



# Report on the 30th Meeting of the Contact Persons of the European Globalisation Adjustment Fund for Displaced Workers (EGF)

*Düsseldorf, 28 November 2024*

*This document provides a concise summary of the meeting. The presentations are available on the EGF website.*

### **1. Introduction and adoption of the agenda.**

*Participants were welcomed by Ms Lena Clemens, North Rhine-Westphalia Federal Employment Agency and by Ms Riikka Torppa – Head of Unit “EGF and Shared Management”, DG EMPL.*

*The agenda was adopted.*

### **2. Update on EGF since the last Contact Persons meeting**

The Commission informed on the outcome of two questions raised to the Legal Service on the use of Simplified Cost Options for EGF interventions. Please see the revised [frequently asked questions 2021-2027](#).

The Commission also presented the outcome of the Legal Service’s analysis of the eligibility of Overseas Countries and Territories (OCTs) for EGF support. According to the Legal Service, Council Decision (EU) 2021/1764 of 5 October 2021 sets out that OCTs are to benefit from all Union programmes and instruments unless differently provided for in the respective legislation. As this is not the case in the EGF Regulation, OCTs could benefit. They could qualify under Art. 4(2), point (a), of the EGF Regulation or under the explicit derogations set out in Articles 4(3) and (4).

The Commission presented the state of play of EGF final reports, closures, recoveries, and applications received.

Member States were then asked to inform about their planned applications. Belgium informed about two new planned EGF applications, one to support laid-off workers from BelGan, a microchips manufacturer located in Flanders; another to support former Audi workers.

Germany is aware of planned redundancies in the automotive and steel sectors, and is monitoring the situation closely.

Hungary is considering submitting an application in the steel sector; although, a final decision has not yet been made.

Sweden plans to apply in March 2025 to support former North Volt workers.

### **3. Recent restructuring trends and transformations in the automotive sector – presentation by Chiara Litardi, Eurofound**

EUROFOUND presented the latest trends in restructuring. The number of “positive” restructuring events (job creation) has been in decline since the pandemic. In the same time frame, the number of “negative” restructuring events (job losses) has been on the rise. Whereas in 2021-2023, the “positive” events still outnumbered the negative ones, in 2024, the “negative” events (job losses) started to outnumber the positive ones.

The automotive industry is particularly affected, accounting for announced job losses of about 40000 jobs across the Union. The most affected MS are Germany, Belgium and Poland.

Since the share of the automotive sector in total employment is particularly high in Germany – where direct jobs in car manufacturing are more numerous than in France, Italy and Poland combined – the current negative labour balance trend is expected to hit Germany particularly hard.

The full [presentation is available on the EGF website](#).

#### **4. Mid-term evaluation of the EGF 2021-2027**

The Commission provided a short presentation on the objectives and timeline of the mid-term evaluation of the EGF 2021-2027 which is due by June 2025. Further explanations were given on the written survey sent to all Member States before the meeting with deadline for reply by 9/12/2024. The presentation also included explanations about some of the important questions in the surveys sent, including examples and comparisons from the ex-post evaluation of the EGF 2014-2020.

The presentation was followed by a short consultation via SLIDO, which included 3 questions about the (a) broadened scope, (b) the changes in the EGF Regulation and (c) how can be the EGF be improved. Out of 25 EGF stakeholders present from 16 Member States (BE, CZ, DK, DE, EE, IE, ES, HR, LV, LT, HU, NL, PL, SK, FI and SE), 18/19 replied for the first two questions and 11 for the third one. The results showed that:

- (a) 100% of respondents agreed that the broadened scope of the EGF better reflects the economic realities and that the broadened scope makes the EGF more accessible.
- (b) 95% of respondents agreed that the changes introduced in the 2021-2027 period improve the EGF's efficiency (e.g. simplified application procedure).
- (c) 11 participants suggested as further improvements of the EGF: more simplification, shorter deadlines, capacity building, support at application stage, further decreasing the threshold of dismissals, guidance on Simplified Cost Options, etc.

A tour the table followed for the EGF contact persons from 11 Member States (CZ, EE, IE, HR, LV, LT, HU, NL, PL, SK and FI) who did not apply for EGF during 2021-2024. Each Member State was invited to present the reasons preventing them from applying for the EGF. The replies showed the main reasons for not applying have been:

- Support to redundant workers was provided with national funds, as these are available more quickly and provide more flexibility (FI & NL).
- Several countries (CZ, EE, HR, LV, LT, HU, PL and SK) show a preference for using the ESF+ to provide support to workers laid off. SK is also using the Just Transition Fund to support displacements in the mining sector.
- National economy is doing well (HR, LV, and LT). The labour market is able to absorb the displacements.

- The redundancies in Ireland occurred in the high-tech and biotech sectors, which easily absorbed the redundancies. Workers who needed to improve their qualifications were supported through the ESF.
- Some issues in national legislation that make the use of the EGF difficult (LT).
- Some undercapacity to run so many funds (Hungary) and
- The restructuring of the managing authority (Sweden).

## **5. Digital skills**

The EGF Regulation made digital skills a horizontal element of all packages of measures cofinanced by the Fund. To help Member States to better integrate digital skills when designing the personalised packages of measures there were three presentation on the topic followed by examples from Belgium and Spain.

### **5.1 Impact of digitalisation in the world of work - presentation by Chiara Litardi, Eurofound.**

The most significant change has occurred during the pandemic with an increase in teleworking across Europe. The current trend is towards stabilization at a midpoint between pre-pandemic (2019) and pandemic teleworking levels.

Regarding the future of work and the use of artificial intelligence (AI), despite AI employment effects are relatively small, but positive, there is a growing concern among European workers on the impact of AI, with nearly 70% supporting government restrictions on AI to safeguard jobs, according the Draghi Report.

EU employers seem to be more cautious towards AI compared to their American and Asian counterparts. AI adoption in Europe remains slow, despite AI enhances accuracy and reduces human errors, improves production processes or service delivery, brings productivity gains and facilitates greater physical safety.

### **5.2 EU policy framework and initiatives on digital skills for the labour market – presentation by Melina Tasiovasilis, DG EMPL B.3.**

Digital skills are at the top of the EU's political agenda.

Digital technologies and skills also key to enhance the European competitiveness and meeting the goals of the European Green Deal. The EU strategic policy framework on digital skills includes several initiatives such as the European Skills Agenda, the European Pillar of Social Rights Action Plan, the Digital Education Action Plan, or the 2030 Digital Compass, along with various funding instruments to support digital skills, such the Recovery and Resilience Facility or ESF+.

### 5.3 Social innovation: a key tool to bridge the digital skill gap- presentation by Mihai Palimariciuc, DG EMPL F.3

In 2022, a call for proposals was launched on social innovation for a fair green and digital transition. The aim of this call for proposals was to gather new insights and foster experimentation in achieving fair green and digital transitions. The focus was especially on skills, training, and competences. Out of 102 proposals received by DG EMPL, 42 were for projects focused on green and digital skills development.

Three examples from ongoing projects with focus on digital skills were presented:

- a. DI-MARC - Digital Marketing Capacity Building - Empowering Persons with Physical Disabilities for Remote Work.
- b. NewEcoSmart - New circular and socially responsible business models within Habitat sectors to revitalise rural areas.
- c. The RAISE-UP programme tackles school dropouts with a preventive approach, by supporting vocational maturity and motivation among VET students aged 14-16 years old and increasing schoolteachers' and professional educators' skills, especially the green and digital skills.

During 2023, the European Year of Skills, several initiatives focused on digital skills were: the digital hubs support mobility and career development, digital platform to connect the right jobs to the right people or the project of Equipping Europeans with the skills needed for tomorrow's labour market.

All three [presentations](#) are available on the EGF website.

### 5.4 Digital Skills measures in practice.

Belgium explained its experience in designing an attractive financial incentive to encourage participation in digital training, particularly when workers need to overcome age barriers or mistakenly believe they have sufficient digital skills because they use social media.

Spain provided examples of advanced digital training as a key element for upskilling or reskilling focused on industrial jobs.

## **6. Member States' communication activities and planned events, Next EGF Contact Persons meeting, AOB and wrap-up of the meeting**

Opening the point on communication activities, the Commission reminded that although it is up to the Member State to choose suitable communication channels tailored to their national particularities, the obligation to ensure that the contribution from the EGF is visible and highlighted remains.

As part of its communication activities, Sweden referred to an information to the press on its planned application NorthVolt and Spain to a closing conference in the second half of 2025 (EGF/2022/003 ES/Alu Ibérica).

The next in-person meeting will possibly take place in the second half of 2025.

As AOB, the Commission informed about the ongoing DG Employment study on the future of EU social funds. This concerns the ESF+, EGF and the social strand of InvestEU (InvestEU SISW). Ernst & Young (EY) is conducting a study that will feed into the impact assessment. As part of the study, EY will conduct stakeholder consultations, aiming in particular at the EGF contact persons. The COM explained that despite seemingly similar questions as in the mid-term evaluation, the IA has a different objective, and asked the Contact Persons to actively participate in possible future consultations conducted by EY.