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2021/0109 (BUD)

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/Swissport

# EXPLANATORY MEMORANDUM

## CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in 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[1] (the 'EGF Regulation')[2].

2. On 22 December 2020, Belgium submitted an application EGF/2020/005 BE/Swissport for a financial contribution from the EGF, following redundancies[3] in Swissport Belgium[4] in Belgium.

3. 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.

## SUMMARY OF THE APPLICATION

| | |
|---|---|
| EGF application | EGF/2020/005 BE/Swissport |
| Member State | Belgium |
| Date of submission of the application | 22 December 2020 |
| Date of acknowledgement of receipt of the application | 22 December 2020 |
| Date of request for additional information | 5 January 2021 |
| Deadline for provision of the additional information | 16 February 2021 |
| Deadline for the completion of the assessment | 11 May 2021 |
| Intervention criterion | Article 4(1)(a) of the EGF Regulation |
| Primary enterprise | Swissport Belgium |
| Number of enterprises concerned | 1 |
| Sector(s) of economic activity (NACE Revision 2 Division)[5] | Division 52 (Warehousing and support activities for transportation)<br>Division 81 (Services to buildings and landscape activities)[6] |
| Reference period (four months): | 9 June 2020 – 9 October 2020 |
| Number of redundancies during the reference period (*a*) | 1 468 |

[1] OJ L 347, 20.12.2013, p. 855.
[2] Regulation (EU) No 1309/2013 is applicable to all applications received by 31 December 2020.
[3] Within the meaning of Article 3 of the EGF Regulation.
[4] Swissport Belgium comprises Swissport Belgium NV and Swissport Belgium Cleaning NV.
[5] OJ L 393, 30.12.2006, p. 1.
[6] Cleaning activities fall under NACE Revision 2 group 81.2

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|---|---|
| Number of redundancies before or after the reference period (*b*) | 0 |
| Total number of redundancies (*a* + *b*) | 1 468 |
| Total number of eligible beneficiaries | 1 468 |
| Total number of targeted beneficiaries | 1 468 |
| Budget for personalised services (EUR) | 5 977 108 |
| Budget for implementing EGF[7] (EUR) | 221 600 |
| Total budget (EUR) | 6 198 708 |
| EGF contribution (60%) (EUR) | 3 719 224 |

## ASSESSMENT OF THE APPLICATION

### Procedure

4. Belgium submitted application EGF/2020/005 BE/Swissport within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met, on 22 December 2020. The Commission acknowledged receipt of the application on the same date, and requested additional information from Belgium on 5 January 2021. Such additional information was provided within six weeks of the request. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 11 May 2021.

### Eligibility of the application

*Enterprises and beneficiaries concerned*

5. The application relates to 1 468 workers made redundant in Swissport Belgium. The redundancies affect the whole of Belgium.

6. Belgium submitted the application 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.

7. The reference period of four months for the application runs from 9 June 2020 to 9 October 2020.

8. There were 1 468 workers made redundant in Swissport Belgium during the reference period.

*Calculation of redundancies and of cessation of activity*

9. All the redundancies during the reference period have been calculated from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker.

*Eligible beneficiaries*

10. The total number of eligible beneficiaries is 1 468.

[7] In accordance with Article 7(4) of Regulation (EU) No 1309/2013.

*Link between the redundancies and a global financial and economic crisis.*

11. On 11 March 2020, the World Health Organisation declared the outbreak of COVID-19 a pandemic. On 27 May 2020, in its communication *'The EU budget powering the recovery plan for Europe'*[8], the Commission declared that the pandemic had led to an economic crisis and set out a recovery plan for the economy. This enables the EGF to assist people who lost their jobs due to a global financial and economic crisis as a reactive emergency tool.

12. The pandemic has caused the deepest recession in EU history in the first half of 2020. According to the Commission's Winter 2021 (Interim) European Economic Forecast[9], EU GDP was set to contract by about 6,3% in 2020, and to rebound by 3,7% in 2021 and by 3,9% in 2022.

13. 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.

14. In 2020 overall, international passenger traffic dropped by 60% compared to 2019 (from 4,5 billion passengers to 1,8 billion) and 50% of global aircraft was put into storage[10].

15. In its report to the European Parliament and the Council on common rules for the operation of air services in view of the COVID-19 pandemic[11], the Commission acknowledged that the ground handling services have been severely impacted and that there is a real risk that further bankruptcies among ground handling service providers may take place throughout 2021.

16. 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 .

17. However, by May 2020, it was clear that it would take a long time for air transport and airport activities to return to normal. Swissport Belgium, according to its customers' own restart forecasts, estimated that by the end of 2020 its activity would be around 40% of its pre-pandemic activity, and probably no more than 70-80%, in 2021[12]. Lacking liquidity after three months of inactivity, Swissport filed for bankrupcy. The Brussels Court declared the enterprise bankrupt on 9 June 2020, one

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8 The EU budget powering the recovery plan for Europe, COM(2020) 442 final.

9 Winter 2021 (Interim) European Economic Forecast: https://ec.europa.eu/info/sites/info/files/economy-finance/ecfin_forecast_winter_2021_overview_en.pdf

10 ICAO. https://www.icao.int/Newsroom/Pages/2020-passenger-totals-drop-60-percent-as-COVID19-assault-on-international-mobility-continues.aspx

11 COM(2020) 714

12 https://plus.lesoir.be/301092/article/2020-05-15/update-swissport-nannonce-pas-encore-de-licenciements-un-plan-attendu-pour-fin

week before the scheduled relaunch of European flights at Brussels Airport, with 60 destinations served by 20 airlines[13].

18. Aviapartner Belgium, the airport's other ground handler, was also in great difficulty and lacking liquidity due to inactivity caused by the pandemic, with its revenues down by 95% from its pre-pandemic revenues. To prevent Aviapartner from going bankrupt, leaving the airport without any ground handler, the Belgian Council of Ministers granted it a convertible loan of up to EUR 25 million through the Federal Participation and Investment Society (SFPI-FPIM)[14], eight days after Swissport Belgium went bankrupt. Without ground handlers, passenger and cargo flights would not be able to take off from or land at the airport. The loan ensured the viability of Aviapartner, so that operations at the airport could resume after lockdown.

19. To date, the warehousing and support activities for transportation sector has been the subject, along with other sectors, of one multisectoral EGF application[15] with the economic crisis resulting from the COVID-19 pandemic put forward as the basis for the application.

*Events giving rise to the redundancies and cessation of activity*

20. On 9 June 2020, after weeks of ground services' being almost non-existant at the airport, Swissport Belgium was declared bankrupt. Moreover, 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[16]. These two related events caused the redundancies for which this application is being made.

*Expected impact of the redundancies as regards the local, regional or national economy and employment*

21. According to the Brussels Chamber of Commerce and the Flemish employers' organisation Voka[17], Brussels Airport accounts for 24 000 direct jobs and 40 000 indirect jobs.

22. The Swissport Belgium redundancies affect workers residing in the whole of the country: Brussels (29%), Flanders (52%) and Wallonia (19%).

23. By October 2020, despite the short-time work schemes in place, the national unemployment rate had increased by 1,3 percentage points to 6,4% since October 2019[18]. In Flanders, where Brussels Airport is located, unemployment had increased by 1 percentage point to 4,4% by October 2020 compared to October 2019. In Wallonia the unemployment rate among men was 8,3% in Q3 2020, almost 2 percentage points higher than the national average for this group. The sudden shutdown of certain key sectors (catering, tourism, culture, etc.) has particularly

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13 https://www.rtl.be/info/belgique/economie/swissport-belgique-se-declare-en-faillite-pres-de-1-500-emplois-menaces-1223551.aspx

14 Société fédérale de participations et d'investissement Société - Federale Participatie en Investeringsmaatschappij (SFPI-FPIM).

15 EGF/2020/002 EE Estonia tourism, COM(2021) 151.

16 https://www.lalibre.be/economie/entreprises-startup/swissport-pas-de-reprise-pour-swissport-1-500-personnes-licenciees-5ee0e3137b50a66a594588f6

17 https://www.beci.be/nl/toekomst-van-brussels-airport-verzekeren-als-internationale-motor-van-onze-economie/

18 https://statbel.fgov.be/fr/themes/emploi-formation/marche-du-travail/emploi-et-chomage#figures

shaken the Brussels labour market, increasing unemployment to 15% (+2 pp year-on-year change) in Q3 2020[19].

24. Due to rising unemployment, the Belgian authorities fear that reemployment will be even more difficult for workers from disadvantaged groups. A large proportion of the former workforce of Swissport are in this category, as they are mostly low-skilled and semi-skilled workers and about one third (32,5%) are over 50 years old. This group of workers need additional job-search guidance and support, along with upskilling and reskilling tailored to their needs, to increase their chances of re-employment.

**Targeted beneficiaries and proposed actions**

*Targeted beneficiaries*

25. All the redundant workers are expected to participate in the measures. The breakdown of the workers by sex, citizenship and age group is as follows:

| Category | | Number of targeted beneficiaries | |
|---|---|---|---|
| Sex: | Men: | 1 086 | (73,98%) |
| | Women: | 382 | (26,02%) |
| Citizenship: | EU citizens: | 1 400 | (95,37%) |
| | non-EU citizens: | 68 | (4,63%) |
| Age group: | 15-24 years: | 83 | (5,65%) |
| | 25-29 years: | 184 | (12,53%) |
| | 30-54 years: | 1 001 | (68,19%) |
| | 55-64 years: | 199 | (13,56%) |
| | over 64 years: | 1 | (0,07%) |

*Eligibility of the proposed actions*

26. The personalised services to be provided to redundant workers consist of the following actions:

– 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.

– 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.

– 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.

– Support for business creation. With the aim of developing viable business or self-employment projects, workers interested in becoming self-employed will

[19] https://statbel.fgov.be/fr/themes/emploi-formation/marche-du-travail/emploi-et-chomage

receive the support of regional organisations. This might cover planning, carrying out feasibility studies, preparing business plans, help with identifying financing possibilities, etc.

– 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.

– 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[20] 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[21], etc.

27. The Covid-19 pandemic has led to the development of a sanitary hygiene concept in order to ensure the implementation of measures.

28. The proposed actions, here described, constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation. These actions do not substitute passive social protection measures.

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

*Estimated budget*

30. The estimated total costs are 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.

31. The total financial contribution requested from the EGF is EUR 3 719 224 (60% of total costs).

[20] Occupations with at least 75% of workers belonging to the same gender.

[21] List of jobs in demand and difficult to be covered or linked to critical functions. « *Métiers en tension de recrutement en Wallonie. Liste des métiers/fonctions critiques et en pénurie* ». Le Forem 2020.

| Actions | Estimated number of participants | Estimated cost per participant (EUR)[22] | Estimated total costs (EUR)[23] |
|---|---|---|---|
| Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation) | | | |
| Information, job-search assistance and vocational guidance | 1 468 | 2 230 | 3 273 787 |
| Training, retraining and vocational training | 610 | 3 534 | 2 155 437 |
| On-the-job training | 10 | 1 440 | 14 396 |
| Support for business creation | 70 | 2 000 | 139 988 |
| Contribution to business start-up | 12 | 10 000 | 120 000 |
| Sub-total (a):<br>Percentage of the package of personalised services | – | | 5 703 608<br>(95,42%) |
| Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation) | | | |
| Incentives and allowances | 367 | 745 | 273 500 |
| Sub-total (b):<br>Percentage of the package of personalised services: | – | | 273 500<br>(4,58%) |
| Actions under Article 7(4) of the EGF Regulation | | | |
| 1. Preparatory activities | – | | 6 000 |
| 2. Management | – | | 52 420 |
| 3. Information and publicity | – | | 55 000 |
| 4. Control and reporting | – | | 108 180 |
| Sub-total (c):<br>Percentage of the total costs : | – | | 221 600<br>(3,57%) |
| Total costs (a + b + c): | – | | 6 198 708 |
| EGF contribution (60% of total costs) | – | | 3 719 224 |

32. The costs of the actions identified in the table above as actions under Article 7(1)(b) of the EGF Regulation do not exceed 35% of the total costs for the coordinated package of personalised services. Belgium confirmed that these actions are

[22] To avoid decimals, the estimated costs per worker have been rounded. However, the rounding has no impact on the total cost of each measure that remains as in the application submitted by Belgium.

[23] Totals do not tally due to rounding.

conditional on the active participation of the targeted beneficiaries in job-search or training activities.

33. Belgium confirmed that the costs of investments for self-employment, business start-ups and employee take-overs will not exceed EUR 15 000 per beneficiary.

*Period of eligibility of expenditure*

34. Belgium started providing the personalised services to the targeted beneficiaries on 9 June 2020. The expenditure on the actions will therefore be eligible for a financial contribution from the EGF from 9 June 2020 to 22 December 2022.

35. Belgium started incurring the administrative expenditure to implement the EGF on 10 June 2020. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 10 June 2020 to 22 June 2023.

*Complementarity with actions funded by national or Union funds*

36. The sources of national pre-financing or co-funding are funds of the Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest, Vlaams Gewest and Région Wallonne.

37. Belgium has confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

*Procedures for consulting the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities*

38. Belgium has indicated that the co-ordinated package of personalised services has been put together in consultation with workers' representatives and the social partners in meetings held on 3 and 19 November 2020. The Belgian authorities also held a meeting with Aviato vzw, an employment centre at Brussels Airport for job-seekers and employers. Aviato, as a specialist in the aviation sector, was consulted on the most suitable upskilling and reskilling training to be offered to the redundant workers.

39. The regional authorities of Flanders, Walonia and Brussels are the promoters of this application. Synerjob, the inter-regional collaboration structure for the three Belgian employment services[24] brings greater coherence to the actions proposed.

**Management and control systems**

40. The application contains a description of the management and control system, which specifies the responsibilities of the bodies involved. Belgium has notified the Commission that the financial contribution will be managed and controlled by the same bodies that manage and control the European Social Fund in Région de Bruxelles-Capitale/Brussels Hoofdstedelijk Gewest, Vlaams Gewest and Région Wallonne.

**Commitments provided by the Member State concerned**

41. Belgium has provided all necessary assurances regarding the following:

[24] VDAB (Flemish employment service), Le Forem (Walloon employment service) and Actiris (Brussels employment service).

– the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation,

– the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,

– the proposed actions will not receive financial support from other Union funds or financial instruments and any double financing will be prevented,

– the proposed actions will be complementary with actions funded by the Structural Funds,

– the financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

## BUDGETARY IMPLICATION

### Budgetary proposal

42. The EGF shall not 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 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027[25].

43. Having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 3 719 224, representing 60% of the total costs of the proposed actions, in order to provide a financial contribution for the application.

44. The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 9 of 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[26].

### Related acts

45. At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 3 719 224.

46. At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

[25] OJ L 433I, 22.12.2020, p. 11.
[26] OJ L 433I, 22.12.2020, p. 28.

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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/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[27], 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[28], 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[29].

(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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27 OJ L 347, 20.12.2013, p. 855.

28 OJ L 433I, 22.12.2020, p. 28.

29 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* | *For the Council* |
| *The President* | *The President* |

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