Article 3 of the EGF Regulation.

(b) Retention: The objective of this measure is to maintain motivation to participate in educational and upskilling pathways by supporting redundant workers through individual mentoring and advice, helping them resolve challenges and minimize barriers.

(c) Training on general competences: The Danish Act on Active Employment Efforts sets that redundant workers must be offered training in reading, writing, arithmetic and dyslexia training, if necessary. Therefore, the training offer part of the EGF package reinforces the basic training provided for by law and focuses on general adult education that allows improving one or more subjects at primary school level, as well as language skills in Danish. Training in Danish is particularly relevant, since 41 % of the redundant workers have a migrant background<sup>15</sup> and are not fluent in Danish. Training in digital skills and ad-hoc training tailored for Danish Crown former workers is also foreseen. The adapted training is a combination of language training and employment-oriented support (including job-search) to help participants meet labour law requirements and reconnect with the labour market.

(d) Upskilling/reskilling training: The profiles of the displaced workers do not correspond to the skills sought in the labour market. Most of the workers have low levels of formal qualifications (46 %) or rather outdated qualifications and skills (40 %). Most workers with only primary education belong to the age group of 30-39 years, while most of the workers with vocational education or training (VET) as the highest educational level belong to the age group of 50-59 years. The training offer includes shorter pathways for skills improvement (AMU-training) and vocational training based on competency assessment (RKV) that certifies any competency obtained in the formal educational system, at work or in continuing training. AMU focuses on training low-skilled adults and covers most of trades, industries, and services. AMU's offer ranges from introductory to highly specialised courses. Training is delivered in workshops that resemble enterprises' work environment.

(e) Training/job-search allowance: Workers will receive an allowance while engaged in training or job-search.

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.

Denmark 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 1 882 212 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.

**ANNEX: ENTITIES OR PERSONS  
FROM WHOM THE RAPPOREUR HAS RECEIVED INPUT**

The rapporteur declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.