



EUROPEAN COMMISSION
Regulatory Scrutiny Board

Brussels,
Ares(2017)

Opinion

Title: Mid-term evaluation / European Globalisation Adjustment Fund

Overall opinion: NEGATIVE

(A) Context

The European Globalisation Adjustment Fund (EGF) dates from 2007. Its original purpose was to help workers who were affected by closures of factories or the decline of certain economic sectors. Since 2014 the EGF may also assist young persons that are "not in education, employment, or training" (NEET).

EGF is an emergency relief instrument. It co-finances active labour market policy measures that help redundant workers retrain, find new jobs or start new businesses. Over 2014-2020 the EGF budgetary ceiling is EUR 1.05 billion. Authorisation to fund NEETs is due to expire at the end of 2017.

This mid-term evaluation examines EGF performance 2014-2015. Its findings will inform deliberations on successor programmes in employment and social affairs.

(B) Main considerations

The Board notes that the legal base requires this mid-term evaluation at an early stage of the implementation of the EGF (2014-2020). Data for the current programming period is therefore limited.

The Board considers that the report contains important shortcomings that need to be addressed, particularly with respect to the following issues:

- (1) The mid-term evaluation does not make enough use of existing reports and evaluations of the EGF.**
- (2) The report does not evaluate the changes in the programme that were introduced in 2014. In particular, it does not sufficiently assess whether it was useful to extend the fund to cover young people that are "not in education, employment or training" (NEETs).**
- (3) The mid-term evaluation does not draw clear conclusions or lessons from the evidence it has collected.**

Against this background, the Board gives a negative opinion. The Board considers that this report currently does not provide sufficient input for the preparation of a successor programme.

(C) Further considerations and adjustment requirements

(1) Scope and lessons learnt

The Staff Working Document (SWD) should clarify the purpose and general context of this evaluation. Since the results of this mid-term evaluation feed into the development of future programmes, it should identify and cover all relevant aspects.

Overall, the SWD should go beyond summarising conclusions of the external study, using a wider set of data and relevant lessons learned. While acknowledging changes over time in the fund, it should take into account past experience with the EGF. It should embed its analysis, findings and conclusions in available knowledge from existing reports and evaluations of the EGF. These include a 2015 ex-post evaluation, a 2013 European Court of Auditors Special Report and stakeholders' views.

As regards the new elements of the EGF (e.g. changes to eligibility criteria, to co-financing rates, intervention thresholds), the report should better assess their impacts and draw clear conclusions. In particular, the report should assess the programme extension to NEETs and draw implications with regard to possible reauthorisation of this derogation clause beyond 2017. This is one of the stated objectives of this evaluation.

The report should be clearer on which of the current monitoring arrangements might need adjustment together with relevant recommendations for the future.

(2) Analysis of effectiveness and efficiency

The SWD should more clearly explain the reasons for limited take-up of the instrument despite several adjustments to the framework. What are reasons for repeated underspending of EGF appropriations? The report should also address why the fund is still used only by some Member States, and whether this might be linked to "forum shopping" between this fund and the European Social Fund. It should further assess to what extent EGF targets SME workers in the supply chain, and what the impact has been of introducing a self-employed, fixed-term and temporary workers category in the eligibility criteria.

The report should better analyse possible mismatches between measures offered and the needs of participants, given that 32% of beneficiaries believe that such mismatches exist. The report should explore whether such mismatches might discourage EGF participation. It should elaborate on the reasons why workers choose not to participate in EGF programmes, basing conclusions on robust evidence, notably when considering factors such as high additional unemployment benefits and severance pay packages.

The SWD should better assess the potential for cost reduction or simplification of the procedures.

This analysis should provide the basis for identifying more concrete lessons and conclusions, while being transparent about shortcomings in the evidence-base.

(3) Relevance and EU added value

The report should reinforce the justification for the added value of action at EU level. To this end, the SWD should include statistics on the distribution of the funds per Member State and per category of beneficiary. It should present trends in Member States or regions affected and compare the programme with the national support schemes.

The SWD should examine whether the fund is fit for purpose in terms of assisting, at national or regional level, workers who lost jobs either due to globalisation or to the global financial and economic crisis. To what extent does the scope of the EGF reflect current trends in globalisation and technological development such as automation? How does the programme target redundancies that are linked to globalisation?

(D) RSB scrutiny process

The lead DG is advised not to proceed with launching the interservice consultation before substantially amending and complementing the report, so as to mitigate the above-mentioned shortcomings.

The lead DG may decide to resubmit this report to the Board, in which case the report should be adjusted in accordance with the above-mentioned requirements prior to its resubmission.

Full title	Mid-term evaluation of the European Globalisation Adjustment Fund
Reference number	2015/EMPL/022
Date of RSB meeting	6 June 2017