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**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND  
THE COUNCIL**

**on the activities of the European Globalisation Adjustment Fund in 2013 and 2014**

## FOREWORD BY THE COMMISSIONER



Dear Reader,

I am proud to present to you this report on the achievements of the European Globalisation Adjustment Fund (EGF) in 2013 and 2014. The Fund has undergone a remarkable development since its beginnings in 2007. Today the Fund covers a wide variety of sectors and economic activities and more and more Member States have benefited from its support.

During times when public resources are restricted and the capacity of Public Employment Services across Europe is stretched to its limits, the EGF has provided welcome support to workers falling victim to mass lay-offs caused by globalisation or the crisis. The personalised and targeted assistance given has helped to redirect the redundant labour into new growth and promising sectors.

The results presented in this report demonstrate the added value of the EGF and show that the intensified assistance provided through the EGF, which is often concentrated on the redundant workers with the most difficulties in finding a new job, has paid off, which is illustrated by an impressive re-employment rate of almost 50 % for assisted workers.

The new EGF Regulation adopted by the European Parliament and Council in December 2013 extends the support to include additional often vulnerable labour force segments like temporary staff, the self-employed and by derogation until the end of 2017, young people not in employment, education or training (NEETs) to support the implementation of the Youth Guarantee. The legal framework has been streamlined so the funding can be made available faster on the ground. From 1 April 2015, further efficiency gains are envisaged through the introduction of an online communication platform which Member States will use to submit their electronic EGF applications. These changes bode well for the future role of the EGF in terms of mitigating potential short-term adverse effects in order to harvest the long-term economic and employment benefits of globalisation and to step fully out of the shadows of the economic crisis.

A handwritten signature in blue ink, which appears to be 'M. Thyssen', written on a light blue background.

**Marianne Thyssen**

Commissioner for Employment, Social Affairs, Skills and Labour Mobility

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## 1. INTRODUCTION

The European Globalisation Adjustment Fund (EGF) is intended to provide support to workers made redundant as a result of major structural changes in world trade patterns. The EGF, which was set up by Regulation (EC) No 1927/2006,<sup>1</sup> was designed to reconcile the overall long-term benefits of open trade for growth and employment with the short-term adverse effects which globalisation may have, particularly on the employment of the most vulnerable and lowest-skilled workers. The EGF co-finances active labour market policy measures taken by the Member States to help redundant workers reposition themselves on the labour market and find new jobs. The EGF supplements national labour market measures where sudden collective redundancy processes put the public employment services under extraordinary pressure. It can provide a more personalised and targeted approach to the most vulnerable redundant workers.

To respond more effectively to the global financial and economic crisis, the rules governing the EGF were amended first by Regulation (EC) No 546/2009<sup>2</sup> and, since January 2014, by Regulation (EU) No 1309/2013.<sup>3</sup>

Article 19 of Regulation (EU) No 1309/2013 requires the Commission to present to the European Parliament and to the Council every two years a quantitative and qualitative report on the activities of the EGF in the previous two years. The reports must focus mainly on the results achieved by the EGF, including in particular information on the following:

- applications submitted;
- decisions adopted;
- actions funded, including their complementarity with actions funded by other Union instruments, in particular the European Social Fund (ESF);
- the winding-up of financial contributions made.

The reports should also document requests refused owing to insufficient funds or ineligibility. From the wording of Article 19, it follows that the reports examine actions completed in the reference period rather than following cases during their lifecycle (each section of the report will examine different cases).

## 2. OVERVIEW OF THE ACTIVITIES OF THE EGF IN 2013 AND 2014

In 2013 and 2014, the Commission received 30 applications for contributions from the EGF, totalling EUR 109 million. Details of the applications are given in Section 4.1 and in Table 1.

The budgetary authority took 28 decisions to make use of the EGF in 2013 and 2014, amounting to a total of EUR 114.4 million from the EGF's 2013-2014 budget. Details of the contributions granted are set out in Section 4.2 and in Tables 2 and 3.

The Commission received 34 final reports on the implementation of EGF contributions in 2013-2014. The results are described in Section 4.4 and Table 4. Of the EGF contributions

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<sup>1</sup> Regulation (EC) No 1927/2006 of 20 December 2006 on establishing the European Globalisation Adjustment Fund, OJ L 406, 30.12.2006, p. 1, as corrected by OJ L 48, 22.2.2008, p. 82, for all languages and OJ L 202, 31.7.2008, p. 74, for English only.

<sup>2</sup> Regulation (EC) No 546/2009 of the European Parliament and of the Council of 18 June 2009 amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund, OJ L 167, 29.6.2009.

<sup>3</sup> 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, OJ L 347, 20.12.2013, p. 855.

granted in previous years, 34 were wound up in the reference period (details in Section 4.6.4 and Table 3 of the Annex).

Technical assistance provided at the initiative of the Commission (Article 8(1) of Regulation (EC) No 1927/2006 and Article 11 of Regulation (EU) No 1309/2013) is described in Section 4.6.2 and Table 5.

The 2007-2013 ex-post evaluation was carried out in two phases by an external service provider (more details in Section 4.7.4), which then sent the resulting reports to the Commission.

The Commission submitted its proposal for a future EGF Regulation for 2014-2020 to the European Parliament and the Council in 2011.<sup>4</sup> The proposal was discussed in both institutions and adopted in December 2013, allowing Member States to apply for EGF co-funding under the new rules from January 2014 onwards (more details in Section 4.5).

### **3. FOLLOW-UP TO THE 2012 ANNUAL REPORT ON THE ACTIVITIES OF THE EGF**

From 1 May 2009, a temporary ‘crisis derogation’ was available, allowing Member States to cite the financial and economic crisis as ground for an application to the EGF. The derogation lapsed after 31 December 2011 as no agreement was reached in Council to extend it. Therefore, for the remaining period of the original EGF Regulation, i.e. up to 31 December 2013, applications for EGF support could not be justified on the grounds of the financial and economic crisis, but only on grounds of structural changes in world trade patterns. At the same time, the co-funding rate reverted to the original 50% of total eligible costs.

Under the new Regulation for 2014-2020, a financial and economic crisis can once again be cited as grounds for an EGF application. Another important change under the new Regulation is the inclusion of new categories of beneficiaries, such as temporary and agency workers, self-employed workers and — until the end of 2017 — young people not in employment, education or training (NEETs).

### **4. ANALYSIS OF THE ACTIVITIES OF THE EGF IN 2013 AND 2014**

#### **4.1. Applications received**

In 2013 and 2014, the Commission received 30 EGF applications<sup>5</sup> (see Table 1). These were submitted by 10 Member States (Belgium, Germany, Ireland, Finland, France, Greece, Italy, the Netherlands, Poland and Spain). The applications, which requested a total of EUR 108 733 976 from the EGF, targeted 28 390 workers made redundant as a result of structural changes in world trade patterns due to globalisation or the economic and financial crisis. All 10 Member States had previously applied for EGF funding.

The 2013 applications were covered by Regulation (EC) No 546/2009, which allowed for a 50% co-funding rate and no use of the ‘crisis’ criterion. The 2014 applications, on the other hand, were covered by Regulation (EU) No 1309/2013, which allows for a 60% co-funding rate and the possibility to use the global financial and economic crisis as an intervention criterion.

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<sup>4</sup> COM(2011) 608 final, 6.10.2011.

<sup>5</sup> A withdrawn application, EGF/2012/009 BE/Carsid, was reintroduced on 2 April 2013 in a revised form.

Table 1 — Applications received in 2013 and 2014

EGF Ref.	Member State	Case	Sector	Date of application	Art. 2/4(1)	Art. 1 Trade / Crisis	National contribution (in €)	Requested EGF contribution (in €)	Workers targeted	EGF amount / worker (in €)	
EGF/2013/001	FI	Nokia	Mobile phones	1/2/2013	a	Trade	9 809 999	9 810 000	3 719	2 638	
EGF/2013/002	BE	Carsid	Basic metals	2/4/2013	a	Trade	911 934	911 934	752	1 213	
EGF/2013/003	DE	First Solar	Machinery and Equipment	12/4/2013	a	Trade	2 305 357	2 305 357	875	2 635	
EGF/2013/004	ES	Comunidad Valenciana materiales de construcción	Building materials	22/5/2013	b	Trade	840 000	840 000	300	2 800	
EGF/2013/006	PL	Fiat Auto Poland	Automotive	29/7/2013	a	Trade	1 259 609	1 259 610	777	1 621	
EGF/2013/007	BE	Hainaut Steel	Basic metals	27/9/2013	b	Trade	981 955	981 956	701	1 401	
EGF/2013/008	ES	Valencia textiles	Textiles	8/10/2013	b	Trade	839 999	840 000	300	2 800	
EGF/2013/009	PL	Zachem	Chemicals	9/10/2013	a	Trade	115 204	115 205	100	1 152	
EGF/2013/010	ES	Castilla y León	Carpentry and joinery	5/12/2013	b	Trade	700 000	700 000	587	1 193	
EGF/2013/011	BE	Saint-Gobain Sekurit	Glass	19/12/2013	c	Trade	1 339 928	1 339 928	257	5 214	
EGF/2013/012	BE	Ford Genk	Automotive	23/12/2013	c	Trade	570 945	570 945	479	1 192	
EGF/2013/014	FR	Air France	Air transport	20/12/2013	a	Trade	25 937 813	25 937 813	3 886	6 675	
EGF/2014/001	EL	Nutriart	Food products	5/2/2014	a	Crisis	4 064 000	6 096 000	1 013	6 018	
EGF/2014/002	NL	Gelderland and Overijssel	Construction of buildings	20/2/2014	b	Crisis	1 083 854	1 625 781	475	3 423	
EGF/2014/003	ES	Aragon	Food and beverage service activities	21/2/2014	b	Crisis	640 000	960 000	280	3 429	
EGF/2014/004	ES	Comunidad Valenciana metal	Metalworking industry	25/3/2014	b	Crisis	679 456	1 019 184	300	3 397	
EGF/2014/005	FR	GAD	Slaughterhouse	6/6/2014	a	Crisis	612 000	918 000	760	1 208	
EGF/2014/006	FR	PSA	Automotive	25/4/2014	a	Trade	8 469 737	12 704 605	2 357	5 390	
EGF/2014/007	IE	Andersen Ireland	Jewellery	16/5/2014	c	Trade	1 000 800	1 501 200	276	5 439	
EGF/2014/008	FI	STX Rauma	Shipbuilding	27/5/2014	a	Trade	951 200	1 426 800	565	2 525	
EGF/2014/009	EL	Sprider Stores	Retail trade	6/6/2014	a	Crisis	4 860 600	7 290 900	1 311	5 561	
EGF/2014/010	IT	Whirlpool	Domestic appliances	18/6/2014	a	Crisis	1 260 000	1 890 000	608	3 109	
EGF/2014/011	BE	Caterpillar	Machinery and equipment	22/7/2014	a	Trade	815 236	1 222 854	630	1 941	
EGF/2014/012	BE	ArcelorMittal	Basic metals	22/7/2014	a	Trade	1 060 991	1 591 486	910	1 749	
EGF/2014/013	EL	Odyssefs Fokas	Retail trade	29/7/2014	a	Crisis	4 296 000	6 444 000	1 100	5 858	
EGF/2014/014	DE	Aleo Solar	Manufacture of computer, electronic and optical products	29/7/2014	a	Trade	729 840	1 094 760	476	2 300	
EGF/2014/015	EL	Attica Publishing Services	Information and communication	4/9/2014	b	Crisis	2 497 800	3 746 700	705	5 314	
EGF/2014/016	IE	Lufthansa Technik	Repair and installation of machinery and equipment	19/9/2014	c	Trade	1 660 506	2 490 758	450	5 535	
EGF/2014/017	FR	Mory-Ducros	Transport, warehouse	6/10/2014	a	Crisis	4 034 800	6 052 200	2 513	2 408	
EGF/2014/018	EL	Attica Broadcasting	Programming and broadcasting activities	4/9/2014	b	Crisis	3 364 000	5 046 000	928	5 438	
<b>Total applications received in 2013-2014: 30</b>											
							average figures	2 923 119	3 624 466	946	3 352

Data as of 31/12/2014

#### *4.1.1. Applications received by sector*

The 30 applications received during the period under review related to a broad range of sectors (24).<sup>6</sup> EGF applications were submitted for the first time for 10 sectors. The sectors concerned were: — food products, slaughterhouses, chemicals, glass, manufacture of computer, electronic and optical products, jewellery, transport/warehouse, air transport, food and beverage services, programming and broadcasting, repair and installation of machinery and equipment, and information and communication.

#### *4.1.2. Applications received by amount requested*

Every Member State applying for EGF support must design a coordinated package of measures that best fits the targeted workers' profiles, and decide on the amount of assistance to request. The EGF Regulation sets out the maximum Commission co-financing rate for EGF cases.<sup>7</sup> The Commission's assessment of an application may raise issues prompting a Member State to revise the proposed package of personalised services, thereby affecting the amount requested.

The EGF contributions requested in 2013 and 2014 ranged from EUR 115 205 to EUR 25 937 813 (average EUR 3 624 466).

#### *4.1.3. Applications received by number of workers targeted for assistance*

The total number of workers targeted by the measures proposed for co-financing by the EGF was 28 390, which is around 76 % of the total number of around 37 000 redundancies declared by the 10 Member States in the 30 applications submitted.

The numbers of targeted workers ranged from 50 to 3 886, with four applications targeting more than 1 000 and 11 applications targeting fewer than 500 workers. The number of workers made redundant and the number targeted for EGF support can differ, because the applicant Member State may decide to focus the EGF assistance only on specific groups of workers, such as those facing exceptional difficulties in staying in the labour market and/or those most in need of assistance. Some of the affected workers may receive assistance outside the EGF, while others may find new jobs on their own or may decide to take early retirement, which means that they would not be targeted for EGF measures.

#### *4.1.4. Applications received by amount requested per worker*

The package of individualised services that Member States may propose for the redundant workers concerned is at their discretion, as long as it is within the terms of the Regulation. The amount requested per worker affected can therefore vary according to the severity of the lay-offs, the situation of the labour market affected, the individual circumstances of the workers targeted, the measures already provided by the Member State, and the cost of providing the services in the Member State or region concerned. This explains why the amounts of EGF support proposed per worker in 2013 and 2014 varied from about EUR 1 152 to slightly above EUR 6 675, with an average of EUR 3 352 per worker.

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<sup>6</sup> Automotive (3), Basic metals (3), Machinery and equipment (2), Retail trade (2), Mobile phones (1), Building materials (1), Textiles (1), Carpentry and joinery (1), Air Transport (1), Food products (1), Construction of buildings (1), Food and beverage service activities (1), Metalworking industry (1), Slaughterhouse (1), Jewellery (1), Shipbuilding (1), Domestic appliances (1), Information and communication (1), Repair and installation of machinery and equipment (1), Programme and Broadcasting activities (1), Chemicals (1), Glass (1), Manufacture of computer, electronic and optical products (1) and Transport/warehouse (1).

<sup>7</sup> The maximum co-financing rate for applications presented in 2013 was 50 % whereas for those presented in 2014 it was 60 %.

#### *4.1.5. Applications received by intervention criterion*

In the period under review, 19 applications were to support workers made redundant owing to major structural changes in world trade patterns due to globalisation, while 11 applications were to support workers made redundant due to the economic and financial crisis. Four of the trade-related applications were justified by exceptional circumstances.

#### **4.2. Contributions granted**

In 2013 and 2014, the budgetary authority took 28 decisions to make EGF funding available for active labour market policy measures in response to Member State applications. See Tables 2 and 3 for an overview of the contributions granted and a profile of the workers concerned. Of these, nine concerned applications made in 2013 and 11 concerned applications made in 2014. A further eight related to applications received in 2011 (4) and 2012 (4). For the four applications submitted in 2011, the higher co-funding rate of 65 % in response to the crisis applied. For the 13 applications submitted in 2012 and 2013, the co-funding rate was 50 %, and the remaining 11 applications made in 2014 had a 60 % co-financing rate.

The 28 contributions granted targeted 27 610 redundant workers in 13 Member States, with a total of EUR 114 427 463 paid from the EGF.



Table 2 — Details of contributions granted in 2013--2014

EGF Ref.	Member State	Regulation	Case	Sector	Date of application	Art. 2 /4(1)	Art. 1 Trade / Crisis	National contribution (in €)	Contribution granted (in €)	Workers targeted	EGF amount / worker (in €)	Date of signature by Budgetary Authority	Date of payment (Bank transfer)
EGF/2011/010	AT	Amended	Austria Tabak	Tobacco products	20/12/2011	Sept. Cir	Trade	2 122 615	3 941 999	270	14 600	21/05/2013	01/07/2013
EGF/2011/016	IT	Amended	Agile	ICT services	30/12/2011	a	Crisis	1 986 640	3 689 474	856	4 310	21/05/2013	01/07/2013
EGF/2011/023	IT	Amended	Antonio Merloni	Domestic appliances	29/12/2011	a	Crisis	2 712 490	5 037 481	1 517	3 321	21/05/2013	01/07/2013
EGF/2011/025	IT	Amended	Lombardia	Electronic equipment	30/12/2011	b	Crisis	627 270	1 164 930	480	2 427	09/10/2013	06/12/2013
EGF/2012/007	IT	2012	VDC Technologies	Consumer electronics	31/08/2012	a	Trade	3 010 984	3 010 985	1 146	2 627	16/04/2014	02/06/2014
EGF/2012/008	IT	2012	De Tomaso	Automotive	05/11/2012	a	Trade	2 594 672	2 594 672	1 010	2 569	09/10/2013	08/11/2013
EGF/2012/010	RO	2012	Mechel	Basic metals	21/12/2012	a	Trade	3 571 149	3 571 150	1 000	3 571	25/09/2014	29/10/2014
EGF/2012/011	DK	2012	Vestas	Machinery and Equipment	21/12/2012	a	Trade	6 364 644	6 364 643	611	10 417	11/12/2013	19/02/2014
EGF/2013/001	FI	2012	Nokia	Mobile phones	01/02/2013	a	Trade	9 809 999	9 810 000	3 719	2 638	11/12/2013	18/02/2014
EGF/2013/002	BE	2012	Carsid	Basic metals	02/04/2013	a	Trade	911 934	911 934	752	1 213	22/10/2014	25/11/2014
EGF/2013/003	DE	2012	First Solar	Machinery and Equipment	12/04/2013	a	Trade	2 305 357	2 305 357	875	2 635	11/12/2013	18/02/2014
EGF/2013/004	ES	2012	lad Valenciana materiales de cons	Building materials	22/05/2013	b	Trade	840 000	840 000	300	2 800	20/11/2013	06/12/2013
EGF/2013/006	PL	2013	Fiat Auto Poland	Automotive	29/07/2013	a	Trade	1 259 609	1 259 610	777	1 621	17/12/2014	04/03/2015
EGF/2013/008	ES	2012	Valencia textiles	Textiles	08/10/2013	b	Trade	839 999	840 000	300	2 800	11/03/2014	11/04/2014
EGF/2013/010	ES	2012	Castilla y León	Carpentry and joinery	05/12/2013	b	Trade	700 000	700 000	587	1 193	22/10/2014	26/11/2014
EGF/2013/012	BE	2012	Ford Genk	Automotive	23/12/2013	c	Trade	570 945	570 945	479	1 192	22/10/2014	25/11/2014
EGF/2013/014	FR	2012	Air France	Air transport	20/12/2013	a	Trade	25 937 813	25 937 813	3 886	6 675	17/12/2014	25/02/2015
EGF/2014/001	EL	2014-2020	Nutriart	Food products	05/02/2014	a	Crisis	4 064 000	6 096 000	1 013	6 018	25/09/2014	06/10/2014
EGF/2014/002	NL	2014-2020	Gelderland and Overijssel	Construction of buildings	20/02/2014	b	Crisis	1 083 854	1 625 781	475	3 423	22/10/2014	28/10/2014
EGF/2014/003	ES	2014-2020	Aragon	Food and beverage service activities	21/02/2014	b	Crisis	640 000	960 000	280	3 429	22/10/2014	29/10/2014
EGF/2014/004	ES	2014-2020	Comunidad Valenciana metal	Metalworking industry	25/03/2014	b	Crisis	679 456	1 019 184	300	3 397	22/10/2014	29/10/2014
EGF/2014/005	FR	2014-2020	GAD	Slaughterhouse	06/06/2014	a	Crisis	612 000	918 000	760	1 208	26/11/2014	16/12/2014
EGF/2014/006	FR	2014-2020	PSA	Automotive	25/04/2014	a	Trade	8 469 737	12 704 605	2 357	5 390	22/10/2014	05/11/2014
EGF/2014/007	IE	2014-2020	Andersen Ireland	Jewellery	16/05/2014	c	Trade	1 000 800	1 501 200	276	5 439	26/11/2014	16/12/2014
EGF/2014/008	FI	2014-2020	STX Rauma	Shipbuilding	27/05/2014	a	Trade	951 200	1 426 800	565	2 525	26/11/2014	16/12/2014
EGF/2014/009	EL	2014-2020	Sprider Stores	Retail trade	06/06/2014	a	Crisis	4 860 600	7 290 900	1 311	5 561	26/11/2014	16/12/2014
EGF/2014/010	IT	2014-2020	Whirlpool	Domestic appliances	18/06/2014	a	Crisis	1 260 000	1 890 000	608	3 109	17/12/2014	25/02/2015
EGF/2014/013	EL	2014-2020	Odyssefs Fokas	Retail trade	29/07/2014	a	Crisis	4 296 000	6 444 000	1 100	5 858	17/12/2014	25/02/2015
<b>Total decisions and payments from the 2013-14 budget: 28</b>								<b>94 083 766</b>	<b>114 427 463</b>	<b>27 610</b>			
						a = 18 b = 7 ce = 3	Trade = 17 Crisis = 11	3 360 134	4 086 695	986	3 999	average figures	

Table 3 — EGF contributions granted in 2013 and 2014: Profile of workers (excluding NEETs)<sup>8</sup>

EGF Ref.	Member State	Case	Workers dismissed	Workers targeted	% workers targeted / workers dismissed	Men targeted	Women targeted	EU Citizens targeted	Non-EU Citizens targeted	Age 15-24 targeted	Age 25-54 targeted	Age 55-64 targeted	Age >64 targeted	Disabled & handicapped targeted									
EGF/2011/010	AT	Austria Tabak	320	270	84%	225	83%	45	17%	253	94%	17	6%	47	17%	199	74%	24	9%	0	0%	0	0.0%
EGF/2011/016	IT	Agile	1 257	856	68%	531	62%	325	38%	762	89%	94	11%	9	1%	627	73%	211	25%	9	1%	43	5.0%
EGF/2011/023	IT	Antonio Merloni	1 517	1 517	100%	1 063	70%	454	30%	1 450	96%	67	4%	0	0%	1 322	87%	193	13%	2	0%	0	0.0%
EGF/2011/025	IT	Lombardia	529	480	91%	290	60%	190	40%	473	99%	7	1%	0	0%	450	94%	22	5%	8	2%	0	0.0%
EGF/2012/007	IT	VDC Technologies	1 164	1 146	98%	1 057	92%	89	8%	1 145	100%	1	0%	0	0%	713	62%	432	38%	1	0%	69	6.0%
EGF/2012/008	IT	De Tomaso	1 030	1 010	98%	890	88%	120	12%	978	97%	32	3%	0	0%	898	89%	112	11%	0	0%	7	0.7%
EGF/2012/010	RO	Mechel	1 513	1 000	66%	728	73%	272	27%	999	100%	1	0%	9	1%	879	88%	112	11%	0	0%	4	0.4%
EGF/2012/011	DK	Vestas	611	611	100%	394	64%	217	36%	596	98%	15	2%	2	0%	518	85%	88	14%	3	0%	N/A	-
EGF/2013/001	FI	Nokia	4 509	3 719	82%	2 338	63%	1 381	37%	3 525	95%	194	5%	30	1%	3 302	89%	385	10%	2	0%	38	1.0%
EGF/2013/002	BE	Carsid	939	752	80%	740	98%	12	2%	723	96%	29	4%	0	0%	595	79%	157	21%	0	0%	0	0.0%
EGF/2013/003	DE	First Solar	1 244	875	70%	667	76%	208	24%	871	100%	4	0%	36	4%	723	83%	116	13%	0	0%	45	5.1%
EGF/2013/004	ES	dad Valenciana materiales de cons	630	300	48%	267	89%	33	11%	290	97%	10	3%	2	1%	243	81%	55	18%	0	0%	0	0.0%
EGF/2013/008	ES	Valencia textiles	560	300	54%	172	57%	128	43%	294	98%	6	2%	5	2%	235	78%	60	20%	0	0%	0	0.0%
EGF/2013/006	PL	Fiat Auto Poland	1 079	777	72%	602	77%	175	23%	777	100%	0	0%	19	2%	613	79%	145	19%	0	0%	0	0.0%
EGF/2013/010	ES	Castilla y León	587	587	100%	457	78%	130	22%	587	100%	0	0%	3	1%	426	73%	142	24%	16	3%	17	2.9%
EGF/2013/012	BE	Ford Genk	512	479	94%	401	84%	78	16%	479	100%	0	0%	3	1%	470	98%	6	1%	0	0%	7	1.5%
EGF/2013/014	FR	Air France	5 213	3 886	75%	2 322	60%	1 564	40%	3 879	100%	7	0%	1	0%	1 206	31%	2 679	69%	0	0%	0	0.0%
EGF/2014/001	EL	Nutriart	508	508	100%	337	66%	171	34%	501	99%	7	1%	1	0%	466	92%	41	8%	0	0%	0	0.0%
EGF/2014/002	NL	Gelderland and Overijssel	562	475	85%	440	93%	35	7%	475	100%	0	0%	15	3%	356	75%	104	22%	0	0%	0	0.0%
EGF/2014/003	ES	Aragon	904	280	31%	97	35%	183	65%	174	62%	106	38%	26	9%	232	83%	22	8%	0	0%	0	0.0%
EGF/2014/004	ES	Comunidad Valenciana metal	633	300	47%	258	86%	42	14%	296	99%	4	1%	9	3%	276	92%	15	5%	0	0%	0	0.0%
EGF/2014/005	FR	GAD	760	760	100%	487	64%	273	36%	760	100%	0	0%	6	1%	620	82%	133	18%	1	0%	0	0.0%
EGF/2014/006	FR	PSA	6 120	2 357	39%	1 896	80%	461	20%	2 135	91%	222	9%	2	0%	968	41%	1 387	59%	0	0%	0	0.0%
EGF/2014/007	IE	Andersen Ireland	171	138	81%	36	26%	102	74%	137	99%	1	1%	1	1%	126	91%	11	8%	0	0%	0	0.0%
EGF/2014/008	FI	STX Rauma	634	565	89%	496	88%	69	12%	565	100%	0	0%	7	1%	322	57%	234	41%	2	0%	0	0.0%
EGF/2014/009	EL	Sprider Stores	761	761	100%	112	15%	649	85%	761	100%	0	0%	37	5%	720	95%	4	1%	0	0%	0	0.0%
EGF/2014/010	IT	Whirlpool	608	608	100%	422	69%	186	31%	506	83%	102	17%	32	5%	514	85%	62	10%	0	0%	0	0.0%
EGF/2014/013	EL	Odyssefs Fokas	600	600	100%	65	11%	535	89%	592	99%	8	1%	6	1%	554	92%	39	7%	1	0%	0	0.0%
<b>Total decisions and payments from the 2013-2014 budget: 28</b>			<b>35 475</b>	<b>25 917</b>	<b>73%</b>	<b>17 790</b>	<b>69%</b>	<b>8 127</b>	<b>31%</b>	<b>24 983</b>	<b>96%</b>	<b>934</b>	<b>4%</b>	<b>308</b>	<b>1%</b>	<b>18 573</b>	<b>71.7%</b>	<b>6 991</b>	<b>27.0%</b>	<b>45</b>	<b>0.2%</b>	<b>230</b>	<b>0.9%</b>
						25 917			25 917			25 917											
- workers 65+ may have been included by some MS in the '55-64' age group														Data as of 31/12/2014									
- where the number of people with a health problem or a disability is high, the dismissing enterprise/s may have had a policy of employing people with disabilities																							

<sup>8</sup> An additional Proposal, EGF/2012/004 ES/Grupo Santana was adopted in the reference period, but as the case was later withdrawn by ES, the case is excluded from reporting

#### 4.2.1. *Actions funded with EGF assistance*

Under Article 3 of Regulation (EC) No 1927/2006 and Article 7 of Regulation (EU) No 1309/2013, the EGF can co-finance active labour market measures aiming to help redundant workers back into employment. In addition, the Regulations state that the EGF may finance a Member State's implementing activities, i.e. the preparatory, management, information, publicity and control activities for use of the funding.

The measures approved for the 28 EGF contributions granted in 2013 and 2014 aimed to reintegrate 27 610 redundant workers into the labour market. The measures consisted mainly of the following:

- intensive personalised job search assistance and case management;
- a variety of vocational training, upskilling and retraining measures;
- various temporary financial incentives/allowances for the duration of the active support measures up to when the workers actually went back into employment;
- some mentoring during the initial phase in the new job;
- other types of activities, such as entrepreneurship promotion/business creation, and one-off employment/hiring incentives.

When designing their support packages, Member States took into account the backgrounds, experiences and educational levels of the individual workers, their ability to be mobile and the current or expected job opportunities in the regions concerned.

#### 4.2.2. *Complementarity with actions funded by the Structural Funds, notably the European Social Fund (ESF)*

The EGF is designed to increase employability and ensure the rapid reintegration of redundant workers into employment through active labour market measures, thus complementing the ESF, which is the major EU instrument for promoting employment. Generally, the complementarity of the two funds lies in their ability to address these issues from two different time perspectives: the EGF provides tailor-made assistance to redundant workers in response to a specific, large-scale mass redundancy whereas the ESF supports strategic, long-term goals (e.g. increasing human capital, managing change) through multiannual programmes, whose resources cannot normally be reallocated to deal with crisis situations caused by mass redundancies. EGF and ESF measures are sometimes used to complement each other to provide both short-term and longer-term solutions. The decisive criterion is the potential of the available instruments to help workers, and it is up to Member States to select — and to programme — the instruments and actions best suited to achieving the objectives pursued.

The content of the 'coordinated package of personalised services' to be co-funded by the EGF should be **balanced** with other actions and **complement** them. The measures co-funded by the EGF can go well beyond standard courses and actions. Practice has shown that the EGF allows Member States to offer redundant workers better tailor-made and more in-depth assistance than would be possible without it, including measures to which they would not normally have access (e.g. second- or third-level education). The EGF allows Member States to pay particular attention to vulnerable people, such as the lower-skilled or those with a migrant background, and to provide support with a better counsellor-worker ratio and/or over a longer period of time than would be possible without the EGF. This serves to increase the workers' prospects of improving their situation. By way of derogation until the end of 2017, the new EGF Regulation allows Member States to extend the support to cover young people

not in employment, education or training (NEETs) in regions of high youth unemployment. The aim is to support the implementation of the Youth Guarantee, which was endorsed by Council in April 2013.<sup>9</sup>

All Member States must put in place the necessary mechanisms to avoid any risk of double funding from EU financial instruments, as required by Article 6(5) of Regulation (EC) No 1927/2006 and Article 9(5) of Regulation (EU) No 1309/2013.

#### **4.3. Cases not meeting the conditions for a financial contribution from the EGF**

Neither the Commission nor the budgetary authority rejected any application submitted by the Member States for EGF funding.

#### **4.4. Results achieved by the EGF**

The main sources of information on the results achieved by the EGF are the final reports presented by the Member States under Article 15 of Regulation (EC) No 1927/2006 and Article 19 of Regulation (EU) No 1309/2013. These are supplemented by information shared by Member States in direct contacts with the Commission and during meetings and conferences.

By the end of 2014, the Commission had received final reports for 34 EGF co-funded cases implemented by 13 Member States up to the middle of 2014.<sup>10</sup>

The main results and data reported by these Member States in 2013 and 2014 are summarised in this section and in Table 4 below. The 13 of the 34 cases were also covered by the EGF ex-post evaluation. The objective of the ex-post evaluation is to measure the EGF's added value and its impact on workers made redundant and labour markets (see Section 4.7.4).

By 31 December 2014, the Commission had received final reports for 91 EGF cases, representing 68 % of the total number of applications received up to that date (134).

Based on the information in the Member States' final reports, we can conclude that the EGF adds value to what the Member States could otherwise do to help redundant workers find new jobs and reposition themselves on the labour market. The EGF allows Member States to provide better quality measures for more redundant workers and for longer than would be possible without EGF funding.

##### *4.4.1. Summary of the results and good practices reported in 2013 and 2014*

The final reports presented by the 13 Member States showed that at the end of the EGF implementation period, 7 656 workers, or 44.9 % of the 18 848 workers who received EGF assistance, had found new jobs or were self-employed. This is a good result, particularly as the workers supported by EGF co-funded measures are usually among those facing the greatest difficulties on the labour market. Approximately 6 % were still in education or training and 39.1 % were unemployed or inactive for personal reasons. Table 4 provides more detail.

As in 2012, the results in terms of reintegration into work were influenced by the reduced absorption capacities of local and regional labour markets in the aftermath of the global economic and financial crisis. However, the reintegration rate recorded at the end of the respective implementation periods merely provides a snapshot of the workers' employment situation at the moment the data were collected. It does not give any information on the type

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<sup>9</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee. The number of NEETs supported by the EGF must not exceed the number of targeted beneficiaries.

<sup>10</sup> Final reports are to be submitted six months after the end of implementation.

of employment and the quality of the work that has been found, which can in any case change significantly in a short space of time. According to information received from several Member States, reintegration rates tend to rise just a few months after submission of the final reports and increase further in the medium term, especially in cases where workers continue to receive the tailor-made assistance beyond the EGF period, at the Member States' own expense or with the help of the ESF. This shows that the EGF co-funded support can have an additional positive impact in the longer run.

#### 4.4.2. *Qualitative assessment*

The support packages which the 13 Member States provided to workers made redundant included a wide range of personalised job search, outplacement and (re)qualification measures. The highest amounts were spent on two categories of measures: *training and retraining* (about EUR 56.5 million, or 32 % of the total personalised services for all 34 cases) and *financial allowances* paid to the workers while they were pursuing active labour market policy measures (about EUR 68.5 million, or 38.8 % of the total personalised services for all 34 cases). Since the 2013 EGF Regulation entered into force, allowances have been limited to a maximum of 35 % of the overall costs. Individual guidance and promotion of entrepreneurship were other frequently used measures.

The qualification and training programmes were tailored to the needs and wishes of the workers while taking into account the requirements of the local or regional labour markets and the future potential of promising sectors.

The ex-post evaluation published in May 2014<sup>11</sup> indicates that the EGF made a positive contribution to addressing significant social and labour market problems resulting from large-scale redundancy procedures. The EGF enabled the Member States to act more decisively in areas affected by redundancies than would have been possible without EGF funding, in terms of the number of people assisted and the scope, duration and quality of support. The evaluation also points out that the intensive and tailor-made assistance provided through the EGF tends to lead to better re-employment outcomes than standardised packages provided through national active labour market policy measures. Besides facilitating more intensive support packages for redundant workers, in some countries the EGF also enabled national authorities to reach out to workers and support measures that would otherwise have been impossible, feeding into the development of policies on restructuring, active labour market and vocational training.

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<sup>11</sup> European Commission: Ex-post evaluation of the European Globalisation Adjustment Fund (first phase).

Table 4 — Final reports received in 2013 and 2014 — overview of results

EGF Ref.	EGF/2010/017	EGF/2010/022	EGF/2010/025	EGF/2010/026	EGF/2010/027	EGF/2010/028	EGF/2010/029	EGF/2010/030	EGF/2010/031	EGF/2011/001	EGF/2011/002	EGF/2011/003	EGF/2011/004
Case	Midtjylland Machinery	LM Glasfiber	Odense Steel Shipyard	Rohde	N Brabant	Overijssel	Zuid Holland and Utrecht	Noord Holland and Flevoland	General Motors Belgium	Nieder- and Oberösterreich	Trentino Alto Adige	Arnsberg and Düsseldorf Automotive	ALDI Hellas
Member State	DK	DK	DK	PT	NL	NL	NL	NL	BE	AT	IT	DE	EL
Sector (short denomination)	Machinery and Equipment	Machinery and Equipment	Shipbuilding	Shoe manufacture	Printing industry	Printing industry	Printing industry	Printing industry	Automotive	Road transport	Construction of buildings	Automotive	Retail trade
Date of application	11/05/2010	07/07/2010	06/10/2010	26/11/2010	20/12/2010	20/12/2010	20/12/2010	20/12/2010	20/12/2010	03/01/2011	07/02/2011	09/02/2011	10/05/2011
Workers dismissed	813	1 650	1 184	974	199	214	800	551	2 834	2 338	643	778	642
Workers targeted	325	825	950	680	199	214	800	551	2 834	502	528	778	642
Starting date of measures	11/08/2010	01/08/2010	01/10/2010	20/05/2010	16/01/2010	16/01/2010	16/01/2010	16/01/2010	14/06/2010	01/02/2011	01/05/2011	01/03/2010	01/07/2011
End date of measures	11/08/2012	01/08/2012	06/10/2012	26/11/2012	20/12/2012	20/12/2012	20/12/2012	20/12/2012	20/12/2012	01/02/2013	01/05/2013	09/02/2013	01/07/2013
Deadline for Final Report	11/02/2013	01/02/2013	06/04/2013	26/05/2013	20/06/2013	20/06/2013	20/06/2013	20/06/2013	20/06/2013	01/08/2013	01/11/2013	09/08/2013	01/01/2014
Case wound up by 31/12/2014? (Art. 15(2) of the EGF Regulation)	Yes	Yes	Yes	No	Yes	No	No	No	No	Yes	No	No	No
<b>RESULTS AT THE END OF THE EGF IMPLEMENTATION PERIOD, BASED ON MEMBER STATES' FINAL REPORTS :</b>													
<b>Workers assisted</b>	<b>152</b>	<b>401</b>	<b>568</b>	<b>616</b>	<b>146</b>	<b>188</b>	<b>626</b>	<b>477</b>	<b>2 832</b>	<b>134</b>	<b>160</b>	<b>761</b>	<b>464</b>
% of targeted workers	46.8%	48.6%	59.8%	90.6%	73.4%	87.9%	78.3%	86.6%	99.9%	26.7%	30.3%	97.8%	72.3%
<b>Labour market status of the workers assisted by the EGF contribution</b> (the labour market status of the workers provided in this table reflects normally the situation at the end of the implementation period; however, in some cases, the data given shows the situation a few months later)													
<b>No. of workers re-integrated at end of EGF implementation period</b>	<b>91</b>	<b>119</b>	<b>238</b>	<b>274</b>	<b>107</b>	<b>132</b>	<b>415</b>	<b>314</b>	<b>0</b>	<b>59</b>	<b>34</b>	<b>432</b>	<b>240</b>
in %	59.9%	29.7%	41.9%	44.5%	73.3%	70.2%	66.3%	65.8%	0.0%	44.0%	21.3%	56.8%	51.7%
<i>out of which:</i>													
<i>as dependent employees</i>	<b>89</b>	<b>109</b>	<b>191</b>	<b>267</b>	<b>91</b>	<b>124</b>	<b>382</b>	<b>290</b>		<b>57</b>	<b>32</b>	<b>414</b>	<b>230</b>
<i>as self-employed</i>	<b>2</b>	<b>10</b>	<b>47</b>	<b>7</b>	<b>16</b>	<b>8</b>	<b>33</b>	<b>24</b>		<b>2</b>	<b>2</b>	<b>18</b>	<b>10</b>
<b>Workers in education/training</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>41</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>2</b>	<b>0</b>	<b>12</b>	<b>0</b>
in %	3.3%	1.7%	2.1%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.0%	1.6%	0.0%
<b>Workers unemployed or inactive (*) (various reasons)</b>	<b>56</b>	<b>275</b>	<b>318</b>	<b>253</b>	<b>39</b>	<b>56</b>	<b>211</b>	<b>163</b>		<b>73</b>	<b>126</b>	<b>317</b>	<b>224</b>
in %	36.8%	68.6%	56.0%	41.1%	26.7%	29.8%	33.7%	34.2%	0.0%	54.5%	78.8%	41.7%	48.3%
<b>Workers' status N/A</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>48</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2 832</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
in %	0.0%	0.0%	0.0%	7.8%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(\*) 'inactive' can mean that people are not available for the labour market any longer for different personal reasons, such as start of pension etc.

EGF Ref.	EGF/2011/005	EGF/2011/006	EGF/2011/008	EGF/2011/009	EGF/2011/010	EGF/2011/011	EGF/2011/013	EGF/2011/014	EGF/2011/015	EGF/2011/016	EGF/2011/017	EGF/2011/018	EGF/2011/019
Case	Norte-Centro Automotive	Comunidad Valenciana Construction	Odense Steel Shipyard 2	Gelderland Construction 41	Austria Tabak	Soziale Dienstleistungen	Flextronics	Nokia	AstraZeneca	Agile	Aragon	País Vasco metal	Galicia metal
Member State	PT	ES	DK	NL	AT	AT	DK	RO	SE	IT	ES	ES	ES
Sector (short denomination)	Automotive	Construction of buildings	Shipbuilding	Construction of buildings	Tobacco products	Social work activities (mobile)	Electronic equipment	Mobile phones	Pharmaceuticals	ICT services	Construction of buildings	Metalworking industry	Metalworking industry
Date of application	06/06/2011	01/07/2011	28/10/2011	15/12/2011	20/12/2011	21/12/2011	21/12/2011	22/12/2011	23/12/2011	30/12/2011	28/12/2011	28/12/2011	28/12/2011
Workers dismissed	726	1 138	999	516	320	1 050	303	1 904	987	1 257	788	1 106	878
Workers targeted	726	1 138	550	435	270	350	153	1 416	700	856	320	500	450
Starting date of measures	01/07/2010	30/09/2011	31/10/2011	01/01/2012	15/11/2011	01/10/2011	21/03/2012	08/12/2011	26/10/2010	15/03/2012	28/12/2011	19/03/2012	23/03/2012
End date of measures	06/06/2013	30/09/2013	31/10/2013	01/01/2014	20/12/2013	21/12/2013	21/03/2014	22/12/2013	23/12/2013	15/03/2014	28/12/2013	19/03/2014	23/03/2014
Deadline for Final Report	06/12/2013	30/03/2014	30/04/2014	01/07/2014	20/06/2014	21/06/2014	21/09/2014	22/06/2014	23/06/2014	15/09/2014	28/06/2014	19/09/2014	23/09/2014
Case wound up by 31/12/2014? (Art. 15(2) of the EGF Regulation)	No	No	No	No	No	No	No	No	No	Yes	No	No	No

**RESULTS AT THE END OF THE EGF IMPLEMENTATION PERIOD, BASED ON MEMBER STATES' FINAL REPORTS :**

Workers assisted	322	423	345	450	193	225	67	1 595	463	485	320	366	454
% of targeted workers	44.4%	37.2%	62.7%	103.4%	71.5%	64.3%	43.8%	112.6%	66.1%	56.7%	100.0%	73.2%	100.9%

**Labour market status of the workers assisted by the EGF contribution**

(the labour market status of the workers provided in this table reflects normally the situation at the end of the implementation period; however, in some cases, the data given shows the situation a few months later)

<b>No. of workers re-integrated at end of EGF implementation period</b>	<b>103</b>	<b>167</b>	<b>204</b>	<b>374</b>	<b>111</b>	<b>87</b>	<b>0</b>	<b>1 007</b>	<b>330</b>	<b>184</b>	<b>93</b>	<b>105</b>	<b>186</b>
in %	32.0%	39.5%	59.1%	83.1%	57.5%	38.7%	0.0%	63.1%	71.3%	37.9%	29.1%	28.7%	41.0%
<i>out of which:</i>													
as dependent employees	69	145	183	332	107	83		944	330	181	72	92	170
as self-employed	34	22	21	42	4	4		63		3	21	13	16
<b>Workers in education/training</b>	<b>4</b>	<b>0</b>	<b>18</b>	<b>0</b>	<b>37</b>	<b>99</b>				<b>32</b>	<b>0</b>	<b>0</b>	<b>0</b>
in %	1.2%	0.0%	5.2%	0.0%	19.2%	44.0%	0.0%	0.0%	0.0%	6.6%	0.0%	0.0%	0.0%
<b>Workers unemployed or inactive (*) (various reasons)</b>	<b>189</b>	<b>256</b>	<b>123</b>	<b>76</b>	<b>41</b>	<b>39</b>		<b>588</b>		<b>24</b>	<b>224</b>	<b>261</b>	<b>268</b>
in %	58.7%	60.5%	35.7%	16.9%	21.2%	17.3%	0.0%	36.9%	0.0%	4.9%	70.0%	71.3%	59.0%
<b>Workers' status N/A</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>67</b>	<b>0</b>	<b>133</b>	<b>245</b>	<b>3</b>	<b>0</b>	<b>0</b>
in %	8.1%	0.0%	0.0%	0.0%	2.1%	0.0%	100.0%	0.0%	28.7%	50.5%	0.9%	0.0%	0.0%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(\*) 'inactive' can mean that people are not available for the labour market any longer for different personal reasons, such as start of pension etc.

EGF Ref.	EGF/2011/020	EGF/2011/021	EGF/2011/023	EGF/2011/025	EGF/2011/026	EGF/2012/001	EGF/2012/002	EGF/2012/006	
<b>Case</b>	Valencia calzado	Zalco	Antonio Merloni	Lombardia	Emilia Romagna	TalkTalk	Manroland	Nokia Salo	<b>34 cases</b>
<b>Member State</b>	ES	NL	IT	IT	IT	IE	DE	FI	from 12 MS
<b>Sector (short denomination)</b>	Shoe manufacture	Basic metals	Domestic appliances	Electronic equipment	Motorcycles	Activities of call centres	Machinery and Equipment	Mobile phones	
<b>Date of application</b>	28/12/2011	28/12/2011	29/12/2011	30/12/2011	30/12/2011	29/02/2012	04/05/2012	04/07/2012	
Workers dismissed	876	616	1 517	529	502	592	2 284	1 000	<b>33 508</b>
Workers targeted	876	616	1 517	480	502	432	2 103	1 000	<b>25 218</b>
Starting date of measures	26/03/2012	02/01/2012	29/03/2012	01/03/2012	01/03/2012	07/09/2011	01/02/2012	29/02/2012	
End date of measures	26/03/2014	02/02/2014	29/03/2014	01/03/2014	01/03/2014	28/02/2014	04/05/2014	04/07/2014	
Deadline for Final Report	26/09/2014	02/07/2014	29/09/2014	01/09/2014	01/09/2014	28/08/2014	04/11/2014	04/11/2014	
Case wound up by 31/12/2014? (Art. 15(2) of the EGF Regulation)	No	No	No	No	No	No	No	No	
<b>RESULTS AT THE END OF THE EGF IMPLEMENTATION PERIOD, BASED ON MEMBER STATES' FINAL REPORTS :</b>									
<b>Workers assisted</b>	<b>423</b>	<b>285</b>	<b>1 300</b>	<b>158</b>	<b>243</b>	<b>432</b>	<b>1 945</b>	<b>829</b>	<b>18 848</b>
% of targeted workers	48.3%	46.3%	85.7%	32.9%	48.4%	100.0%	92.5%	82.9%	74.7%
<b>Labour market status of the workers assisted by the EGF contribution</b> (the labour market status of the workers provided in this table reflects normally the situation at the end of the implementation period; however, in some cases, the data given shows the situation a few months later)									
<b>No. of workers re-integrated at end of EGF implementation period</b>	<b>197</b>	<b>178</b>	<b>7</b>	<b>64</b>	<b>59</b>	<b>162</b>	<b>1 216</b>	<b>367</b>	<b>7 656</b>
in %	46.6%	62.5%	0.5%	40.5%	24.3%	37.5%	62.5%	44.3%	44.9%
<i>out of which:</i>									
as dependent employees	189	172	7	60	59	162	1205	364	7 202
as self-employed	8	6	0	4	0	0	11	3	454
<b>Workers in education/training</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>184</b>	<b>74</b>	<b>23</b>	<b>104</b>	<b>667</b>
in %	0.0%	4.6%	0.0%	0.0%	75.7%	17.1%	1.2%	12.5%	6.0%
<b>Workers unemployed or inactive (*) (various reasons)</b>	<b>226</b>	<b>94</b>	<b>1 211</b>	<b>94</b>	<b>0</b>	<b>33</b>	<b>706</b>	<b>358</b>	<b>6 922</b>
in %	53.4%	33.0%	93.2%	59.5%	0.0%	7.6%	36.3%	43.2%	39.1%
<b>Workers' status N/A</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>163</b>	<b>0</b>	<b>0</b>	<b>3 603</b>
in %	0.0%	0.0%	6.3%	0.0%	0.0%	37.7%	0.0%	0.0%	10.1%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

(\*) 'inactive' can mean that people are not available for the labour market any longer for different personal reasons, such as start of



#### **4.5. Programming period 2014-2020 — the new EGF Regulation**

In accordance with Article 20 of EGF Regulation (EC) No 1927/2006, the Regulation was reviewed in 2013 to prepare for the 2014-2020 multiannual financial framework. Based on the Commission's proposal, the Council and the European Parliament approved the continuation of the EGF as a way to provide specific, one-off support to workers made redundant as a result of major structural changes due to globalisation or a global financial and economic crisis. The new EGF Regulation (Regulation (EU) No 1309/2013) was adopted by the European Parliament and the Council on 17 December 2014.

The new Regulation reintroduces the crisis criterion, so that an EGF application can be justified by the current or future economic and financial crises. It also extends the scope of the EGF by making workers on temporary contracts and self-employed workers eligible for support. To support the implementation of the Youth Guarantee, the new Regulation contains a derogation, valid until the end of 2017, allowing for the inclusion of NEETs in regions eligible under the Youth Employment Initiative (YEI).<sup>12</sup> The new Regulation also limits measures under Article 7(b) (e.g. allowances and incentives) to 35 % of the overall costs, while entrepreneurial grants are capped at EUR 15 000 per worker. The new Regulation also introduces deadlines intended to shorten the time it takes from when applications are submitted until the mobilisation decision is taken by the European Parliament and Council.

#### **4.6. Financial report**

##### *4.6.1. Funds contributed by the EGF*

In 2013 and 2014, the budgetary authority approved 28 contributions from the EGF totalling EUR 114427463 (see Table 2 above). These contributions came from the 2013 and 2014 budgets; the four most recent contributions were approved by the budgetary authority in December 2014 and paid at the beginning of 2015.

Under Article 28 of the Interinstitutional Agreement of 17 May 2006,<sup>13</sup> which lays down the budgetary framework for the EGF until the end of 2013, the EGF (in terms of commitment appropriations) may not exceed an annual maximum amount of EUR 500 million. This amount can be drawn from any margin existing under the global expenditure ceiling of the previous year, and/or from cancelled commitment appropriations from the previous two years, excluding those under heading 1B of the financial framework. The amount of EUR 500 million was made available on the EGF reserve line in 2013. For 2014 to 2020, Article 12 of Council Regulation (EU, Euratom) No 1311/2013<sup>14</sup> establishes the maximum annual financial ceiling from 2014 until 2020 and allows the use of the EGF up to a maximum annual amount of EUR 150 million (2011 prices). In 2014, this meant that commitment appropriations of EUR 159 181 000 were made available on the EGF reserve line. The commitment appropriations for the contributions granted in both years were transferred from the EGF reserve to the EGF budget line following approval of each application by the budgetary authority.

In terms of payment appropriations, EUR 50 000 000 in payment appropriations was credited to the EGF budget line at the start of both 2013 and 2014. In 2013, this was sufficient for the

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<sup>12</sup> COM(2013) 144: Communication from the Commission to the Council, European Parliament, the European Economic and Social Committee and the Committee of the Regions: Youth Employment Initiative, 12.03.2013.

<sup>13</sup> OJ C 139, 14.6.2006, p. 1.

<sup>14</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

contributions granted, which amounted to EUR 35748557. In 2014, additional payment appropriations were needed for the approved EGF applications, which totalled EUR 78678907. These came from recovered amounts following underspending reported by Member States at the closure stage.

#### 4.6.2. Technical assistance expenditure

Under Article 8(1) of Regulation (EC) No 1927/2006, up to 0.35 % of the financial resources available for the year (EUR 1.75 million in 2013) can be used for technical assistance at the initiative of the Commission for activities such as preparation, monitoring, information and creation of a knowledge base, administrative and technical support, and audit, control and evaluation activities necessary to implement the EGF Regulation. Article 11(1) of Regulation (EU) No 1309/2013 sets the ceiling for technical assistance at the initiative of the Commission at 0.5 % of the reduced overall amount (about EUR 0.75 million in 2014). The budgetary authority approved the Commission proposals for 2013 and 2014 for technical assistance, which were EUR 750 000<sup>15</sup> and EUR 330 000<sup>16</sup> respectively.

Table 5 — Technical assistance expenditure 2013 and 2014

Description	Budgeted 2013 (EUR)	Actual 2013 (EUR)	Budgeted 2014 (EUR)	Actual 2014 (EUR)	Comment
Information (e.g. updating the EGF website in all EU languages, publications, audiovisual activities)	80 000	28 000	20 000	6 364	Late arrival of funds made participation in DG EMPL activities difficult
Administrative and technical support: - Two meetings of the Expert group of EGF contact persons - Two seminars on EGF implementation	70 000 120 000	40 752 81 522	70 000 120 000	140 149	Combining contact persons' meetings with seminars reduced costs. Only one seminar was held in 2014
Monitoring data collection and EGF statistical portrait	0	0	20 000	0	Work carried out by the Commission
Creation of a knowledge base: standardised procedures for EGF applications and their processing; creation and rationalisation of the EGF database containing the facts and figures of EGF cases	80 000	79 739	100 000	100 000	Integration of the EGF into the shared fund management common system (SFC)
Evaluation	400 000	326 611	0	0	In 2013, the offer from the contractor was lower than budgeted. The next evaluation is due in 2015
<b>Total</b>	<b>750 000</b>	<b>556 624</b>	<b>330 000</b>	<b>246 513</b>	

<sup>15</sup> OJ L 209, 3.8.2013, p. 16.

<sup>16</sup> OJ L 292, 8.10.2014, p. 14.

#### *4.6.3. Irregularities reported or closed*

There were no irregularities reported to the Commission under the EGF Regulations in 2013 and 2014, nor were any EGF-related irregularities closed in 2013 and 2014.

#### *4.6.4. Winding-up of financial contributions from the EGF*

The procedures for winding up EGF financial contributions in 2013 and 2014 are laid down in Article 15(2) of Regulation (EC) No 1927/2006 and Article 15(2) of Regulation (EU) No 1309/2013 respectively. 34 cases, implemented between 2009 and 2013, were wound up in 2013 and 2014. The cases are listed in Table 3 of the Annex.

An EGF case is wound up when the final report has been approved by the Commission, all outstanding reimbursements have been paid and no further action needs to be taken by the Member State or the Commission, apart from the obligation to keep all supporting documents for a further three years in case they are required by the Commission or the Court of Auditors (Article 21(5) of Regulation (EU) No 1309/2013).

The average budget implementation rate of the cases wound up was 49.8 %, with huge variations ranging from zero to full budget absorption. The total amount of unspent funds reimbursed to the Commission for these 34 cases was about EUR 67.1 million (50.2 % of the EGF contributions to these cases).

There are various reasons why Member States did not use the full amounts granted. While Member States are repeatedly encouraged to make realistic budget estimates for the coordinated package of personalised services, there can be a lack of accurate and informed planning. A too-high safety margin may have been included in the initial calculations, which turned out to be unnecessary. The number of workers wishing to participate in the proposed measures may have been overestimated in the planning phase. Some workers may have opted for cheaper measures rather than more expensive ones or for short-term measures rather than long-term ones, or they may have found new jobs sooner than initially estimated. Other reasons for low spending may have been delays in starting up the measures and failure to fully use the available flexibility to reallocate funds between budget items while implementing the package of personalised services.

The Commission has worked hard to help the Member States with regular information and guidance, holding specific seminars to encourage optimal fund management. Nevertheless, recovery rates at the end of implementation have remained stubbornly high. The initial recovery rate of over 60 % recorded for the first cases has been reduced to 50.2 %, but it still needs to be significantly improved.

The budgeting of the measures and the forecasting of worker participation over the extended 24-month period are expected to improve with experience. We are also seeing improvements in the timing of the arrival of the EGF funding in the affected area, the capacities of the various coordination and implementation structures and the quality of communication between the national and the regional/local levels. Member States are making better use of the possibility to review their budgets and reallocate expenditure between the various measures and/or implementing expenditure. Finally, the EU institutions are trying hard to speed up the procedures for decision-making and the payment of EGF funds, so that the time and funds provided can be used optimally. The new EGF Regulation sets very strict deadlines for the assessment and approval of EGF applications, so that funds become available sooner. With the agreement of the Commission, Member States can also re-budget and introduce new eligible measures during the course of implementation.

#### 4.6.5. *Other reimbursements*

There were no other reimbursements made in 2013 and 2014.

### **4.7. Technical assistance activities undertaken by the Commission**

#### 4.7.1. *Information and publicity*

##### Internet site

Under Article 9(2) of Regulation (EC) No 1927/2006 and Article 12(2) of Regulation (EU) No 1309/2013, the Commission is required to set up and maintain an internet site, available in all Community languages, to provide information on the EGF, guidance on the submission of applications, as well as updated information on accepted and refused applications, highlighting the role of the budgetary authority.

The Commission's EGF internet site<sup>17</sup> was updated with relevant information in 2013 and 2014 in line with the requirements. The website recorded 72418 page views in 2013 and 38753 in 2014 and was consulted by 52968 individual visitors in 2013 and 28994 in 2014.<sup>18</sup>

#### 4.7.2. *Meetings with the national authorities and EGF stakeholders*

The 11th, 12th, 13th and 14th meetings of the Expert group of contact persons of the European Globalisation Adjustment Fund, who are the Member States' correspondents for the EGF, were held in March and October of 2013 and 2014 respectively, in Brussels. Part of each meeting was devoted to discussing the Commission's proposal for an EGF regulation covering the 2014-2020 multiannual financial framework, the negotiations on the proposal in the European Parliament and Council and matters for future implementation. Members were also informed about the ex-post evaluation of the EGF 2007-2013 and a range of other agenda items.

The two networking seminars organised in 2013 and 2014 focused on the new EGF regulation and its implications for applicants. Both were well attended by Member State representatives involved in implementing EGF cases.

#### 4.7.3. *Creation of a knowledge base — EGF database and standardised procedures for EGF applications*

In order to record the quantitative data of EGF cases for statistical purposes, the Commission made improvements to the EGF database in 2013 and 2014 and adapted several forms to make it easier to input case data into the EGF database. This has made it easier for Member States to prepare and submit applications and for the Commission to analyse, aggregate and compare facts and figures on EGF cases. The preparatory work to develop a new electronic application form started on schedule in November 2013. This took into account the earlier preparatory work by external experts in 2011, financed from the 2011 technical assistance budget.

In 2014, the Commission sought to simplify things further by including the EGF in the Commission and Member States' IT communication system, the Shared fund management common system (SFC). In the future, Member States will use this system to submit applications online through a guided application process. This should result in more correct and complete applications being submitted and make it easier for the Commission to prepare

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<sup>17</sup> <http://ec.europa.eu/egf> — available in all 23 EU languages, including Irish.

<sup>18</sup> In 2014, some traffic was lost from the recording tools due to the 'cookies' law. Site visitors who bypass the question on the use of cookies or do not accept the use of them are not counted as visitors.

its proposal and for EGF results to be reported. The improved procedure should reduce further the time it takes from the moment an application is submitted by a Member State until the proposal submitted by the Commission to the European Parliament and the Council is adopted.

#### *4.7.4. Ex-post evaluation of the EGF for the 2007-13 programming period*

33 cases were evaluated in the first phase of the ex-post evaluation (as provided for by Article 17(1)(b) of Regulation (EC) No 1927/2006). The cases were selected on the grounds that the final implementation reports had been received by the Commission by 20 September 2012. A further batch of 25 EGF cases was analysed during the final phase of the ex-post evaluation. For those cases, final reports had been received by the end of December 2013. The result of the first phase of the ex-post evaluation was presented in May 2014 and the result of the second phase was delivered to the Commission in May 2015. A list of the cases examined during both phases of the ex-post evaluation can be found in Table 4 of the Annex.

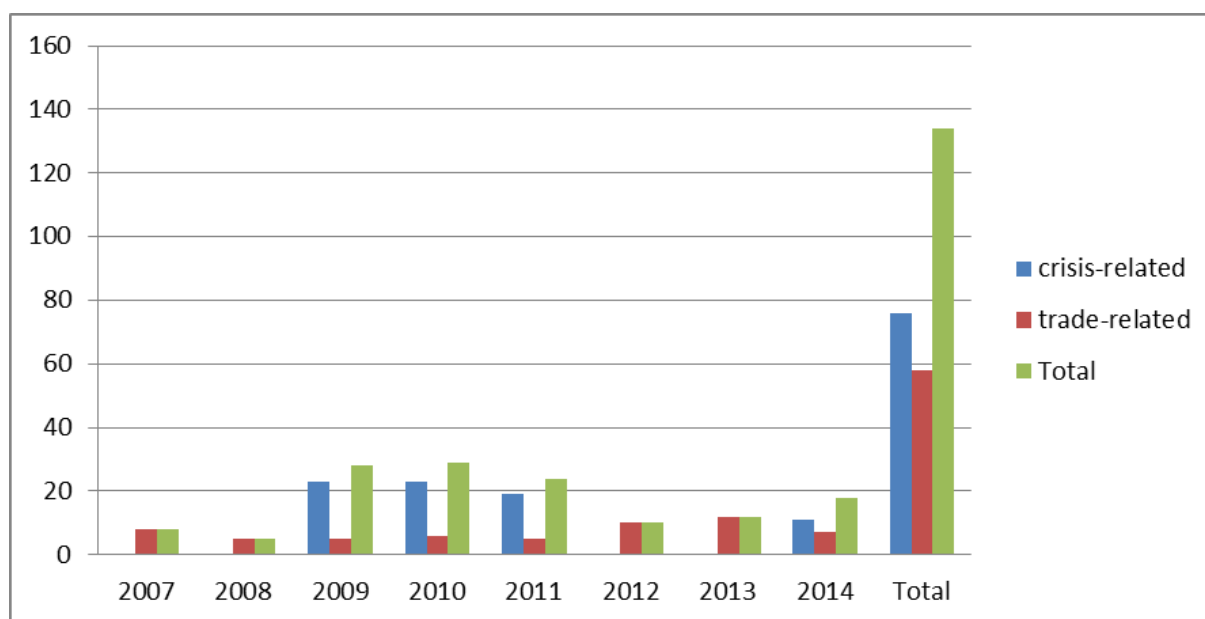
## **5. TRENDS**

With the increasing number of EGF cases, more data are available to identify trends in applications and to gain an overview of the direction of the Fund's activities. The data in the graphs below and in the Annex relate to the 134 applications submitted by Member States from 2007 up to 2014.<sup>19</sup> A total of EUR 561.1 million has been so far requested on behalf of 122 121 workers (this is the number of targeted workers estimated by the Member States).

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<sup>19</sup> This figure rises to 149 if we take into account the 15 cases withdrawn by the applicant Member States. Withdrawn cases are not considered in the statistics.

*Graph 1:  
Number of applications received, 2007-2014*



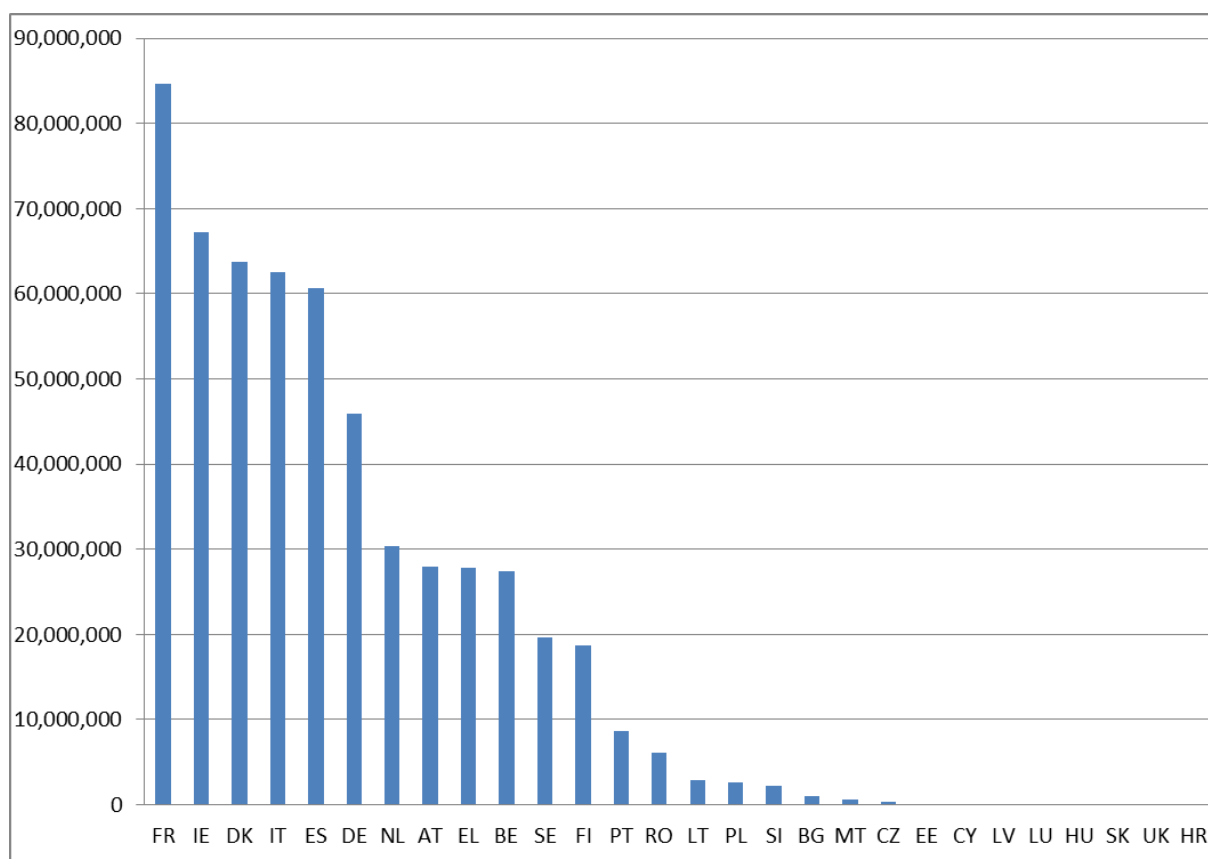
	2007	2008	2009	2010	2011	2012	2013	2014	<b>Total</b>
crisis-related	-----	-----	23	23	19	-----	-----	11	<b>76</b>
trade-related	8	5	5	6	5	10	12	7	<b>58</b>
<b>Total</b>	<b>8</b>	<b>5</b>	<b>28</b>	<b>29</b>	<b>24</b>	<b>10</b>	<b>12</b>	<b>18</b>	<b>134</b>
% of total	6%	4%	21%	22%	18%	7%	9%	13%	<b>100%</b>

Up to 31/12 2014

The 2009 amendment of the EGF Regulation, with its inclusion of the crisis criterion, had a considerable impact on the number of applications received by the Commission: from May 2009 (when the relevant amendment became applicable) to the end of 2011, there was a significant rise in applications. From 2007 to 2014, there were 76 crisis-related applications and 58 trade-related applications. 82 % of the applications received between May 2009 and the end of 2011 related to the global financial and economic crisis.

As shown in Table 2 of the Annex, Spain is the Member State which has submitted the highest number of applications for EGF funding (20 applications), followed by the Netherlands (16 applications), Italy (12 applications) and Denmark (10 applications). By 31 December 2014, eight Member States had not yet applied for EGF support: Estonia, Cyprus, Latvia, Luxembourg, Hungary, Slovakia, the United Kingdom, and Croatia (which joined the EU on 1 July 2013).

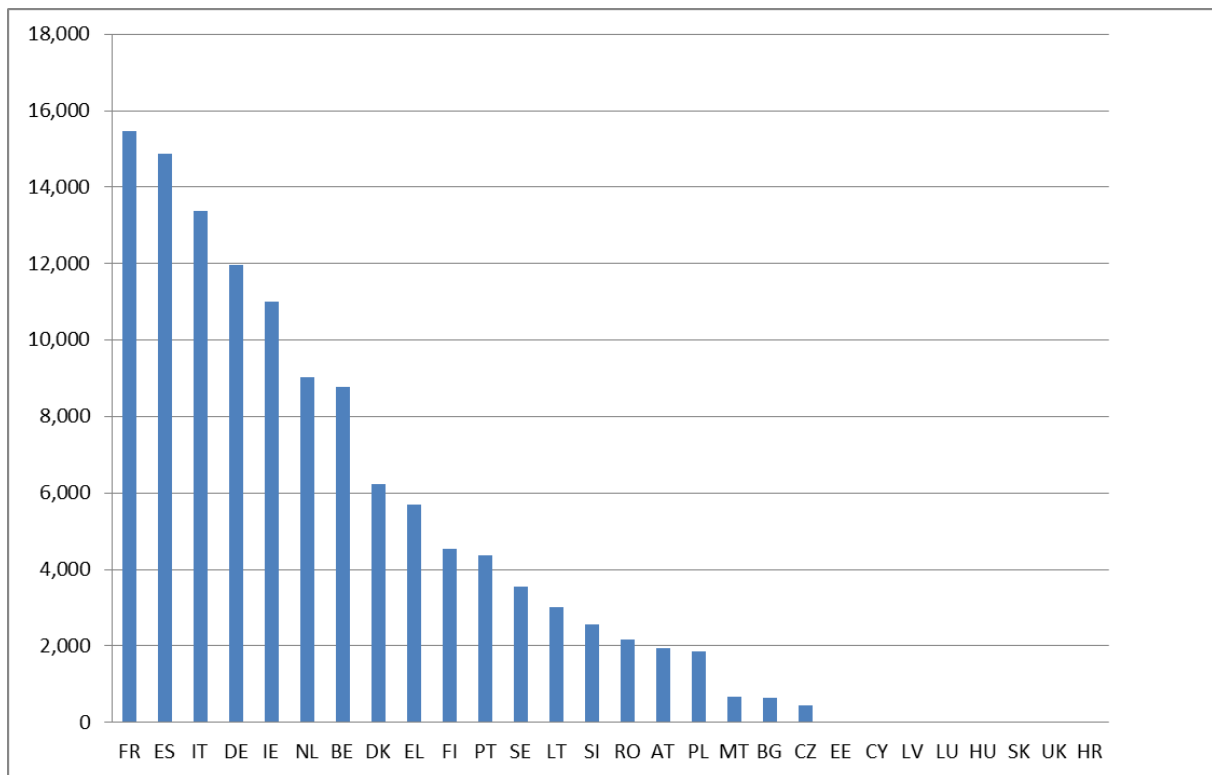
*Graph 2:  
EGF amounts requested per Member State, 2007-2014*



EUR million

From 2007 to 2014, a total amount of EUR 561.1 million was requested from the EGF by 20 Member States (see also the overview table in the Annex). France requested the highest amount of EGF co-funding (EUR 84.6 million for seven applications) followed by Ireland (EUR 67.3 million for nine applications), Denmark (EUR 63.7 million for 10 applications) and Italy (EUR 62.5 for 12 applications).

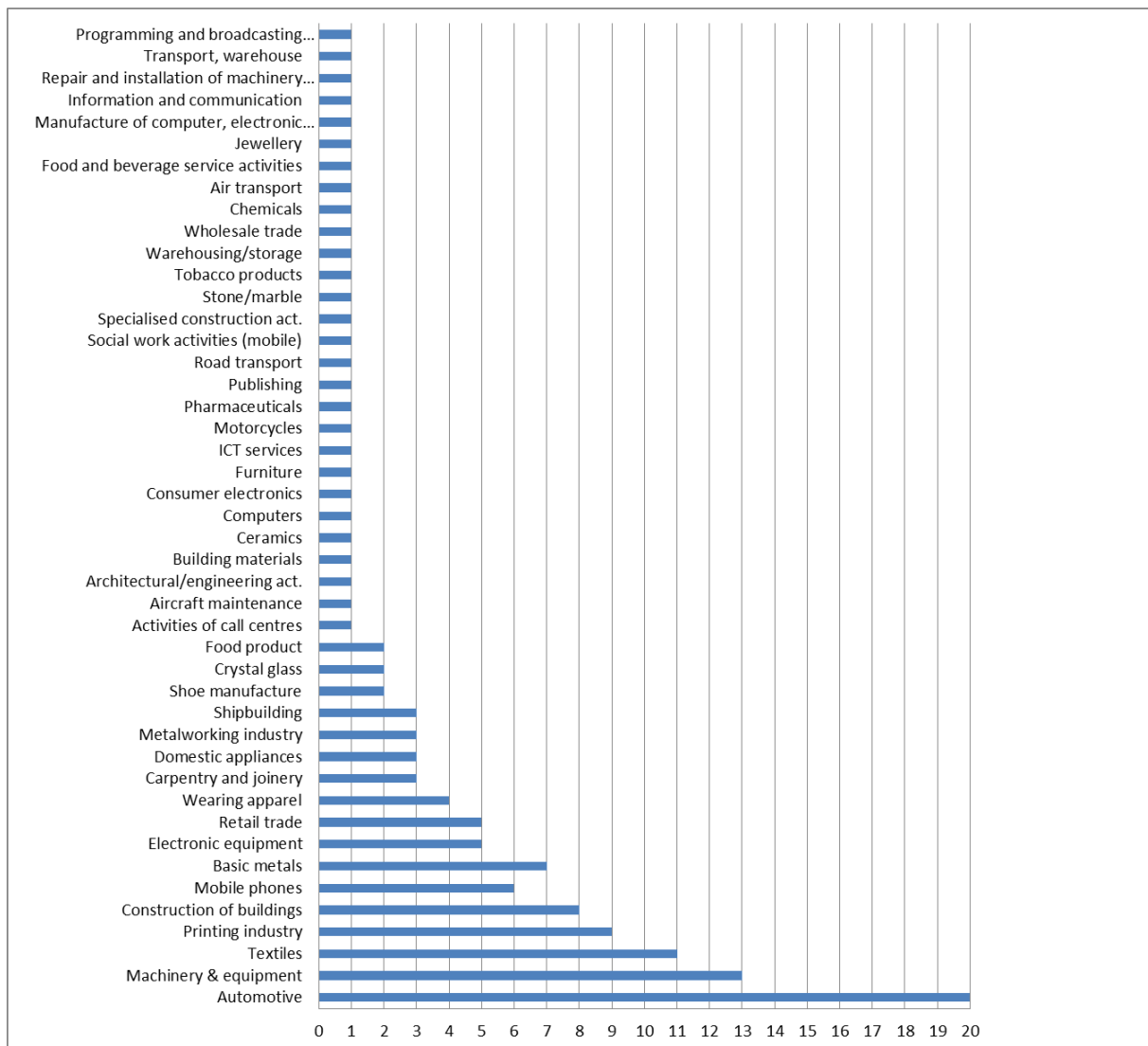
*Graph 3:  
Number of targeted workers per Member State, 2007-2014*



France is the Member State that has requested EGF assistance for the greatest number of redundant workers (15 454 for 7 applications), followed by Spain (14 863 for 20 applications), Italy (13 367 for 12 applications) and Germany (11 957 for 9 applications). In a further 13 countries, the numbers ranged from over 1 800 in Poland to almost 11 000 in Ireland. In each of the remaining three Member States which submitted applications, fewer than 1 000 workers were covered by the applications.



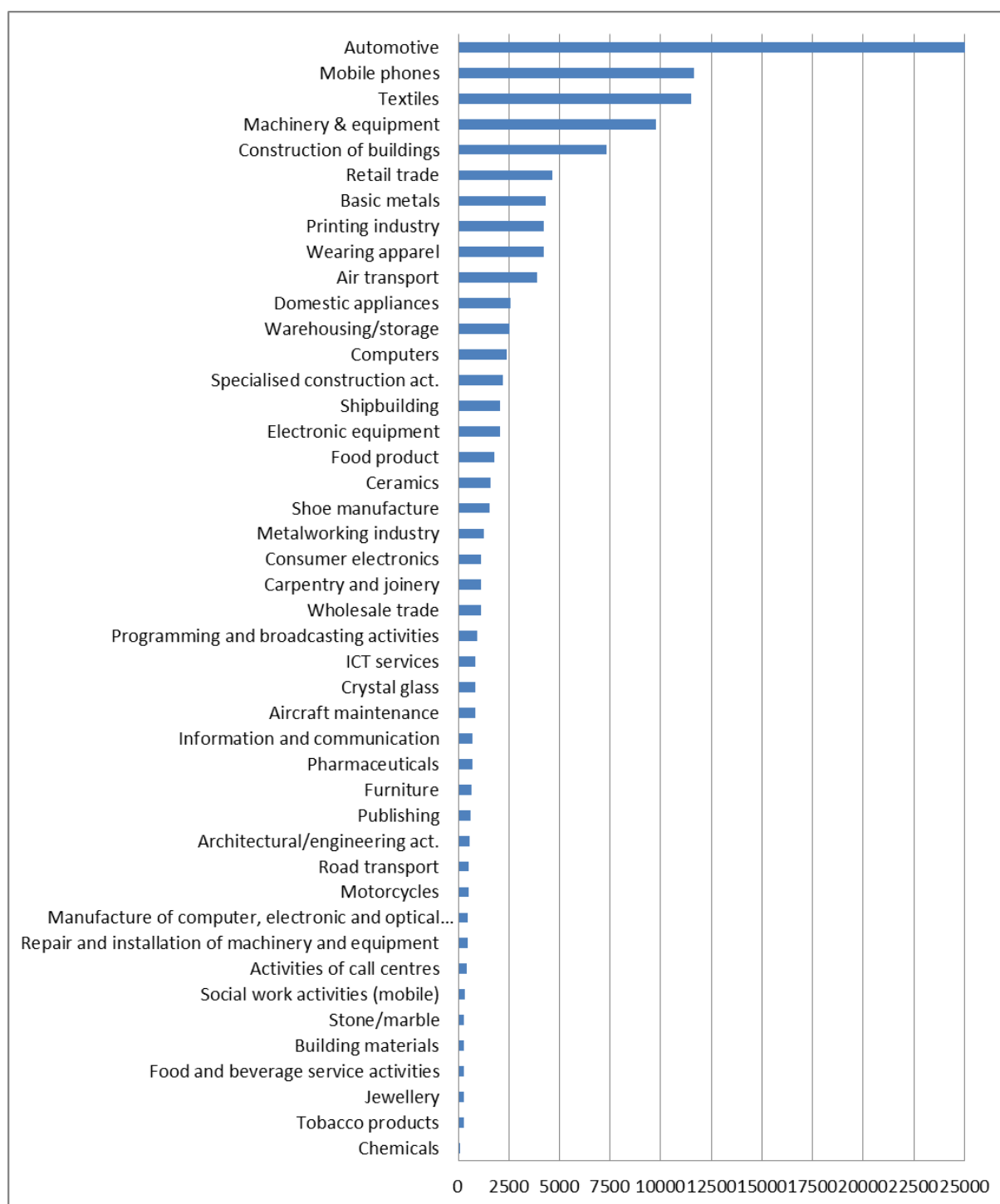
*Graph 4:  
Number of applications by sector (NACE Rev. 2), 2007-2014*



From 2007 to 2014, the EGF received applications for workers made redundant in 45 sectors (see also the overview in the Annex). Most of the sectors involved were in manufacturing, but construction and services were also represented. Four manufacturing sectors accounted for the largest number of applications: the automotive industry (20 applications or 15 % of the total), followed by machinery and equipment (13 applications, or 10 % of the total), textiles (11 applications, or 8 % of the total) and printing (9 applications, or 7% of the total).

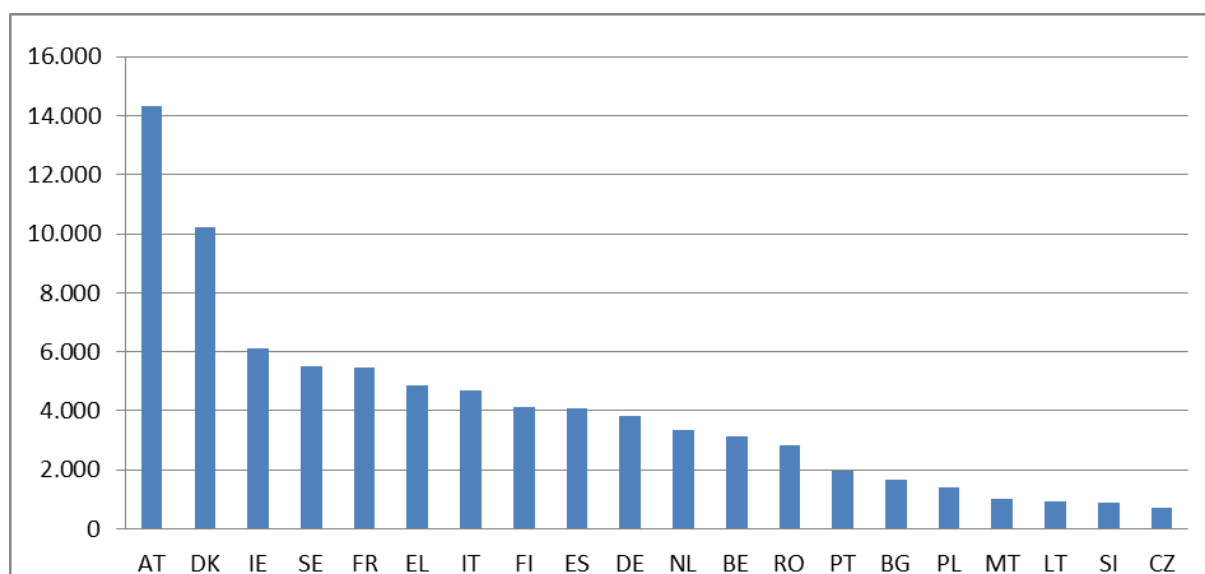
Around 6 % (8 applications) related to workers in the construction industry, broadly defined as covering the construction of buildings, specialised construction activities and architectural and engineering activities. If ancillary sectors such as building materials, carpentry/joinery and ceramics were also included, the figure would rise to 13 applications, or around 10% of applications. For more than half of the sectors involved (28 out of 45 sectors), the EGF received one single application.

*Graph 5:  
Number of targeted workers per sector (NACE Rev. 2), 2007-2014*



The 134 applications submitted by 20 Member States targeted a total of 122 121 workers made redundant. The sectors concerned were primarily the automotive sector, with almost 29 000 workers targeted (23.0 % of the total covered by the submitted applications), followed by mobile phones (with almost 12 000 targeted workers or 9.4 % of the total), textiles (slightly above 11 500 targeted workers or 9.2 % of the total) and the machinery and equipment sector (almost 10 000 targeted workers or 8.0 % of the total).

*Graph 6:  
Average EGF amount requested per targeted worker by Member State, 2007-2014*



EUR

Graph 6 illustrates the average EGF support per targeted worker by Member State. The average for the 122 121 workers targeted by the 20 Member States was EUR 4060. EGF support per targeted worker was largest in Austria and Denmark, at around EUR 14 000 and EUR 10 000 respectively. By contrast, in Lithuania, Slovenia and the Czech Republic, the support requested was less than EUR 1 000 per worker.

## 6. CONCLUSION

The trends so far show an increasing number of sectors for which EGF applications have been submitted, with 10 new sectors added in this reporting period. Member States have gained experience in selecting the most suitable measures, directing their assistance to redundant workers in an efficient manner, and making use of the EGF to test new approaches. They are also increasingly using the possibility to reallocate funds between measures during project implementation in order to make best use of the approved contribution.

Failure to achieve a qualified majority in Council meant that the EGF's temporary 'crisis derogation' could not be extended beyond the end of 2011. This limited the possibilities for EU assistance to workers in 2012 and 2013, even though many were still seriously affected by the crisis.

Consequently, from 2012 until the end of 2013, Member States continued to support workers made redundant as a result of major structural changes in world trade patterns. However, the economic and financial crisis criterion was reintroduced by the new EGF Regulation (Regulation (EU) No 1309/2013). The new Regulation also expanded the categories of eligible workers to include self-employed workers and workers on temporary contracts and — by derogation until the end of 2017 — NEETs. These changes broaden the scope for EGF support. The new streamlined adoption timeline means that measures to help workers should be implemented quicker.

If the EGF is used to its full potential, in a way that complements other available instruments and in consultation with the major stakeholders, workers eligible for EGF support can be

helped in a tailored and personalised manner. This will improve their labour market opportunities in the medium and longer term as markets continue to recover from the crisis.