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DRAFT STATEMENT OF THE COUNCIL'S REASONS

Subject: Position of the Council at first reading with a view to the adoption of a
REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE
COUNCIL on the European Globalisation Adjustment Fund for Displaced
Workers (EGF) and repealing Regulation (EU) No 1309/2013
– Draft Statement of the Council's reasons

I. INTRODUCTION

1. On 30 May 2018, the Commission adopted the proposal for a Regulation of the European Parliament and the Council on the European Globalisation Adjustment Fund¹.
2. The European Globalisation Adjustment Fund is an instrument which supports measures implemented by Member States aiming to improve the skills and employability of workers who lost their jobs.
3. The Committee of the Regions adopted its opinion on 6 December 2018², and the European Economic and Social Committee adopted its opinion on 12 December 2018³.
4. The European Parliament adopted its first-reading position at its plenary session on 16 January 2019.
5. A partial general approach⁴ was reached at the EPSCO Council on 15 March 2019 providing the negotiating framework.
6. The Presidency engaged into informal discussions with the European Parliament in February 2020. After a series of technical meetings and four Political trilogues (4 February, 15 October, 27 October and 16 December) the co-legislators reached a provisional agreement.
7. On 20 January 2021, the Permanent Representatives Committee reached a political agreement⁵ and endorsed the final compromise resulting from the trilogues, subject to technical revision and legal-linguistic review.

¹ ST 9701/18 + ADD 1

² OJ C86, 07.03.2019, p.239-258

³ OJ C110, 22.03.2019, p.82-86

⁴ ST 7624/19

⁵ ST 5043/21 ADD1 - REV1

8. On 27 January 2021, the European Parliament's Committee on Employment and Social Affairs approved the compromise text, subject to technical revision and legal-linguistic review. The same day, the Chair of that Committee sent a letter to the Chair of the Permanent Representatives Committee indicating that, subject to lawyer-linguist verification, she would recommend to the EMPL Committee and the Plenary to adopt Council's position without amendments. The effect of this would be that the proposed act would then be deemed to have been adopted in the wording which corresponds to the position of the Council.

II. OBJECTIVE

9. The objective of the Regulation is to renew the European Globalisation Adjustment Fund for the period of the Multiannual Financial Framework 2021 - 2027 and therefore allowing the Union to fund measures aiming to improve the skills and employability of workers who lost their jobs.

III. ANALYSIS OF THE COUNCIL'S POSITION AT FIRST READING

10. The proposal extends the instruments scope by recognising additional reasons for restructuring as being eligible for support and by setting a much lower eligibility threshold of dismissed workers.
11. The co-financing rate is aligned to the ESF+ while keeping the current co-financing rate of 60% as the minimum.
12. Foresees a Delegated act determining the cases of irregularity to be reported and the data to be provided.
13. Establishes a set of common output and result indicators for EGF applications.

14. Provides for the exceptional cases when the remaining commitment appropriations available in the Fund are not sufficient to cover the assistance deemed necessary, the Commission may postpone the budgetary transfer request until in the following year.
15. Includes a retroactivity clause in order to avoid gaps on funding between the expiration of the current regulation and the entry into force of the new one.

IV. CONCLUSION

16. The Council's first-reading positions for the Regulation reflects the compromise reached in negotiations between the Council and the European Parliament.
17. The Council believes that its first-reading positions constitute a balanced text which fulfils all the objectives of the Regulation.
