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REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

on the activities of the European Globalisation Adjustment Fund for Displaced Workers (EGF) in 2021 and 2022

EXECUTIVE SUMMARY

The European Globalisation Adjustment Fund (EGF) was originally set up in 2007 to support workers who lose their job as a result of globalisation or changing world trade patterns to demonstrate solidarity and promote decent and sustainable employment by offering assistance in the case of any major restructuring events. It does so by helping displaced workers and self-employed persons whose activity has ceased to adapt to structural change, by adapting their skills and finding new jobs.

The scope of the fund was later adapted to support dismissals resulting from the global financial and economic crisis.

For the period 2021-2027, the EGF Regulation[1] was further amended so that the fund can support more workers who have lost their jobs. Now, the fund also offers support to displaced workers not only in case of socioeconomic transformations that are the result of globalisation and a global financial and economic crisis, but also as a result of any major restructuring event, such as structural changes related to globalisation, financial or economic crises, the transition to a low-carbon economy, digitisation or automation.

As an emergency fund, the EGF operates reactively to assist displaced workers affected by major restructuring events. It is guided by, and helps to implement, the principles defined under the three categories of the European Pillar of Social Rights[2] (equal opportunities and access to the labour market; fair working conditions; and social protection and inclusion) and strengthens social and economic cohesion among the regions and Member States. It adds to existing mainstream restructuring assistance programmes and services for labour market actors, without replacing existing resources.

This report gives an overview of EGF activities and results in 2021 and 2022. The main findings are summarised below.

- During the reporting period, 11 applications were submitted by five Member States, amounting to a total of EUR 45.8 million (of which EUR 6.8 million national contribution and EUR 39 million EGF contribution) and targeting 5 182 workers. The largest numbers of workers were in the air transport sector and the motor vehicle, trailer and semi-trailer manufacturing sector, followed by the warehousing and support activities for transportation sector.

- The European Parliament and the Council adopted 14 decisions to mobilise EGF funding for a total amount of EUR 51.8 million to support 13 025 workers[3].

- Due to a very low number of cases in 2018 and 2019, only one final report was due in 2021. The results of this report showed that 79% of the workers who participated in the measures were back in employment. In the next biennial report, covering 2023 and 2024, 13 final reports are expected.

[1] 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.
[2] European Pillar of Social Rights Action Plan
[3] Of the 14 decisions, five concerned EGF cases received at the end of 2020 (EGF/2020/002, EE/Estonia Tourism; EGF/2020/003, DE/GMH Guss; EGF/2020/004, NL/KLM; EGF/2020/005, BE/Swissport; and EGF/2020/006, FI/Finnair).

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1. Introduction

Through the European Globalisation Adjustment Fund for Displaced Workers (EGF) 2021-2027[4] the EU demonstrates solidarity with and provides support for workers made redundant and self-employed persons whose activity has ceased as a result of any major restructuring event, such as structural changes related to globalisation, financial or economic crises, the transition to a low-carbon economy, digitisation or automation. The eligibility threshold was lowered from 500 (during the 2014-2020 period) to 200 (for the 2021-2027 period) displaced workers. Moreover, the EGF co-financing rate has been changed from 60% (for the 2014-2020 period) to the highest co-financing rate of European Social Fund Plus (ESF+) in the relevant Member State[5] or 60 %, whichever is the higher (for the 2021-2027 period). This redesigning of the EGF 2021-2027 aims to ensure greater inclusivity and offer more flexibility to better respond to current and future economic challenges.

To help redundant workers find new jobs, the EGF co-finances active labour market measures implemented by the Member States. It supplements national measures in the event of sudden collective redundancies caused by any of the types of major restructuring events mentioned above, and provides a more personalised and targeted approach to the most vulnerable displaced workers.

In line with Article 21 of 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 (2021-2027)[6], the Commission is addressing the present report to the European Parliament and the Council, providing a quantitative and qualitative assessment of EGF activities over the last two years.

The report focuses on the results achieved by the EGF and contains information, in particular, on the:

- applications submitted;
- decisions adopted;
- actions funded, including their complementarity with actions funded by other Union instruments, in particular the ESF+;
- statistics on the reintegration rate for beneficiaries per Member State;
- winding-up of financial contributions; and
- applications rejected.

The report concludes by presenting the results of the Commission *ex post* evaluation of the EGF 2014-2020, published on 13 December 2021.

[4] Established by Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund, amended by Regulation (EC) No 546/2009 of the European Parliament and of the Council of 18 June 2006, later by 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 and for the 2021-2027 period subject 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.

[5] Article 112(3) of Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 (OJ L 231, 30.6.2021, p.159) sets the ESF+ co-financing rates at 85% for the less developed regions, 70% for transition regions that were classified as less developed regions for the 2014-2020 period, 60 % for the transition regions, 50 % for more developed regions that were classified as transition regions or had a GDP per capita below 100 % for the 2014-2020 period and 40 % for the more developed regions.

[6] OJ L 153, 3.5.2021, p. 48.

2. Analysis of EGF activities in 2021 and 2022

2.1. Applications submitted

In 2021 and 2022, the Commission received 11 applications from five Member States: Belgium, Greece, Spain, France and Italy. The 11 applications covered a total of EUR 45.8 million (combined national and EGF contributions), targeting 5 182 workers. These five Member States had previously applied for EGF funding. Details of the applications are set out in Table 1.

Table 1: Applications submitted in 2021 and 2022

EGF Reference	Member State	Case title	Sector in short denomination	NACE Rev. 2 division	Date of application	Art. 4. Intervention criteria	Trade / Crisis	National contribution (in €) (40% or less of total case amount)	EGF contribution (in €) (60% or more of total case amount)	EGF co-financing rate (in %)	Number of redundant workers	Number of targeted workers	Share of targeted workers vs. workers redundant	Average EGF amount per targeted worker
								A	B	C	D	E	E/D	B/E
EGF/2021/001	**ES**	**País Vasco metal**	Metalworking industry	25	25-06-2021	4(2)(b)	Crisis (COVID-19)	214.343	1.214.607	85%	491	300	61%	4.049
EGF/2021/002	**IT**	**Air Italy**	Air transport	51	15-07-2021	4(2)(a)	Corporate Crisis	683.760	3.874.640	85%	611	611	100%	6.341
EGF/2021/003	**IT**	**Porto Canale**	Warehousing and support activities for transportation	52	15-07-2021	4(3)	Trade	263.543	1.493.407	85%	190	190	100%	7.860
EGF/2021/004	**ES**	**Aragón automotive**	Manufacture of motor vehicles, trailers and semi-trailers	29	26-07-2021	4(2)(b)	Crisis (COVID-19)	247.917	1.404.863	85%	1.052	320	30%	4.390
EGF/2021/005	**FR**	**Airbus**	Manufacture of transport equipment	30	26-07-2021	4(2)(a)	Crisis (COVID-19)	660.930	3.745.264	85%	508	297	58%	12.610
EGF/2021/006	**ES**	**Cataluña automotive**	Manufacture of motor vehicles, trailers and semi-trailers	29	23-09-2021	4(2)(b)	Trade	493.263	2.795.156	85%	705	450	64%	6.211
EGF/2021/007	**FR**	**Selecta**	Wholesale trade, except of motor vehicles and	46	12-10-2021	4(2)(a)	Crisis (COVID-19)	348.918	1.977.200	85%	366	366	100%	5.402
EGF/2021/008	**EL**	**Attica Manufacture of electrical equipment**	Manufacture of electrical equipment	27	21-12-2021	4(2)(b)	Trade	263.970	1.495.830	85%	206	206	100%	7.261
EGF/2022/001	**FR**	**Air France**	Air transport & Aircraft maintenance	51; 33	21-01-2022	4(2)(a)	Crisis (COVID-19)	3.131.049	17.742.607	85%	1.580	1.580	100%	11.229
EGF/2022/002	**BE**	**TNT**	Warehousing and support activities for transportation	52	18-10-2022	4(2)(a)	Company take-over	345.247	1.956.397	85%	559	559	100%	3.500
EGF/2022/003	**ES**	**Alu Ibérica**	Manufacture of basic metals	24	30-11-2022	4(2)(a)	Trade	225.000	1.275.000	85%	303	303	100%	4.208
Total No. of applications received in 2021 and 2022: 11						**4(1)(a)=6 4(1)(b)=4 4(2)=1**	**Total**	**6.877.940**	**38.974.971**		**6.571**	**5.182**	**79%**	**7.521**
							Average for 11 applications	**625.267**	**3.543.179**		**597**	**471**		

2.1.1. Applications submitted, broken down by cause of dismissal and intervention criterion

The 11 applications submitted in 2021 and 2022 were covered by Regulation 2021/691. The main reasons Member States gave for the dismissals were as follows:

- **Major structural changes in world trade patterns due to globalisation**

  Greece, Spain and Italy submitted four applications with reference to trade-related globalisation reasons, one of which (EGF/2021/003 IT/Porto Canale) was justified by being a small labour market[7].

- **The effects of the COVID-19 crisis**

  Five applications were related to the COVID-19 crisis. Two Member States (Spain and France) submitted applications related to redundancies in sectors particularly affected by the COVID-19 outbreak: the metalworking industry; the manufacture of motor vehicles; the manufacture of transport equipment; and air transport and air maintenance.

- **Others**

  One application was submitted following a corporate crisis (EGF/2021/002 IT/Air Italy) and one due to a company takeover (EGF/2022/002 BE/TNT).

2.1.2. Applications submitted by sector (as described in NACE Rev. 2)[8]

The 11 applications concerned redundancies in nine different sectors:

1) Air transport (two applications)
2) Warehousing and support activities for transportation (two applications)
3) Manufacture of motor vehicles, trailers and semi-trailers (two applications)
4) Metalworking industry
5) Manufacture of transport equipment
6) Wholesale trade, except of motor vehicles and motorcycles (vending machines)
7) Manufacture of electrical equipment
8) Aircraft maintenance
9) Manufacture of basic metals.

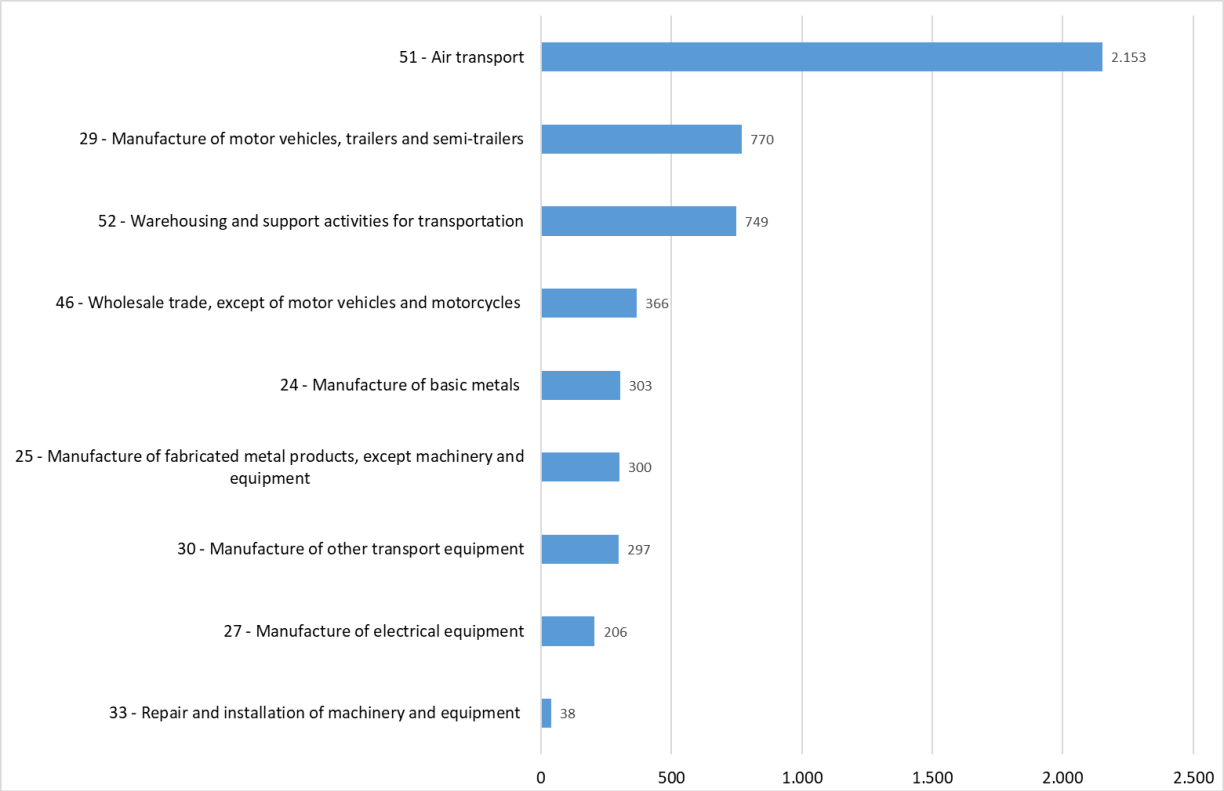
[7] Article 4(2)(a) of the EGF Regulation requires that at least 200 workers are made redundant over a reference period of four months in an enterprise in a Member State, including workers displaced in suppliers and downstream producers and/or self-employed persons whose activity has ceased. In line with Article 4(3) of the EGF Regulation, an application can derogate from these criteria because if the case concerns a small labour market and the redundancies have a serious impact on employment and the local and regional economy.

[8] NACE Rev. 2, Statistical classification of economic activities in the European Community: https://ec.europa.eu/eurostat/web/products-manuals-and-guidelines/-/KS-RA-07-015.

The greatest numbers of workers targeted were in the air transport sector (2 153), followed by the manufacture of motor vehicles, trailers and semi-trailers sector (770) and then warehousing and support activities for transportation sector (749), see Chart 1.

One application, from France, concerned more than one activity sector.

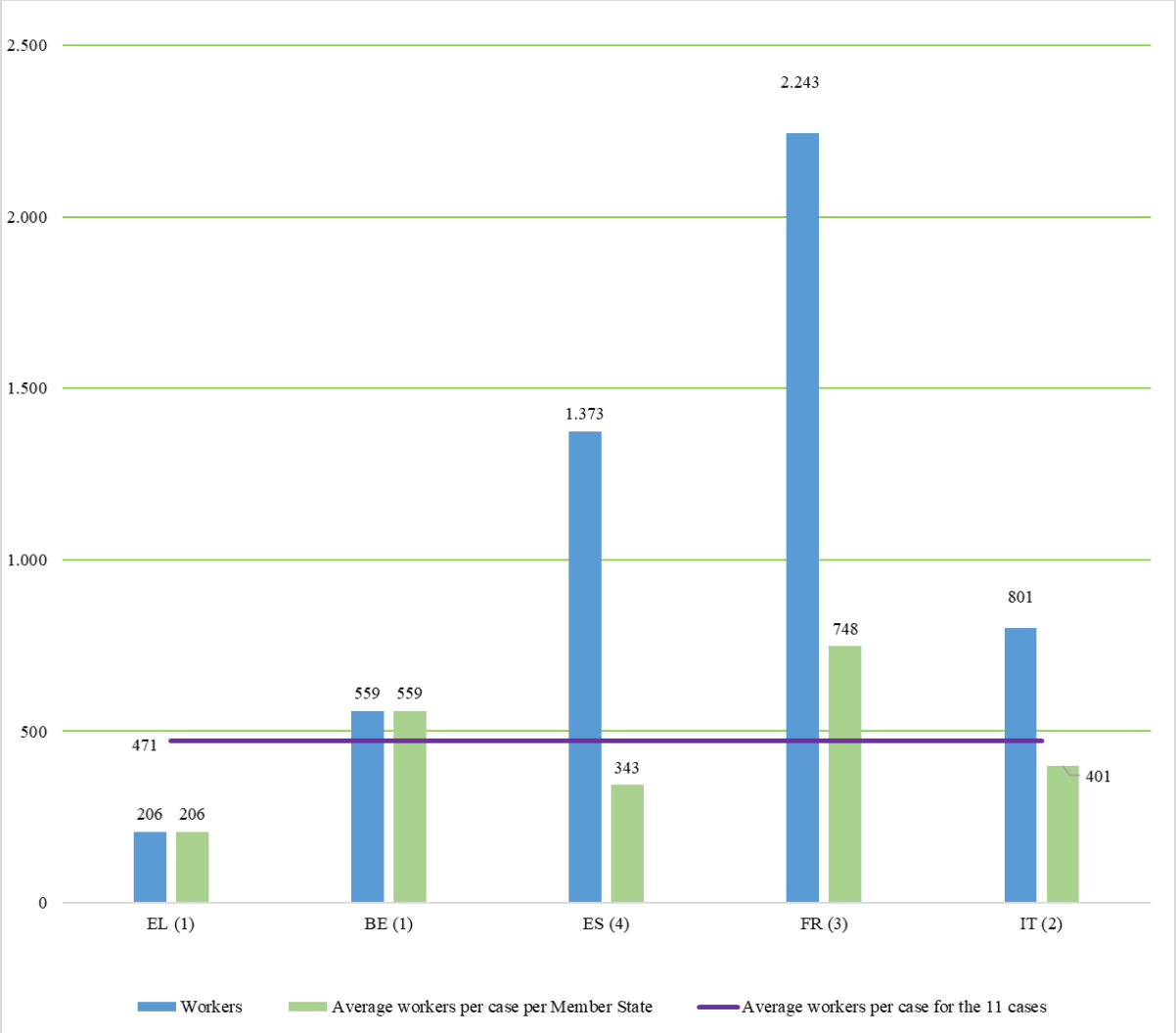
Chart 1: Number of targeted workers per sector (NACE Rev. 2 division level) in 2021–2022



2.1.3. Applications submitted by number of targeted beneficiaries

The 11 applications submitted in 2021 and 2022 related to 6 571 redundancies. The total number of workers targeted for EGF support was 5 182 (see Table 1). France requested EGF support for the greatest number of workers (2 243), followed by Spain (1 373) and Italy (801). The average number of targeted workers per application was 471, see Chart 2.

Chart 2: Number of targeted workers per Member State in 2021-2022



Number of applications submitted is indicated in brackets.

Total number of targeted workers: 5 182
Average number of targeted workers: 471

Of all the workers targeted, 65% were men, 71% were aged 30-54 and 57% had completed either upper secondary or post-secondary education. However, the profile of workers by gender differs significantly between cases. The French application (air transport) targeted women to a level of 56%. By contrast, the Spanish and Italian applications covered women to a level of 3% and 9%, respectively; these applications concerned manufacture of basic metals sector and the warehousing and support activities for the transportation sector, two sectors that have traditionally employed mostly men. See Charts 3 to 6 below.

Differences in the number of workers affected by a restructuring event and the number targeted for EGF support can arise if the Member State decides to focus on specific groups of people, such as the

most vulnerable workers, those facing exceptional difficulties on the labour market and/or those most in need of assistance. Moreover, the standard support available for redundant workers in Member States might, in some cases, be enough for a rapid reintegration into employment or, in certain cases, workers might opt for early retirement. In such cases, an EGF intervention that is, by virtue of the legal basis, providing support over and above the standard support is not needed.

Chart 3: Profile of targeted workers by gender and per application

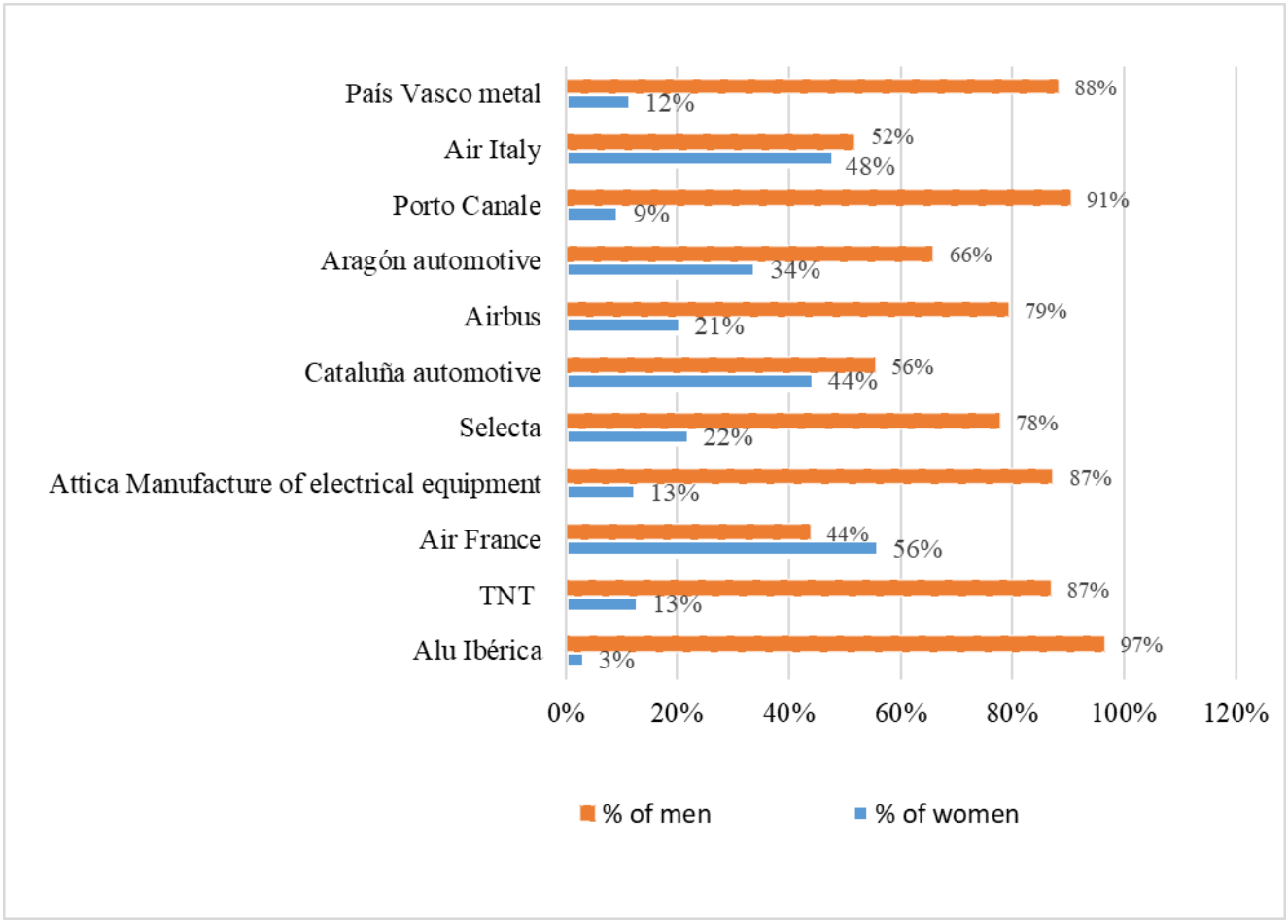


Chart 4: Profile of targeted workers by gender

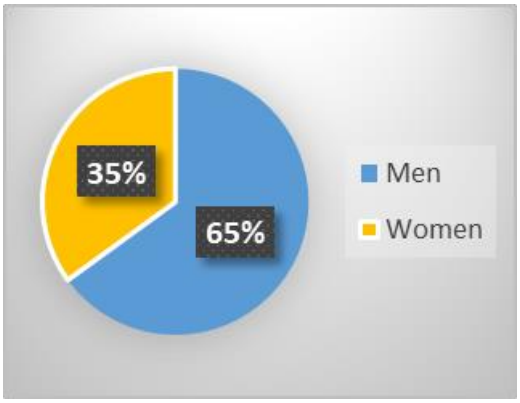


Chart 5: Profile of targeted workers by education level

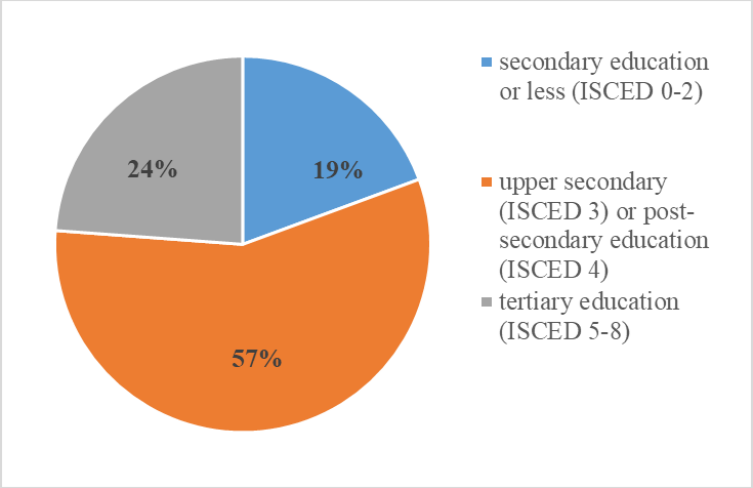
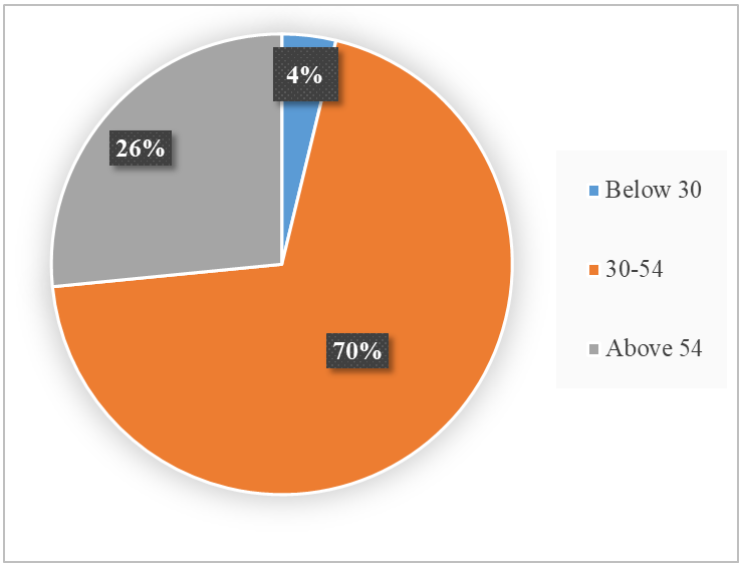


Chart 6: Profile of targeted workers by age



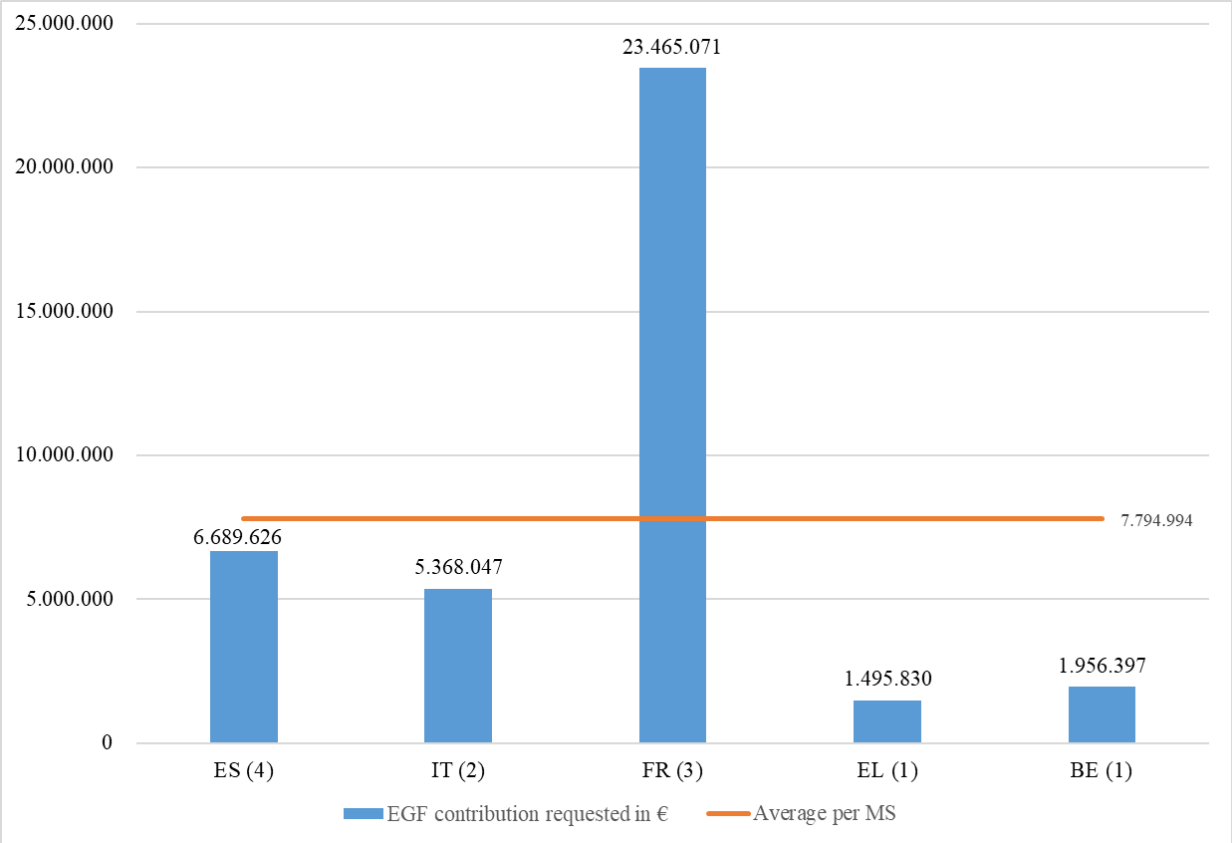
2.1.4. Applications submitted by amount requested

The EGF financial contribution complements Member State measures at national, regional and local level. The applicant Member State must ensure that the measures receiving an EGF financial contribution are not in receipt of other financial support from the EU budget and that they comply with State aid rules. Moreover, the measures supported by the EGF should not replace any measures that are the responsibility of companies under national law or collective agreements.

Each Member State applying for EGF support must design a coordinated package of measures that best fits the targeted beneficiaries' profiles. Regulation (EU) 2021/691 sets the EGF co-financing rate at the highest co-financing rate of ESF+ in the relevant Member State or 60%, whichever is the higher.

A total amount of EUR 38 974 971 was requested for EGF support for the 11 cases. France requested the highest amount (EUR 23 465 071) for three applications, followed by Spain (EUR 6 689 626) for four applications and Italy (EUR 5 368 047) for two applications. The EGF-requested contributions ranged from EUR 1 214 607 to EUR 17 742 607, with an average of EUR 7 794 994 per Member State and EUR 3 543 179 per application.

Chart 7: Total EGF amounts (in EUR) requested in 2021-2022, by Member State



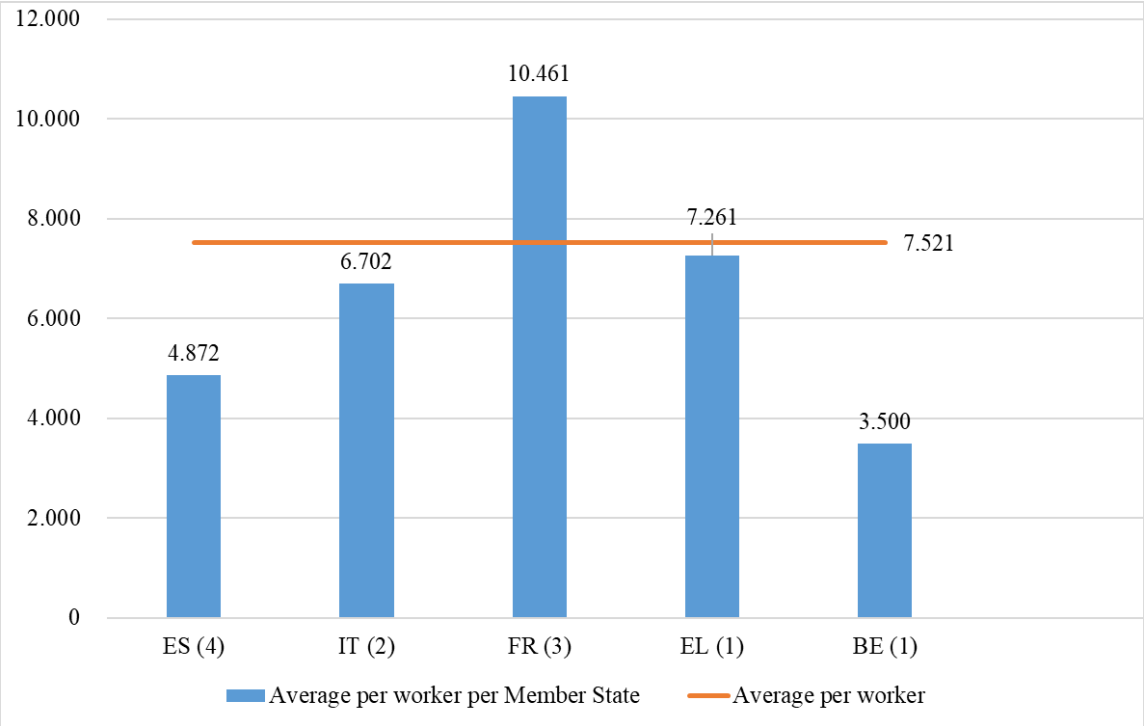
Number of applications submitted is indicated in brackets.

Total EGF amount requested: **EUR 38 974 971**
Average EGF amount requested per MS: **EUR 7 794 994**

2.1.5. Applications submitted by amount requested per worker

Regulation (EU) 2021/691 does not limit the amount requested per targeted worker. This amount can vary according to the situation in the affected labour market, the individual circumstances of the targeted workers, the measures already provided by the Member State and the cost of providing the services in the Member State concerned. This explains why the proposed amounts of EGF support per worker in 2021 and 2022 ranged from EUR 3 500 to EUR 10 461, with an average of EUR 7 521. The highest average amount per worker was requested by France (EUR 10 461), and the lowest by Belgium (EUR 3 500).

Chart 8: EGF amount (in EUR) requested per worker and per Member State in 2021-2022



Number of applications submitted is indicated in brackets.

Average EGF amount requested per beneficiary: EUR 7 521

2.2. Decisions adopted and contributions granted

The EGF is an emergency relief instrument, outside the ceilings of the multiannual financial framework. The co-financing of each case must be approved by the European Parliament and the Council.

In 2021-2022, the European Parliament and Council adopted 14 decisions to mobilise EGF funding, of which five concerned applications under Regulation (EU) 1309/2013 received in 2020. Table 2 therefore covers a different set of cases than Table 1, which shows the applications submitted in 2021 and 2022.

The cases from 2020 had an EGF co-financing rate of 60% for all Member States. Under the new Regulation 2021/691, which applies for applications received from 2021 onwards, the EGF co-financing rate is either the highest co-financing rate of ESF+ in the relevant Member State or 60% for the cases received as from 2021 (Regulation (EU) 2021/691). The Member States that applied in 2021 and 2022 are all entitled to an 85% co-financing rate[9].

[9] The 85% co-financing rate was applicable because all these Member States had at least one less developed region.

The 14 contributions granted targeted 13 025 workers in nine Member States[10], with a total amount of EUR 51 790 562 EGF co-financing and an average of EUR 3 976 per targeted worker. Of the 13 025 workers targeted, 56% were men and 76% were under the age of 54.

[10] Belgium, Germany, Estonia, Greece, Spain, France, Italy, Netherlands and Finland.

Table 2: Details of contributions granted in 2021 and 2022 (Date of signature by the Budgetary Authority in 2021 and 2022)

EGF reference	Member State	Case	Date of application	Art. 4. Intervention criteria	Trade / Crisis	National contribution (in €)	EGF contribution granted (in €)	Number of targeted workers	Average EGF contribution by workers (in €)	Men targeted	Women targeted	Age below 54 targeted	Age above 54 targeted	Date of Signature by Budgetary Authority	Date of payment (bank transfer)
EGF/2020/002	**EE**	**Estonia Tourism**	12-11-2020	c (Except. Circum.)	Crisis (COVID-19)	2.982.987	4.474.480	5.060	884	1.970	3.090	4.030	1.030	20-05-2021	01-06-2021
EGF/2020/003	**DE**	**GMH Guss**	15-12-2020	a	Trade	721.138	1.081.706	476	2.272	455	21	300	176	08-06-2021	17-06-2021
EGF/2020/004	**NL**	**KLM**	22-12-2020	a	Crisis (COVID-19)	3.346.146	5.019.218	1.201	4.179	933	268	824	377	08-06-2021	17-06-2021
EGF/2020/005	**BE**	**Swissport**	22-12-2020	a	Crisis (COVID-19)	2.479.483	3.719.224	1.468	2.534	1.086	382	1.268	200	08-06-2021	17-06-2021
EGF/2020/007	**FI**	**Finnair**	30-12-2020	a	Crisis (COVID-19)	1.168.240	1.752.360	500	3.505	280	220	359	141	08-06-2021	17-06-2021
EGF/2021/001	**ES**	**País Vasco metal**	25-06-2021	b	Crisis (COVID-19)	214.343	1.214.607	300	4.049	265	35	238	62	25-11-2021	09-12-2021
EGF/2021/002	**IT**	**Air Italy**	15-07-2021	a	Corporate Crisis	683.760	3.874.640	611	6.341	317	294	423	188	15-12-2021	27-12-2021
EGF/2021/003	**IT**	**Porto Canale**	15-07-2021	Labour Market	Trade	263.543	1.493.407	190	7.860	172	18	187	3	15-12-2021	27-12-2021
EGF/2021/004	**ES**	**Aragón automotive**	26-07-2021	b	Crisis (COVID-19)	247.917	1.404.863	320	4.390	211	109	193	127	15-12-2021	27-12-2021
EGF/2021/005	**FR**	**Airbus**	26-07-2021	a	Crisis (COVID-19)	660.930	3.745.264	297	12.610	236	61	257	40	16-02-2022	28-02-2022
EGF/2021/006	**ES**	**Cataluña automotive**	23-09-2021	b	Trade	493.263	2.795.156	450	6.211	250	200	293	157	09-03-2022	14-03-2022
EGF/2021/007	**FR**	**Selecta**	12-10-2021	a	Crisis (COVID-19)	348.918	1.977.200	366	5.402	285	81	283	83	24-03-2022	04-04-2022
EGF/2021/008	**EL**	**Attica Manufacture of electrical equipment**	21-12-2021	b	Trade	263.970	1.495.830	206	7.261	180	26	163	43	23-06-2022	01-07-2022
EGF/2022/001	**FR**	**Air France**	21-01-2022	a	Crisis (COVID-19)	3.131.049	17.742.607	1.580	11.229	695	885	1.094	486	23-06-2022	01-07-2022
				Total figures		**17.005.687**	**51.790.562**	**13.025**	**3.976**	**7.335**	**5.690**	**9.912**	**3.113**		
Total No. of decisions and payments in 2021 and 2022: 14				**a=8 b=4 Excep. Circum=1 Labour market=1**	**Crisis = 10 Trade = 4**	**1.214.692**	**3.699.326**	**930**		**56%**	**44%**	**76%**	**24%**	**Average figures for 14 cases**	

2.2.1. Measures funded with EGF assistance

Under Article 7 of Regulation (EU) 2021/691, a financial contribution from the EGF can support active labour market measures that form part of a coordinated package of personalised services, designed to facilitate the reintegration of the targeted beneficiaries - and, in particular the most disadvantaged among them, into employment or self-employment.

The active employment measures approved in 2021 and 2022 for an EGF contribution consisted mainly of the following types of measure:

- occupational guidance;
- intensive personalised job-hunting assistance;
- a range of retraining, upskilling and vocational training, including horizontal and soft-skills training, entrepreneurship training and higher education programmes;
- counselling and mentoring towards re-employment and mentoring during the initial phase of the new job;
- promoting entrepreneurship and contributions to business-start-up;
- one-off incentives for quick redeployment and hiring incentives; and
- various allowances (e.g. job-search, training) and contributions (e.g. toward the cost of commuting or caring for dependents).

When designing their support packages, Member States took into account the background, experience and educational level of individual beneficiaries, their mobility, the current or expected job opportunities in the regions concerned, and the recommendations set out in the EU Quality Framework for anticipation of change and restructuring. In line with Article 7.2, Member States also confirmed that the dissemination of skills required in the digital industrial age and in a resource-efficient economy was taken into consideration in the design of their support packages.

2.2.2. Complementarity with actions funded by national or Union funds

The EGF aims to increase employability and facilitate the reintegration of the targeted beneficiaries into decent and sustainable employment as quickly as possible through active labour market measures. EGF measures are always offered on top of regular national measures and/or to intensify them, thus ensuring the complementarity and additionality of EGF measures.

The fund complements the European Social Fund Plus (ESF+), which is the major EU instrument for promoting employment. The complementarity of the two funds lies in their ability to address these issues from different time perspectives. The EGF provides support for displaced workers or the self-employed in response to a specific, large-scale restructuring event resulting in a high number of redundancies over a short period of time. It offers concrete support in a crisis situation, whereas the ESF+ supports – in an anticipatory manner - strategic, long-term goals (e.g. increasing human capital and managing change) through multiannual programmes.

The EGF enables Member States to offer targeted beneficiaries tailor-made and more in-depth, targeted assistance, including measures to which they would not normally have access (e.g. second- or

third-level education). Experience has shown that the EGF provides an opportunity to design personalised services to meet the needs of individual redundant workers, far exceeding what can be provided by standard courses and actions. By contrast, ESF+ support is aimed at a wider section of the population (both those in and out of work).

The EGF enables Member States to provide a better counsellor-beneficiary ratio and longer-term support. This increases the beneficiaries' prospects of improving their situation.

EGF and ESF+ measures are sometimes used by Member States to complement each other to provide both short-term and longer-term solutions. At case level, the EGF normally builds on existing national or ESF+ measures by topping them up or by offering different, additional measures. The decisive criterion is the potential of the available instruments to help the targeted beneficiaries, and it is up to Member States to select and to programme the instruments and actions so that they are best able to achieve the desired objectives.

In line with the principle of subsidiarity, the decision on whether to use ESF+ or EGF funding is made at Member State level. It is for Member States to manage the complementarity between the two funds in the best possible manner given the local conditions prevailing at the time.

As laid down in Article 9(5) of Regulation (EU) 2021/691, all Member States must put in place the necessary mechanisms to prevent any risk of double funding from EU financial instruments. In most Member States, the ESF+ Managing Authority is also responsible for implementing the EGF. This enables Member States to ensure the complementarity of the various interventions.

2.3. Applications not approved

In 2021 and 2022 no applications were rejected by the Commission, the European Parliament or the Council.

2.4. Results achieved by the EGF

The main sources of information on the results achieved by the EGF are the Member States' final reports, which are to be submitted no later than six months after the end of implementation. These are supplemented by information shared by Member States in their direct contact with the Commission, e.g. during meetings and conferences, and in relation to evaluation and audit work. The main results and data reported by one Member State in 2021 are summarised in this section.

2.4.1. Summary and qualitative assessment of the results reported in 2021

In 2021, the Commission received one final report for EGF co-financed cases implemented by Greece between 22 August 2018 and 22 August 2020. Due to the COVID-19 pandemic, at the Member State's request, the implementation period was put on hold for four months, until lockdown measures were lifted. The deadline for carrying out the actions was postponed until 22 December 2020 and

expenditure on the personalised services for the targeted beneficiaries was also eligible until the same date[11].

The certification of the acquired computer skills that required in-room testing could not take place after the reintroduction of social distancing measures in Greece from 7 November 2020. Thus, Greece requested an extension of the implementation period for IT certification tests only. The Commission granted it. The certification tests could be held until 22 June 2021 and the associated costs remained eligible until that date.

The package of measures included: vocational counselling, training (including training modules for basic IT skills and also third-level education on accounting and finance, goldsmithing and silversmithing and English, support for starting a business, hiring benefits and allowances for job-search and training.

- *Vocational counselling:* All 296 participants received 25 individual counselling sessions of 45 minutes each. The outcome of the sessions were individual re-employment plans. For those planning to enter self-employment, some of the sessions were dedicated to drawing up a business plan.
- *Training:* About 90% of the workers (266) participated in training. All but three of workers followed training comprising three modules: 120 hours of IT basic skills, including Microsoft Office (Word, Excel, PowerPoint and Access), social media, e-commerce and e-transactions; 100 hours of soft skills, such as public relations, communication, emotional intelligence, negotiating techniques and cooperation; and 80 hours of 'specialist skills'. The participants could choose from a variety of training, for example, social media and marketing, online journalism, business management, marketing techniques and sales techniques. Three workers opted for other training programmes (third-level education on accounting and finance, goldsmithing and silversmithing, and English).
- *Contribution to business creation*: 18 contributions to business creation were granted and 20 workers were reemployed as self-employed persons at the end of the intervention period.
- *Hiring benefits*: The benefit was EUR 650 per month for a maximum of six months paid to the hiring enterprise, on condition that the worker remained in the job for at least an additional six months from the end of the incentive. No employer made use of the benefit, possibly because the actual implementation period coincided with the lockdown resulting from the pandemic.

During the COVID-19 crisis, the possibility to follow training by distance learning was considered a key strength. It was optional and, based on the opinion of interviewees, was very successful. Participants benefited from the additional flexibility it offered.

2.4.2. Reintegration rate for assisted beneficiaries

By the end of the measures 233 (79%) of the participants were back in employment, 213 (91%) as employees and 20 (9%) were self-employed persons. Participants found work in a variety of different

[11] As stated in the Commission Implementing Decision awarding a financial contribution from the EGF C(2018) 6373, Article 4(1) and (2), the actions had to be carried out no later than 22 August 2020 and expenditure on the personalised services was eligible until the same date.

fields, including cosmetics, do-it-yourself, enzyme wholesale, online journalism and tourist accommodation.

Twelve months later, however, the number of people in employment had fallen by 7 percentage points to 72% of all participants. A quarter of the businesses set up had ceased activities and the situation of around 20% of participants was unknown.

The lockdown resulting from the COVID-19 pandemic hampered the workers' efforts to find new jobs and the smooth implementation of the measures. Given this unique context, the re-employment rate is nevertheless considered to be very successful.

Interviews carried out for this case during the *ex post* evaluation of the EGF 2014-2020 outline that the EGF is considered more flexible than other EU programmes since it adapts to the needs of individual beneficiaries. The report also confirmed that the EGF adds value to what the Member States could otherwise do to help targeted beneficiaries to find new jobs and to reposition themselves on the labour market.

2.5. Financial execution

2.5.1. EGF contributions

The EGF is a thematic special instrument as set out Article 8 of the Council Regulation laying down the multiannual financial framework for the years 2021-2027[12]. The maximum annual amount which can be used by the EGF is EUR 186 million per year in 2018 prices, corresponding on average to an annual amount of EUR 209.6 million (in current prices) per year over the period 2021-2027.

The EGF contribution is paid to the Member State in a single instalment as a 100% pre-financing payment within 15 working days of the budgetary authority approving the EGF support.

In 2021 and 2022, the budgetary authority approved 14 EGF contributions totalling EUR 51 790 562[13]. The total estimated cost of personalised services[14] included 19% of expenditure for occupational guidance, 29% for training, 24% for promotion of entrepreneurship, 24% for allowances and incentives and 1% for tutoring after reintegration into work.

2.5.2. Technical assistance

Under Article 11(1) of Regulation (EU) 2021/691, and at the initiative of the Commission, up to 0.5% of the EGF financial resources available for the year can be used for technical assistance. This amount is to be used to finance activities necessary to implement the EGF Regulation, such as preparation, monitoring and data gathering activities, the creation of a knowledge base, administrative and

[12] Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027, OJ L 433I , 22.12.2020, p. 11.
[13] This amount does not include the technical assistance decisions at the initiative of the European Commission. See Section 2.5.2.
[14] Actions under Article 7(1)(a), 7(1)(b) and 7(1)(c) of the EGF Regulation.

technical support, information and communication activities and auditing, control and evaluation work.

For technical assistance, the budgetary authority made the amount of EUR 290 000 available for 2022. Due to the COVID-19 pandemic no technical assistance was requested in 2021.

Table 3: Technical assistance expenditure in 2022

Description	Total cost budgeted	Commitments actual	Comments
Administrative support	€190 000	€22 107.93	Because of the uncertainties relating to the COVID-19 pandemic, only one in-person meeting (instead of the two originally planned) with the EGF contacts took place, on 24 November 2022. The other one was held online. The networking seminar was not organised because there were few EGF applications and the timing was not favourable for organising a study visit. As for information activities, the regular updates of the website were carried out (at no cost), but no additional information activities were carried out or materials created, because of the relatively small number of projects.
Technical support	€100 000	€99 982.11	Maintenance and update of the EGF modules in the electronic data exchange system – Shared Fund Management Common System (SFC).
Total costs	**€290 000**	**€122 090.04**	

2.5.3. Irregularities reported

No irregularities were reported to the Commission under Regulation (EU) 2021/691 in 2021 or 2022.

2.5.4. Winding-up of EGF financial contributions

An EGF case is wound up when the final report with all required information has been sent to the Commission, all outstanding reimbursements have been paid and no further action needs to be taken by the Member State or the Commission. The obligation to keep available for the Commission and the Court of Auditors all supporting documents for three years (Article 21(5) of Regulation (EU) No 1309/2013) still applies.

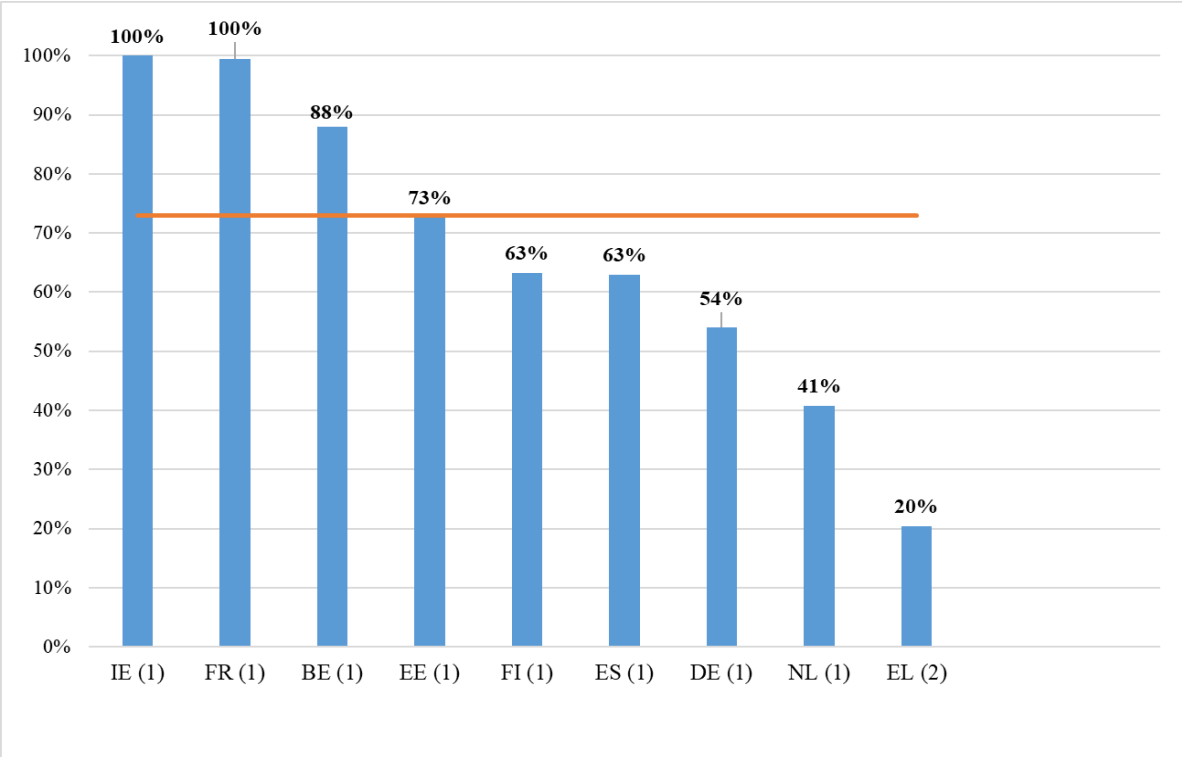
During the reporting period, only cases from the 2014-2020 period finished implementation and were ready to be wound up. For these cases, the procedures for winding up EGF financial contributions are laid down in Article 18 of Regulation (EU) No 1309/2013.

In 2021 and 2022, ten cases implemented between 2015 and 2020 were wound up. The average absorption rate was 73%, with the lowest rate being 20% and the highest 100%. The total amount of

unspent funds reimbursed to the Commission was EUR 7 889 378, accounting for 28% of the EGF contributions granted. Details of these cases are set out in Table 4.

The absorption rate of the EGF financial contribution varies significantly between Member States (see Chart 9), with the lowest observed average rates in Greece (20%) and the Netherlands (41%), and the highest in Ireland and France (100%), Belgium (88%) and Estonia (73%).

Chart 9: Average absorption rate per Member State (% of EGF contribution granted)



Number of EGF cases is indicated in brackets

There are various reasons why Member States did not use the full amounts granted. While they are encouraged to make realistic budget estimates for the coordinating package of personalised services, accurate planning is not always possible at the application stage. Member States also tend to overestimate budgets and include a high safety margin in their initial calculations to reduce the risk of overspending or because there are many unknowns when applying, e.g. the profiles and needs of potential beneficiaries.

The number of workers wishing to participate in the proposed measures tends to be overestimated in the planning phase. A lower level of participation than expected may result from either an improved economic situation on the labour market or unforeseen personal factors, such as workers finding new jobs on their own, a lack of motivation or the choice of early retirement. Moreover, some workers may opt for cheaper measures rather than more expensive ones, or for short-term rather than long-term measures.

Other reasons for low spending have been delays in starting the measures, insufficient staff for the implementation, insufficient use of the available flexibility to reallocate funds between budget items or more funding than initially expected being available at Member State level.

The Commission offers guidance from the application stage onwards to Member States to encourage optimal fund management and improve the implementation rate. The budgeting of the measures and the forecasting of worker participation over the 24-month period are expected to improve with experience in Member States. The Commission is also seeing improvements in the capacities of the various coordination and implementation structures and the quality of communication between national and regional/local levels.

Table 4: Cases wound up in 2021 and 2022

EGF Reference	EGF/2015/006	EGF/2016/003	EGF/2017/001	EGF/2017/003	EGF/2017/005	EGF/2017/008	EGF/2017/009	EGF/2017/010	EGF/2018/001	EGF/2018/003	TOTAL
Case	**PWA International**	**petroleum and chemicals**	**Castilla y León mining of coal**	**Attica retail**	**Retail**	**Goodyear**	**Air France**	**Caterpillar**	**Financial service activities**	**Attica Publishing Activities**	**10 cases wound up in 2021 and 2022**
Member State	**IE**	**EE**	**ES**	**EL**	**FI**	**DE**	**FR**	**BE**	**NL**	**EL**	**9 Member States**
Sector (short denomination)	Aircraft Maintance	Manufacture of coke and refined petroleum products; Manufacture of chemicals and chemical products	Mining of coal and lignite	Retail trade	Retail trade	Manufacture of rubber and plastic products	Air transport	Machinery and Equipment	Financial service activities	Publishing	
Date of application	19-Jun-2015	11-May-2016	20-Jan-2017	13-Apr-2017	12-Jun-2017	6-Oct-2017	23-Oct-2017	18-Dec-2017	23-Feb-2018	22-May-2018	
Workers dismissed	**108**	**1.550**	**339**	**725**	**1.660**	**646**	**1.858**	**2.285**	**1.324**	**550**	**11.045**
People targeted (incl. NEETs)	**216**	**800**	**464**	**725**	**1.500**	**646**	**1.858**	**2.585**	**450**	**550**	**9.794**
Deadline for final report	19-Dec-2017	1-Jan-2019	15-Aug-2018	13-Jan-2020	12-Dec-2019	1-Jul-2020	23-Apr-2020	18-Jun-2020	23-Aug-2020	22-Feb-2021	
Actual date of Submission of final report	19-Dec-2017	4-Jun-2019	9-Aug-2018	13-Jan-2020	9-Dec-2019	25-Aug-2020	24-Apr-2020	8-Oct-2020	25-Nov-2020	18-Jun-2021	
Winding-up date letter sent	9-Nov-2021	23-May-2022	9-Feb-2022	19-Feb-2021	18-Mar-2021	23-May-2022	11-Feb-2022	12-Apr-2021	15-Nov-2021	10-Oct-2022	
Beneficiaries assisted (workers and NEETs)	**183**	**492**	**198**	**217**	**1.467**	**622**	**1.858**	**1772**	**179**	**296**	**7.284**
Starting date of measures	22-May-2015	11-May-2016	15-Mar-2017	13-Jul-2017	3-Aug-2016	1-Jan-2018	1-Oct-2015	22-Oct-2016	1-Jan-2018	17-Oct-2019	
End date of measures	19-Jun-2017	31-Dec-2018	15-Feb-2019	13-Jul-2019	12-Jun-2019	14-Aug-2019	22-Jul-2018	18-Dec-2019	31-Dec-2019	22-Dec-2020	
Actual budget consumption in relation to initially estimated budget (all amounts in €)											
Total initially estimated budget (MS & EGF) Implementing activities and personalised services	**737.156,00**	**1.885.597,00**	**1.670.440,00**	**4.915.250,00**	**4.165.600,00**	**3.608.719,00**	**16.490.805,00**	**7.702.694,00**	**1.987.500,00**	**3.847.500,00**	**47.011.261,00**
EGF contribution granted	**442.293,00**	**1.131.358,00**	**1.002.264,00**	**2.949.150,00**	**2.499.360,00**	**2.165.231,00**	**9.894.483,00**	**4.621.616,00**	**1.192.500,00**	**2.308.500,00**	**28.206.755,00**
EGF contribution granted in % (of the estimated budget)	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	
Actual expenditure (MS & EGF)	**792.693***	**1.369.206,40**	**1.051.977,60**	**1.004.514,40**	**2.635.479,06**	**1.657.047,92**	**16.410.805,00**	**6.781.058,10**	**810.684,00**	**1.404.366,83**	**33.125.139,31**
EGF share of total eligible actual expenditure	**442.293,00**	**821.523,84**	**631.186,56**	**602.708,64**	**1.581.287,43**	**994.228,75**	**9.846.483,00**	**4.068.634,86**	**486.410,40**	**842.620,09**	**20.317.376,57**
EGF share of total eligible actual expenditure in %	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	
EGF funding spent in %	100,00%	72,61%	62,98%	20,44%	63,27%	45,92%	99,51%	88,03%	40,79%	36,50%	**72%**
Amount of EGF funding unspent, reimbursed to the EC	**0,00**	**309.834,16**	**371.077,44**	**2.346.441,36**	**918.072,57**	**1.171.002,25**	**48.000,00**	**552.981,14**	**706.089,60**	**1.465.879,91**	**7.889.378,43**
Rate of EGF funding unspent, reimbursed to the EC in %	0,00%	27,39%	37,02%	79,56%	36,73%	54,08%	0,49%	11,97%	59,21%	63,50%	**28%**
	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	100,00%	**100,00%**

2.6. Technical assistance activities undertaken by the Commission

2.6.1. Information and publicity – website

Article 12(2) of Regulation (EU) 2021/691 requires the Commission to set up, maintain and update a website available in all EU languages.

In 2021 and 2022, the Commission regularly updated the EGF website[15] with relevant information. It provides guidance on the submission of applications, information on accepted and rejected applications, and key facts and figures about previous EGF applications. Users can also find the details of EGF contact persons in the Member States and links to publications, news and EGF-related events organised by the Commission and the Member States.

2.6.2. Meetings with national authorities and EGF stakeholders

Four meetings (meetings 25 to 28) of the EGF Contact Persons[16] were held online. The meetings were devoted to ongoing cases and planned EGF applications, new features of the 2021-2027 EGF Regulation, sharing best practices from EGF cases and other relevant issues.

No EGF networking seminar was organised either in 2021 or 2022.

2.6.3. Electronic data exchange system (SFC2021)

In 2014, the Commission sought to simplify procedures further by including the EGF in the System for Fund Management in the European Union (SFC2014), which is the system for electronic data exchange with the Member States. Since April 2015, Member States submit EGF applications online through a guided application process and since August 2016 they also submit EGF final reports via SFC2014. Using SFC2014 for the EGF resulted in more accurate and complete applications. It made the collection and processing of data easier and the reporting on EGF results faster. Applying for EGF support through SFC2014 has contributed to reducing the time between an application by a Member State and the European Parliament and the Council adopting the Commission's proposal.

In this reporting period the maintenance of the SFC 2014-2020 modules and the further development required was completed for the closure of 2014-2020 EGF cases.

In 2022, further development of the EGF 2021-2027 interface in SFC2021 was carried out, in particular the new functionalities and adjustments to align SFC2021 with the requirements of the EGF Regulation 2021-2027.

[15] https://ec.europa.eu/social/main.jsp?catId=326&langId=en

[16] Contact Persons are nominated by the authorities of the Member States responsible for the European Globalisation Adjustment Fund for Displaced Workers. It is for each Member State to decide who will represent it.

2.6.4. Commission ex post *evaluation of the EGF 2014 -2020*

In accordance with Article 20 of Regulation (EU) 2021/691, the Commission has carried out an *ex post* evaluation of the EGF. The aim of the evaluation was to assess the effectiveness, sustainability, efficiency, coherence, relevance and EU added value of the EGF. The evaluation covered 49 approved EGF applications (i.e. cases) submitted to the Commission between 2014 and May 2020[17].

On 13 December 2021, the Commission published its conclusions on the *ex post* evaluation of the EGF 2014-2020[18]. These are based on the findings of the external study[19] contracted out by the Commission, and on further evidence gathered and analysed by the Commission from previous reports on and evaluations of the EGF, the experience of Commission staff managing the EGF, knowledge sharing with relevant EGF stakeholders from all Member States and the Commission's internal EGF database which includes data on all the EGF cases since 2007.

The Commission *ex post* evaluation of the EGF 2014-2020 concluded that the EGF has been successful in providing support to, and showing solidarity with, workers, self-employed people, and (in some cases) young people affected by major restructuring events.

In terms of assessing the effectiveness of the EGF, the main finding was an increase in the average re-employment rate of dismissed workers into the job market. This rose from 49% (in 2007-2013) to around 60% (in 2014-2020), ranging from a low of 18% to a high of 94% depending on the case. Beyond re-integration into the labour market, the EGF has produced long-lasting positive effects on beneficiaries' general employability, such as new skills and qualifications, increasing their confidence and teaching them how to use social networks. However, this improvement needs to be taken with caution as the implementation period for 2014-2020 (24-months or longer if the implementation started early) is only partially comparable with the one of the previous programming period 2007-2013[20].

As the EGF is complementary to other EU instruments (notably the European Social Fund), it creates true EU added value by increasing the number and variety of services offered to dismissed workers, and also the level of intensity of those services. It achieves this by offering an additional source of financial support on a case-by-case basis and more targeted, tailored, and individualised support to the very specific target groups it seeks to assist.

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[17] Between 1 January 2014 and 31 December 2020, Member States submitted 59 applications, of which, 54 applications were approved, four were subsequently withdrawn and one was rejected by the Council. Of the seven applications received in 2020, one application (EGF/2020/001 ES/ Galicia ancillary shipbuilding) was covered by the supporting study and the remaining six could not be covered because they were submitted at the end 2020. Figures from the applications received in 2020 are included. However, as the results will only be available in 2023, they could not be analysed at the stage of this *ex post* evaluation.

[18] Commission Staff Working Document accompanied by the Report from the Commission on the *ex post* evaluation of the EGF 2014-2020 (SWD(2021) 381 final, 13.12.2021; COM(2021) 788 final, 13.12.2021).

[19] Study supporting the *ex post* evaluation of the European Globalisation Adjustment Fund 2014-2020

[20] During 2007-2009 the implementation period was 12 months; it was changed from July 2009 onwards, to 24 months.

The 2021-2027 EGF Regulation has taken into account the findings of previous evaluations and assessments, which were confirmed by this evaluation. It has also addressed most of the stakeholders' recommendations in all Member States. The changes in this Regulation were presented in the Report from the Commission to the European Parliament and the Council on the activities of the EGF in 2019 and 2020[21].

[21] COM(2021) 486 final, 20.8.2021.