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TEXTS ADOPTED

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**P9\_TA(2021)0267**

**Mobilisation of the European Globalisation Adjustment Fund: application EGF/2020/004 NL/KLM - Netherlands**

**European Parliament resolution of 8 June 2021 on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund following an application from the Netherlands – EGF/2020/004 NL/KLM (COM(2021)0226 – C9-0161/2021 – 2021/0115(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2021)0226 – C9-0161/2021),
  - having regard to 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<sup>1</sup> (“EGF Regulation”),
  - having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027<sup>2</sup>, and in particular Article 8 thereof,
  - having regard to the Interinstitutional Agreement of 16 December 2020 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<sup>3</sup>, (“IIA of 16 December 2020”), and in particular point 9 thereof,
  - having regard to the letters of the Committee on Employment and Social Affairs and the Committee on Regional Development,
  - having regard to the report of the Committee on Budgets (A9-0187/2021),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis, and to assist their

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ L 433 I, 22.12.2020, p. 11.

<sup>3</sup> OJ L 433 I, 22.12.2020, p. 28.

reintegration into the labour market; whereas this assistance is made through a financial support given to workers and the companies for which they worked;

- B. whereas the Netherlands submitted application EGF/2020/004 NL/KLM for a financial contribution from the European Globalisation Adjustment Fund (EGF), following 1 851 redundancies<sup>1</sup> in the company KLM Royal Dutch Airlines in the NUTS level 2 region Noord-Holland (NL32) in the Netherlands, within a reference period for the application from 15 August 2020 to 15 December 2020;
- C. whereas the application relates to 1 851 workers made redundant in KLM Royal Dutch Airlines, of which 650 redundancies occurred during the reference period and 1 201 occurred before or after the reference period and a clear causal link can be established with the event which triggered the redundancies during the reference period;
- D. whereas the application is based on the intervention criteria of Article 4(1), point (a), of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State;
- E. whereas the Commission acknowledged that the COVID-19 health crisis generated an economic crisis and pushed for a Next Generation EU recovery plan that underlines the key role played by the EGF in assisting redundant workers;
- F. whereas the COVID-19 pandemic caused an immense shock to the aviation industry due to travel restrictions, leading to a drop in international air traffic by 98,9 % in April 2020 compared to April 2019, while 64 % of global aircraft was put in storage;
- G. whereas international passenger demand has fallen by 75,6 % in 2020 compared to 2019 levels, whereas according to the global passenger forecast by the International Air Transport Association, it will take 3 to 4 years for the aviation industry to recover to its pre-crisis level;
- H. whereas this is one of the first mobilisations of the EGF due to the COVID-19 crisis, following the adoption by the European Parliament of its resolution of 18 June 2020 on the proposal of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (EGF/2020/000 TA 2020 - Technical Assistance at the initiative of the Commission)<sup>2</sup>, stating that the EGF could be mobilised to support permanently dismissed workers and the self-employed in the context of the global crisis caused by COVID-19 without amending Regulation (EU) No 1309/2013;
- I. whereas before the pandemic started, the financial performance of KLM was increasing steadily between 2015 and 2019, its net profit rising from EUR 54 million in the financial year 2015 to EUR 449 million in the financial year 2019;
- J. whereas the number of passengers carried by KLM dropped by 68 % and KLM's revenue fell by 53,8 % in 2020 compared to 2019, leading KLM to accumulate an operating loss of EUR 1 154 million in 2020 compared to a profit of EUR 714 million in 2019<sup>3</sup>, and its

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<sup>1</sup> Within the meaning of Article 3 of the EGF Regulation.

<sup>2</sup> Texts adopted, P9\_TA(2020)0141.

<sup>3</sup> [https://www.airfranceklm.com/sites/default/files/q4\\_2020\\_press\\_release\\_en\\_final.pdf](https://www.airfranceklm.com/sites/default/files/q4_2020_press_release_en_final.pdf)

management to announce a restructuring plan reducing the workforce by around 5 000 full-time equivalents<sup>1</sup>;

- K. whereas the Commission declared that the health crisis resulted in an economic crisis, set out a recovery plan for the economy, and underlined the role of the EGF as an emergency tool<sup>2</sup>;
1. Agrees with the Commission that the conditions set out in Article 4(1), point (a), of the EGF Regulation are met and that the Netherlands are entitled to a financial contribution of EUR 5 019 218 under that Regulation, which represents 60 % of the total cost of EUR 8 365 364, comprising expenditure for personalised services of EUR 8 030 750 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 334 614;
  2. Notes that the Dutch authorities submitted the application on 22 December 2020, and that, following the provision of additional information by the Netherlands, the Commission finalised its assessment on 6 May 2021 and notified it to Parliament on the same day;
  3. Regrets the lengthy process in such difficult circumstances and calls the Commission to accelerate the process of assessment, ensuring that the dismissed workers can benefit from the Union's support in a timely manner;
  4. Notes that the application relates in total to 1 851 workers made redundant in the company KLM Royal Dutch Airlines; takes note that the Netherlands expect that only 1 201 out of the total eligible beneficiaries will participate in the measures ('targeted beneficiaries');
  5. Notes that the Netherlands have decided not to offer income support to the dismissed workers through the EGF; takes note that the Dutch government had launched a generic wage support grant for all companies whose turnover is affected by more than 20 % by the COVID-19 crisis and that KLM Group applied for NOW-grant (Noodmaatregel Overbrugging voor Werkgelegenheid); takes note that KLM Group applied for the entire period covered by the NOW grant and has already received advance payments of EUR 683 million and should receive an additional EUR 488 million;
  6. Notes that it is for the Member State to decide how many of the eligible workers should be targeted to benefit of the support; calls on the Netherlands to guarantee the inclusion of the most vulnerable individuals, who are likely to face most difficulties on the job market, without any form of discrimination; stresses the benefit of allowing all workers made redundant, for whom this represents their best option, to be integrated and supported by the measures included in this EGF project;
  7. Underlines that the social impact of the redundancies is expected to be considerable as KLM is the Netherlands' second-largest private employer with over 33 000 employees<sup>3</sup> in 2019; recalls that these redundancies took place in a context of rising unemployment rates

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<sup>1</sup> KLM newsroom: <https://news.klm.com/klm-adapts-organisation-further-due-to-covid-19-crisis/>

<sup>2</sup> COM(2020)0442.

<sup>3</sup> KLM annual report 2019: [https://www.klm.com/travel/nl\\_nl/images/KLM-Jaarverslag-2019\\_tcm541-1063986.pdf](https://www.klm.com/travel/nl_nl/images/KLM-Jaarverslag-2019_tcm541-1063986.pdf)

in Noord-Holland, which increased by 1,5 percentage points to reach 4,8 % in the fourth quarter of 2020 compared to the same quarter of 2019;

8. Notes that the Netherlands started providing personalised services to the targeted beneficiaries on 1 February 2021 and that the period of eligibility for a financial contribution from the EGF will therefore be from 1 February 2021 to 1 February 2023;
9. Recalls that personalised services to be provided to the workers consist of the following actions: professional orientation, support to find work in dedicated sectors, training, coaching and/or education and financial advice; welcomes the focus of the authorities on reskilling workers to facilitate their move to sectors with labour shortages, such as education, healthcare, logistics, technologies and information management;
10. Notes that the Netherlands started incurring administrative expenditure to implement the EGF on 1 February 2021 and that expenditure on preparatory, management, information and publicity, control and reporting activities will therefore be eligible for a financial contribution from the EGF from 1 February 2021 to 1 August 2023;
11. Welcomes that the co-ordinated package of personalised services was drawn up by the Netherlands in consultation with stakeholders and social partners, including eight trade unions, and, in close cooperation with the relevant Works Councils, that a support group was set up to ensure that these services are coordinated;
12. Stresses that the Dutch authorities have confirmed that the eligible actions will not receive assistance from other Union funds or financial instruments<sup>1</sup>;
13. Calls for continued reduction of administrative burden throughout the process;
14. Calls for further communication efforts with regard to the measures supported by the Union budget through the EGF; underlines the importance to disseminate information on the Union added value and the support to vulnerable sectors and workers, especially in the wake of the COVID-19 fallout;
15. Reiterates that assistance from the EGF must not replace actions which are the responsibility of companies, by virtue of national law or collective agreements;
16. Notes that according to the Commission all the procedural requirements were met;
17. Strongly supports that in 2021-2027 the EGF will continue to show solidarity while shifting the focus from the cause of restructuring to its impact; welcomes that under the new rules decarbonisation will also be a reason for applicators to be eligible for support.
18. Approves the decision annexed to this resolution;

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<sup>1</sup> On 13 July 2020, the European Commission has approved, under EU State aid rules, a EUR 3,4 billion Dutch State aid measure consisting of a State guarantee on loans and a subordinated State loan to KLM to provide urgent liquidity to the company in the context of the coronavirus outbreak.  
[https://ec.europa.eu/commission/presscorner/detail/en/ip\\_20\\_1333](https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1333)

19. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
20. Instructs its President to forward this resolution, including its Annex, to the Council and the Commission.

**ANNEX**

**DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the mobilisation of the European Globalisation Adjustment Fund following an application from the Netherlands – EGF/2020/004 NL/KLM**

*(The text of this annex is not reproduced here since it corresponds to the final act, Decision (EU) 2021/1022.)*