



Council of the  
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#### COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	20 April 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2021) 196 final
Subject:	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the Treaty on the Functioning of the European Union concerning the position of the Council on 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.

Delegations will find attached document COM(2021) 196 final.

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Encl.: COM(2021) 196 final



Brussels, 20.4.2021  
COM(2021) 196 final

2018/0202 (COD)

**COMMUNICATION FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT**

**pursuant to Article 294(6) of the Treaty on the Functioning of the European Union**

**concerning the**

**position of the Council on 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.**

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**position of the Council on 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.**

**1. BACKGROUND**

Date of transmission of the proposal to the European Parliament and to the Council (document COM(2018) 380 final – 2018/0202 (COD)) <sup>1</sup>	30 May 2018
Date of the opinion of the European Economic and Social Committee	12 December 2018
Date of the position of the European Parliament, first reading	16 January 2019
Date of Council agreement on a Partial general approach	15 March 2019
Date of the trilogues	4 February 2020 15 October 2020 27 October 2020 16 December 2020
Date of political agreement in the Committee of Permanent Representatives	20 January 2021
Date of adoption of the Council first reading position	19 April 2021
	[...].

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<sup>1</sup> Proposal for a Regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (EGF)

## 2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION

The European Globalisation Adjustment Fund (EGF) is a special instrument outside and above the multiannual financial framework ceilings, which will continue to allow the Union to react to unforeseen circumstances. The EGF is a concrete expression of EU solidarity with European workers who have lost their jobs, as a result of a significant restructuring event. Assistance is offered to displaced workers in the form of a package of personalised measures, aiming at reintegrating them into sustainable employment as quickly as possible. The prime objective of the proposal is to ensure that the European Globalisation Adjustment Fund (EGF) continues to operate beyond 31 December 2020.

The key novelties proposed by the Commission in order to make the fund more effective and responsive were:

- Broader scope of application – in order to enable the fund to react more flexibly to economic developments such as automation, digitalisation, or the transition to a low carbon economy, the scope is broadened; therefore, not the cause of the restructuring event, but its expected impact should trigger the mobilisation of the fund;
- Lower threshold - 250 instead of 500 displacements are required for an application to be submitted;
- More detailed monitoring data - especially on the category of workers (professional and educational background), their employment status and the type of employment found; qualitative data collection by means of a beneficiary survey;
- Dissemination of digital skills – included as a mandatory part of the package of measures offered to the dismissed workers;
- Simplified and quicker mobilisation procedure – only one act (budgetary transfer request) would be necessary. A Commission proposal on the mobilisation would no longer be necessary, as applications would be based on the number of dismissals within a defined reference period as the only intervention criterion;
- Co-financing rate aligned with the highest ESF+ co-financing rate of the Member State concerned – in order to avoid competition between funds.

## 3. COMMENTS ON THE POSITION OF THE COUNCIL

The Council's position reflects the agreement reached in the trilogues. The most important changes introduced compared to the Commission's proposal include:

- *Name of the Fund:* the name is changed to “European Globalisation Adjustment Fund for Displaced Workers (EGF)”. The current abbreviation EGF will be maintained;
- *Intervention criteria:* a further reduction of the threshold to 200 displacements, while keeping the reference periods as in the Commission proposal;
- *Co-financing rate:* on top of the alignment with the highest ESF+ co-financing rate in the respective Member State, a 60% minimum co-financing rate is introduced;
- *Mobilisation procedure:* whilst the Commission proposal provided for a simplified and quicker mobilisation procedure, during the horizontal MFF negotiations co-legislators agreed to retain the current mobilisation procedure. The EGF Regulation was adapted accordingly;

- *Performance management framework:* the long-term result indicator due 18 months after the end of case implementation is deleted. Further, the responsibility to analyse the results of the beneficiary survey is transferred from the respective Member State to the Commission. The Commission's empowerment to change the indicator set by delegated act is deleted;
- *Duration of EGF regulation:* the Commission proposed an unlimited duration for the EGF in line with other special instruments outside and above the ceilings of the Multiannual Financial Framework (MFF). The Council position introduces a time limitation to the MFF period (2021-2027);
- *Collection and processing of data on beneficiaries:* The Interinstitutional Agreement on budgetary discipline of 16 December 2020<sup>2</sup> covers obligations for Member States to collect data in an interoperable way to allow detection of irregularities and fraud, and also requires the Commission to develop and make available to Member States a single-data mining tool for their use. According to the Council position, the use of the single data-mining tool is merely encouraged, allowing Member States to develop their own tools. Since this departs from the Interinstitutional Agreement on budgetary discipline, the Commission issued the statement as presented in the Annex.

The Commission welcomes that the agreement reached generally preserves the overall objectives of the Commission's original proposal. As regards the collection and processing of data on beneficiaries, it issued the statement as presented in the Annex.

#### 4. CONCLUSION

The Commission accepts the position of the Council. Regarding the wording on the use of a single data-mining tool, the Commission considers that the outcome fails to respect the Interinstitutional Agreement and issued a statement in this regard. The statement is annexed.

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<sup>2</sup> Interinstitutional Agreement 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 of 16 December 2020, OJ L 433I , 22.12.2020, p. 28–46.