



Council of the  
European Union

Brussels, 18 March 2019  
(OR. en)

7624/19

---

---

**Interinstitutional File:**  
**2018/0202(COD)**

---

---

SOC 227  
ECOFIN 316  
FSTR 43  
COMPET 259  
FIN 248  
IA 104  
CODEC 699  
CADREFIN 158

**NOTE**

---

From: General Secretariat of the Council  
On: 15 March 2019  
To: Delegations

---

No. prev. doc.: 6842/19  
No. Cion doc.: 9701/18 - COM(2018) 380 final

---

Subject: Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND  
OF THE COUNCIL on the European Globalisation Adjustment Fund (EGF)  
- *Partial general approach*

---

Delegations will find attached in the Annex the text of the partial general approach on the above-mentioned Regulation, agreed by the EPSCO Council at its meeting held on 15 March 2019.

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**on the European Globalisation Adjustment Fund (EGF)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee,<sup>1</sup>

Having regard to the opinion of the Committee of the Regions,<sup>2</sup>

Acting in accordance with the ordinary legislative procedure,

Whereas:

---

<sup>1</sup> OJ C , , p. .

<sup>2</sup> OJ C , , p. .

- (1) Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 10 TFEU, including principles of subsidiarity and proportionality as set out in Article 5 TEU should be respected in the implementation of the Funds, taking into account the Charter of Fundamental Rights of the European Union. Member States and the Commission should aim at eliminating inequalities and at promoting equality between men and women and integrating the gender perspective, as well as at combating discrimination based on sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation. The objectives of the Funds should be pursued in the framework of sustainable development and the Union's promotion of the aim of preserving, protecting and improving the quality of the environment as set out in Articles 11 and 191(1) TFEU, taking into account the polluter pays principle.
- (2) On 17 November 2017, the European Pillar of Social Rights<sup>3</sup> was jointly proclaimed by the European Parliament, the Council and the Commission as a response to social challenges in Europe. Taking into account the changing realities of the world of work, the Union shall be made ready for the current and future challenges of globalisation and digitisation, making growth more inclusive and by improving employment and social policies. The twenty key principles of the Pillar are structured around three categories: equal opportunities and access to the labour market; fair working conditions; social protection and inclusion. The European Pillar of Social Rights shall act as an overarching guiding framework of the European Globalisation Adjustment Fund (EGF), allowing the Union to set the relevant principles into practice in the case of unexpected major restructuring events.

---

<sup>3</sup> [https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights\\_en](https://ec.europa.eu/commission/priorities/deeper-and-fairer-economic-and-monetary-union/european-pillar-social-rights_en).

- (3) On 20 June 2017, the Council endorsed the Union response<sup>4</sup> to the ‘UN 2030 Agenda for Sustainable Development’<sup>5</sup> — a sustainable European future. The Council underlined the importance of achieving sustainable development across the three dimensions (economic, social and environmental), in a balanced and integrated way. It is vital that sustainable development is mainstreamed in the European policy framework, and that the Union is ambitious in the policies it uses to address global challenges. The Council welcomed the Commission Communication on ‘Next steps for a sustainable European future’ of 22 November 2016 as a first step in mainstreaming the Sustainable Development Goals and applying sustainable development as an essential guiding principle for all Union policies, including through its financing instruments.
- (4) In February 2018, the Commission adopted its Communication on ‘A new, modern Multiannual Financial Framework for a European Union that delivers efficiently on its priorities post-2020’<sup>6</sup>. The Communication stresses that the Union budget shall support Europe’s unique social market economy. Therefore, it will be of utmost importance to improve employment opportunities and to address the skills challenges, especially also those linked to digitisation. Budgetary flexibility shall be a key principle in the next Multiannual Financial Framework. Flexibility mechanisms shall remain in place to allow the Union to react to unforeseen events, and to ensure that budgetary resources are used where most urgently needed.
- (5) In its ‘White Paper on the Future of Europe’<sup>7</sup> the Commission expresses concerns regarding isolationist movements, growing doubts over the benefits of open trade and the Union’s social market economy in general.

---

<sup>4</sup> <http://eu-un.europa.eu/eu-response-2030-agenda-sustainable-development-sustainable-european-future/>.

<sup>5</sup> <https://sustainabledevelopment.un.org/post2015/transformingourworld>.

<sup>6</sup> [https://ec.europa.eu/commission/sites/beta-political/files/communication-new-modern-multiannual-financial-framework\\_en.pdf](https://ec.europa.eu/commission/sites/beta-political/files/communication-new-modern-multiannual-financial-framework_en.pdf)

<sup>7</sup> [https://ec.europa.eu/commission/white-paper-future-europe-reflections-and-scenarios-eu27\\_en](https://ec.europa.eu/commission/white-paper-future-europe-reflections-and-scenarios-eu27_en).

- (6) In its ‘Reflection Paper on Harnessing Globalisation’<sup>8</sup> the Commission identifies the combination of trade related globalisation and technological change as the major drivers of an increased demand for skilled labour and a reduced number of jobs that require lower qualifications. Despite the overall tremendous advantages of more open trade and further integration of world economies, these negative side effects need to be tackled. As the current benefits of globalisation are already unequally distributed among people and regions, causing a significant impact on those adversely affected, there is a danger that the ever faster evolving technological advances will further fuel these effects. Therefore, in line with the principles of solidarity and sustainability, it will be necessary to ensure that the benefits of globalisation will be shared more fairly by reconciling economic opening and technological advance with social protection.
- (7) In its ‘Reflection Paper on the Future of Union Finances’<sup>9</sup> the Commission underlines the need to reduce economic and social divergences between and within Member States. Therefore, a key priority is to invest in equality, social inclusion, education and training as well as health.

---

<sup>8</sup> [https://ec.europa.eu/commission/publications/reflection-paper-harnessing-globalisation\\_en](https://ec.europa.eu/commission/publications/reflection-paper-harnessing-globalisation_en).

<sup>9</sup> [https://ec.europa.eu/commission/publications/reflection-paper-future-eu-finances\\_en](https://ec.europa.eu/commission/publications/reflection-paper-future-eu-finances_en).

- (8) Globalisation and technological change is likely to further increase the interconnectedness and interdependence of world economies. Labour reallocation is an integral and inevitable part of such economic change. If the benefits of change are to be distributed fairly, offering assistance to displaced workers and those threatened by displacement is of utmost importance. The ‘EU Quality Framework for anticipation of change and restructuring’<sup>10</sup>, is the Union policy instrument that sets the framework of best practice for anticipating and dealing with corporate restructuring. It offers a comprehensive framework on how the challenges of economic adjustment and restructuring and their employment and social impact should be addressed by adequate policy means. It also calls upon Member States to use EU and national funding in a way to ensure that the social impact of restructuring, especially the adverse effects on employment, can be cushioned more effectively. The main Union instruments to assist workers affected are the European Social Fund Plus (ESF+), which is designed to offer assistance in an anticipatory way, and the EGF, which is designed to offer assistance in the case of unexpected major restructuring events in a reactive manner.
- (9) The EGF was established by Regulation (EC) No 1927/2006 of the European Parliament and of the Council<sup>11</sup> for the multiannual financial framework from 1 January 2007 to 31 December 2013. The EGF has been set up to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation.

---

<sup>10</sup> COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS EU Quality Framework for anticipation of change and restructuring, (COM(2013)882 final, 13.12.2013).

<sup>11</sup> Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund (OJ L 406, 30.12.2006, p. 1).

- (10) The scope of Regulation (EC) No 1927/2006 was broadened in 2009 by Regulation (EC) No 546/2009 of the European Parliament and of the Council<sup>12</sup> as part of the European Economic Recovery Plan to include workers who lost their jobs as a direct consequence of the global financial and economic crisis.
- (11) For the duration of the multiannual financial framework from 1 January 2014 to 31 December 2020, Regulation (EU) No 1309/2013 of the European Parliament and of the Council<sup>13</sup> extended the scope to cover not only job displacements resulting from a serious economic disruption caused by a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, but also from any new global financial and economic crisis. Furthermore, Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council amended Regulation (EU) No 1309/2013 to introduce, inter alia, rules allowing EGF to exceptionally cover collective applications involving SMEs located in one region and operating in different economic sectors defined at NACE Revision 2 division level, where the applicant Member State demonstrates that SMEs are the main or the only type of business in that region.

---

<sup>12</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, p. 26).

<sup>13</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.

- (12) The Commission carried out a mid-term evaluation of the EGF to assess how and to what extent the EGF achieves its objectives. The EGF proved to be effective, attaining a higher reintegration rate of displaced workers than in the previous programming period. The evaluation also found that the EGF generated European added value. This is particularly true in terms of its volume effects, meaning that EGF assistance not only increases the number and variety of services offered, but also their level of intensity. Moreover, EGF interventions have high visibility and demonstrate the EU added value of the intervention directly to the general public. However, several challenges were identified. On the one hand, the mobilisation procedure was considered to be too long. Furthermore, many Member States reported problems putting together the extensive background analysis of the event that triggered the redundancies. The main reason that keeps Member States that would have had a potential EGF case from applying are financial and institutional capacity problems. On the one hand, it could simply be a lack of manpower – Member States currently can ask for technical assistance only if they implement an EGF case. Since redundancies can happen unexpectedly, it would be important that Member States are ready to react immediately and can submit an application without any delays. Furthermore, in certain Member States, more profound institutional capacity building efforts seem necessary in order to ensure an efficient and effective implementation of EGF cases. The threshold of 500 displaced jobs was criticized as being too high, especially in lesser populated regions<sup>14</sup>.

---

<sup>14</sup> COM (2018) 297 final and accompanying SWD (2018) 192 final.



- (13) The Commission underlines the continuing importance of the role of the EGF as a flexible fund to support workers who lose their jobs in large-scale restructuring events and to help them to find another job as rapidly as possible. The Union should continue to provide specific, one-off support to facilitate the re-integration into employment of displaced workers in areas, sectors, territories or labour markets suffering a shock of serious economic disruption. Considering the interplay and mutual effects of open trade, economic and financial developments such as asymmetric economic shocks, technological change, geopolitical developments, or other factors like the transition to a low carbon economy, and therefore considering that it is increasingly difficult to single out a specific factor that causes job displacements, the mobilisation of the EGF shall in the future only be based on the significant impact of a restructuring event. Given its purpose, which is to provide support in situations of urgency and unexpected circumstances, complementing the more anticipatory assistance offered by the ESF+, the EGF shall remain a flexible and special instrument outside the budgetary ceilings of the Multiannual Financial Framework, as set out in the Commission's communication 'A Modern Budget for a Union that Protects, Empowers and Defends - The Multiannual Financial Framework for 2021 – 2027' and its annex<sup>15</sup>.
- (14) As stated, in order to maintain the European nature of the EGF, an application for support should be triggered when an unexpected major restructuring event causes a significant impact on the local or regional economy. Such an impact should be defined by a minimum number of job displacements within a specific reference period. Taking into account the findings of the mid-term evaluation, the threshold shall be set at 250 jobs displacement within a reference period of four months (or 6 months in sectoral cases). Taking into account that waves of dismissals in different sectors but the same region have an equally significant impact on the local labour market, regional applications shall be possible as well. In small labour markets, such as small Member States or remote regions, including the outermost regions as referred in Article 349 of the TFEU, or in exceptional circumstances, applications could be submitted in case of a lower number of job displacements.

---

<sup>15</sup> Commission SWD (2018) 171 final and its annex COM (2018) 321 final.

- (14a)(new) The EGF, as a fund designed for unexpected major restructuring events, may not be mobilised in cases of dismissals in the public sector, which are the consequence of budgetary cuts. However, the EGF should be able to support displaced workers from enterprises active on a competitive market, providing services or delivering goods to publicly financed entities affected by budgetary cuts. It can also support self-employed persons whose activity has ceased as a result of budgetary cuts.
- (15) In order to express Union solidarity towards unemployed persons, the co-financing rate of the EGF as a reactive fund should be aligned with the highest co-financing rate of the ESF+ as a proactive fund, in the respective Member State concerned, while in any case not being lower than 60%.
- (16) Part of the budget of the Union allocated to the EGF should be implemented by the Commission under shared management with Member States within the meaning of Regulation (EU, Euratom) [*number of the new Financial Regulation*] of the European Parliament and of the Council<sup>16</sup> (the 'Financial Regulation'). Therefore, when implementing the EGF under shared management, the Commission and the Member States should respect the principles referred to in the Financial Regulation, such as sound financial management, transparency and non-discrimination.
- (17) The European Monitoring Centre on Change, based in the European Foundation for the Improvement of Living and Working Conditions (Eurofound) in Dublin, assists the Commission and the Member States with qualitative and quantitative analyses in order to help in the assessment of trends of globalisation, restructuring and the use of the EGF.
- (18) Displaced workers and self-employed persons whose activity has ceased should have equal access to the EGF independently of their type of employment contract or employment relationship. Therefore, displaced workers as well as self-employed persons whose activity has ceased should be regarded as possible EGF beneficiaries for the purposes of this Regulation.

---

<sup>16</sup> OJ L [...], [...], p. [...].

- (19) Financial contributions from the EGF should be primarily directed at active labour market measures aimed at reintegrating beneficiaries rapidly into sustainable employment, either within or outside their initial sector of activity. Measures should reflect the prospected needs of the local or regional labour market. However, whenever relevant, the mobility of displaced workers should also be supported in order to help find new employment elsewhere. A particular focus shall be laid on the dissemination of skills required in the digital age. The inclusion of pecuniary allowances in a coordinated package of personalised services should be restricted. Companies could be encouraged to participate in the national co-funding for the EGF-supported measures.
- (20) When drawing up the coordinated package of active labour market policy measures, Member States should favour measures that will significantly contribute to the employability of the beneficiaries. Member States should strive towards the reintegration into sustainable employment of the largest possible number of beneficiaries participating in these measures as soon as possible within six months after the end of the implementation period.
- (21) Member States should pay particular attention to disadvantaged beneficiaries, including young and older unemployed persons and those at risk of poverty, when designing the coordinated package of active labour market policy measures, given that those groups experience particular problems in re-entering the labour market. Notwithstanding, the principles of gender equality and of non-discrimination, which are among the Union's core values and are enshrined in the European Pillar of Social Rights, should be respected and promoted when implementing the EGF.
- (22) In order to support beneficiaries effectively and rapidly, Member States should do their utmost to submit complete applications for a financial contribution from the EGF. In case the Commission requires further information for the assessment of an application, the provision of additional information should be limited in time.

- (23) In the interest of beneficiaries and bodies responsible for implementation of the measures, the applicant Member State should keep all actors involved in the application process informed of the progress of the application.
- (24) In compliance with the principle of sound financial management, financial contributions from the EGF should not replace but should, where possible, complement support measures which are available for beneficiaries within the Union funds or other Union policies or programmes.
- (25) Special provisions should be included for information and communication activities on EGF cases and outcomes.
- (26) To facilitate the implementation of this Regulation, expenditure should be eligible either from the date on which a Member State starts to provide personalised services or from the date on which a Member State incurs administrative expenditure for implementing the EGF.
- (27) In order to cover the needs arising especially during the first months of each year, when the possibilities for transfers from other budget lines are particularly difficult, an adequate amount of payment appropriations should be made available on the EGF budget line in the annual budgetary procedure.
- (28) [The Multiannual Financial Framework and the Interinstitutional Agreement between the European Parliament, the Council and the Commission of [future date] on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>17</sup> ('the Interinstitutional Agreement') determine the budgetary framework of the EGF].

---

<sup>17</sup> Reference to be updated.

- (29) In the interest of the beneficiaries, assistance should be made available as quickly and efficiently as possible. The Member States and the Union institutions involved in the EGF decision-making process should do their utmost to reduce processing time and simplify procedures so as to ensure the smooth and rapid adoption of decisions on the mobilisation of the EGF. Therefore, the Budgetary Authority shall in the future decide on transfer requests submitted by the Commission, not requiring a Commission Proposal for the mobilisation of the EGF anymore.
- (30) In the event of an enterprise closing down, displaced workers may be helped to take over some or all of the activities of their former employer.
- (31) In order to enable political scrutiny by the European Parliament and continuous monitoring by the Commission of results obtained with EGF assistance, Member States should submit a final report on the implementation of the EGF.
- (32) The Member States should remain responsible for the implementation of the financial contribution and for the management and control of the actions supported by Union funding, in accordance with the relevant provisions of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council (the ‘Financial Regulation’)<sup>18</sup> or its successor Regulation. The Member States should justify the use made of the financial contribution received from the EGF. In view of the short implementation period of EGF operations, reporting obligations should reflect the particular nature of the EGF interventions.

---

<sup>18</sup> Reference to be updated.

(33) [Member States should also prevent, detect and deal effectively with any irregularities including fraud committed by beneficiaries. Moreover, in accordance with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>19</sup>, Council Regulations (Euratom, EC) No 2988/95<sup>20</sup> and Council Regulation No 2185/96<sup>21</sup>, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Council Regulation (EU) 2017/1939<sup>22</sup>, the European Public Prosecutor's Office ("the EPPO") may investigate and prosecute offences against the Union's financial interests, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>23</sup>. Member States should take the necessary measures so that any person or entity receiving Union funds fully cooperates in the protection of the Union's financial interests, grants the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, and the European Court of Auditors (ECA) and ensures that any third parties involved in the implementation of Union funds grant equivalent rights. Member States should report to the Commission on detected irregularities, including fraud, and on their follow-up, as well as on the follow-up of OLAF investigations.]

---

<sup>19</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

<sup>20</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

<sup>21</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

<sup>22</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ("the EPPO") (OJ L 283, 31.10.2017, p. 1).

<sup>23</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

- (34) [In accordance with Regulation (EU, Euratom) No 2018/1046 of the European Parliament and of the Council<sup>24</sup> ("the Financial Regulation"), Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council<sup>25</sup>, Council Regulation (Euratom, EC) No 2988/95<sup>26</sup>, Council Regulation (Euratom, EC) No 2185/96<sup>27</sup> and Council Regulation (EU) 2017/1939<sup>28</sup>, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities, including fraud, the recovery of funds lost, wrongly paid or incorrectly used and, where appropriate, the imposition of administrative sanctions. In particular, in accordance with Regulation (EU, Euratom) No 883/2013 and Regulation (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) may carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. In accordance with Regulation (EU) 2017/1939, the European Public Prosecutor's Office ("the EPPO") may investigate and prosecute offences against the Union's financial interests, as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council<sup>29</sup>.

---

<sup>24</sup> Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013, (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).

<sup>25</sup> Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999, (OJ L 248, 18.9.2013, p. 1).

<sup>26</sup> Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.95, p.1).

<sup>27</sup> Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).

<sup>28</sup> Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ("the EPPO") (OJ L 283, 31.10.2017, p. 1).

<sup>29</sup> Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).

In accordance with the Financial Regulation, any person or entity receiving Union funds is to fully cooperate in the protection of the Union's financial interests, to grant the necessary rights and access to the Commission, OLAF, the EPPO in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939 and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.]

- (35) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. [Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.]
- (36) Pursuant to paragraph 22 and 23 of the Inter-institutional agreement for Better Law-Making of 13 April 2016, there is a need to evaluate this Programme on the basis of information collected through specific monitoring requirements, while avoiding overregulation and administrative burdens, in particular on Member States. These requirements, where appropriate, can include measurable indicators, as a basis for evaluating the effects of the Programme on the ground.
- (37) Reflecting the importance of tackling climate change in line with the Union's commitments to implement the Paris Agreement and the United Nations Sustainable Development Goals, this Programme will contribute to mainstream climate action in the Union's policies and to the achievement of an overall target of [25 %] of the EU budget expenditures supporting climate objectives. Relevant actions will be identified during the fund's preparation and implementation, and reassessed in the context of its evaluation.



- (38) Since the objectives of this Regulation cannot be sufficiently achieved by the Member States, but can rather, by reason of their scale and effects, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve those objectives.
- (39) Considering the fact that the digital transformation of the economy requires a certain level of digital competence of the workforce, the dissemination of skills required in the digital age should be a strongly recommended horizontal element of any coordinated package of personalised services offered.

### *Article 1*

#### Subject matter

This Regulation establishes the European Globalisation Adjustment Fund (EGF) for the period of the Multiannual Financial Framework from 1 January 2021 to 31 December 2027.

It lays down the objectives of the EGF, the forms of Union funding and the rules for providing such funding, including applications by the Member States for financial contributions from the EGF for measures targeting the beneficiaries referred to in Article 7.

### *Article 2*

#### Mission

The EGF shall contribute to a better distribution of the benefits of globalisation and technological advance by helping displaced workers and self employed persons whose activity has ceased adapt to structural change. As such, the EGF shall contribute to the implementation of the principles defined under the European Pillar of Social Rights and enhance social and economic cohesion among regions and Member States.

### *Article 3*

#### Scope and objectives

1. The EGF shall offer support to displaced workers and self-employed persons whose activity has ceased in the course of unexpected major restructuring events, as referred to in Article 5.
2. The objectives of the EGF are to demonstrate solidarity and promote sustainable employment in the Union by offering assistance in case of unexpected major restructuring events, in particular those caused by globalisation-related challenges, such as changes in world trade patterns, trade disputes, important changes in the trade relations of the EU or the composition of the internal market, financial or economic crises, the transition to a low-carbon economy [or as a consequence of digitisation or automation]. The EGF shall thereby support the beneficiaries to return to sustainable employment as soon as possible. Particular emphasis shall lie on measures that help the most disadvantaged groups.

### *Article 4*

#### Definitions

For the purposes of this Regulation,

- (a) 'displaced worker' means a worker whose employment is ended prematurely by redundancy, or whose contract is not renewed, due to economic reasons;
- (b) 'self-employed person' means a person who employed fewer than 10 workers;
- (c) 'beneficiary' means a person participating in EGF co-funded measures.
- (d) 'irregularity' means any breach of applicable law, resulting from an act or omission by an economic operator involved in the implementation of the EGF, which has, or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget.

## Article 5

### Intervention criteria

1. Member States may apply for financial contributions from the EGF for measures targeting displaced workers and self-employed persons in accordance with the provisions laid down in this Article.
2. A financial contribution from the EGF shall be provided when one of the following conditions is fulfilled:
  - (a) the cessation of activity of at least 250 displaced workers or self-employed persons, over a reference period of four months, in an enterprise in a Member State, including where that cessation applies in its suppliers or downstream producers;
  - (b) the cessation of activity of at least 250 displaced workers or self-employed persons, over a reference period of six months, particularly in SMEs, where all operate in the same economic sector defined at NACE Revision 2 division level and located in one region or two contiguous regions defined at NUTS 2 level or in more than two contiguous regions defined at NUTS 2 level provided that there are at least 250 workers or self-employed persons affected in two of the regions combined;
  - (c) the cessation of activity of at least 250 displaced workers or self-employed persons, over a reference period of four months, particularly in SMEs, operating in the same or different economic sectors defined at NACE Revision 2 division level and located in the same region defined at NUTS 2 level.
3. In small labour markets, in particular with regard to applications involving SMEs, where duly substantiated by the applicant Member State, an application for a financial contribution under this Article may be considered admissible even if the criteria laid down in paragraph 2 are not entirely met, when the redundancies have a serious impact on employment and the local or regional economy. The applicant Member State shall specify which of the intervention criteria set out in paragraph 2 are not entirely met.

3a.(new) In exceptional circumstances, the provisions in paragraph 3 shall also apply in labour markets other than the small ones. The aggregated amount of contributions in these cases may not exceed 15 % of the annual ceiling of the EGF.

4. The EGF may not be mobilised when public sector employees are dismissed as a result of budgetary cuts taken by a Member State.

### *Article 6*

#### Calculation of displacements and of cessation of activity

1. The applicant Member State shall specify the method used for calculating the number of workers and self-employed persons defined in Article 4 for the purpose of Article 5 as it stands on one or more of following dates:

- (a) the date on which the employer, in accordance with Article 3(1) of Council Directive 98/59/EC,<sup>30</sup> notifies the competent public authority in writing of the projected collective redundancies;
- (b) the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker;
- (c) the date of the de facto termination of the contract of employment or its expiry;
- (d) the date of the end of the assignment to the user undertaking; or
- (e) for a self-employed person, the date of cessation of the activities as determined in accordance with national law or administrative provisions.

---

<sup>30</sup> Reference to be checked/updated: *Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies* (OJ L 225, 12.8.1998, p. 16).

In the cases referred to in point (a), the applicant Member State shall provide the Commission with additional information on the actual number of redundancies effected according to Article 5 of this Regulation, prior to the completion of the assessment by the Commission.

#### *Article 7*

##### Eligible beneficiaries

The applicant Member State may provide a coordinated package of personalised services in accordance with Article 8 co-financed by the EGF to eligible beneficiaries, who may include:

- (a) displaced workers and self-employed persons whose activity has ceased, calculated in accordance with Article 6, within the reference periods provided for in Article 5;
- (b) displaced workers and self-employed persons whose activity has ceased, calculated in accordance with Article 6, outside the reference period provided for in Article 5; namely 6 months before the start of the reference period and between the end of the reference period and the last day before the date of the completion of the assessment by the Commission.

The workers and self-employed persons referred to in point (b) of the first subparagraph shall be considered eligible provided that a clear causal link can be established with the event which triggered the redundancies during the reference period.

#### *Article 8*

##### Eligible measures

1. A financial contribution from the EGF may be made for active labour market measures that form part of a coordinated package of personalised services, designed to facilitate the re-integration of the targeted beneficiaries and, in particular, the most disadvantaged among the displaced workers, into employment or self-employment.

The dissemination of skills required in the digital industrial age is a strongly recommended horizontal element of any package of personalised services offered. The level of training shall be adapted to the qualifications and the needs of the respective beneficiary.

The coordinated package of personalised services may include in particular:

- (a) tailor-made training and retraining, including in information and communication technology and other skills required in the digital age, certification of acquired knowledge and competences, job-search assistance, occupational guidance, advisory services, mentoring, outplacement assistance, entrepreneurship promotion, aid for self-employment, business start-ups and employee take-overs, and cooperation activities;
- (b) special time-limited measures, such as job-search allowances, employers' recruitment incentives, mobility allowances, training allowances, subsistence allowances, and allowances for carers.

The costs of the measures referred to in point (b) may not exceed 35 % of the total costs for the coordinated package of personalised services listed in this paragraph.

The investments for self-employment, starting an own business or for employee take-overs may not exceed EUR 20 000 per beneficiary.

The design of the coordinated package of personalised services shall anticipate future labour market perspectives and required skills. The coordinated package shall be compatible with the shift towards a resource-efficient and sustainable economy, and shall also focus on the dissemination of skills required in the digital industrial age and take into account the demand on the local labour market.

2. The following measures shall not be eligible for a financial contribution from the EGF:
  - (a) special time-limited measures referred to in point (b) of paragraph 1, which are not conditional on the active participation of the targeted beneficiaries in job-search or training activities;
  - (b) measures which are the responsibility of enterprises by virtue of national law or collective agreements.

The measures supported by the EGF shall not substitute passive social protection measures.

3. The coordinated package of services shall be drawn up in consultation with the targeted beneficiaries or their representatives, or the social partners.
4. At the initiative of the applicant Member State, a financial contribution from the EGF may be made for the preparatory, management, information and publicity, control and reporting activities.

#### *Article 9*

#### Applications

1. The applicant Member State shall submit an application to the Commission within 12 weeks of the date on which the criteria set out in Article 5(2) or (3) are met.
2. Within 10 working days of the date of submission of the application, or, where applicable, of the date on which the Commission is in possession of the translation of the application, whichever is the later, the Commission shall inform the Member State of any additional information it requires in order to assess the application.
3. Where additional information is required by the Commission, the Member State shall reply within 15 working days of the date of the request. That deadline shall be extended by the Commission by 10 working days at the duly justified request of the Member State concerned.

4. On the basis of the information provided by the Member State, the Commission shall complete its assessment of the application's compliance with the conditions for providing a financial contribution, within 50 working days of the receipt of the complete application or, where applicable, of the translation of the application. Where the Commission is unable, exceptionally, to comply with that deadline, it shall provide a written explanation setting out the reasons for the delay.
5. An application shall contain the following information:
  - (a) an assessment of the number of redundancies in accordance with Article 6, including the method of calculation;
  - (b) the confirmation that, where the dismissing enterprise has continued its activities after the lay-offs, it has complied with its legal obligations governing the redundancies;
  - (c) a brief description of the events that led to the displacement of workers;
  - (d) the identification, where applicable, of the dismissing enterprises, suppliers or downstream producers, sectors, and the categories of targeted beneficiaries broken down by gender, age group and whenever possible educational level;
  - (e) the expected impact of the redundancies as regards the local, regional or national economy and employment;
  - (f) a detailed description of the coordinated package of personalised services and related expenditure, including, in particular, any measures in support of employment initiatives for disadvantaged, older and young beneficiaries;



- (g) an explanation to what extent the recommendations set out in the EU Quality Framework for anticipation of change and restructuring were taken into account, and how the coordinated package of personalised services complements actions funded by other national or Union funds, including information on measures that are mandatory for the dismissing enterprises concerned by virtue of national law or pursuant to collective agreements;
- (h) the estimated budget for each of the components of the coordinated package of personalised services in support of the targeted beneficiaries and for any preparatory, management, information and publicity, control and reporting activities;
- (i) [...]
- (j) the dates on which the personalised services to the targeted beneficiaries and the activities to implement the EGF, as set out in Article 8, were started or are due to be started;
- (k) the procedures followed for consulting the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities or other relevant stakeholders as applicable;
- (l) a statement of compliance of the requested EGF support with the procedural and material Union rules on State aid as well as a statement outlining why the coordinated package of personalised services does not replace measures that are the responsibility of companies by virtue of national law or collective agreements;
- (m) the sources of national pre-financing or co-funding and other co-funding if applicable.

## *Article 10*

### Complementarity, compliance and coordination

1. A financial contribution from the EGF shall not replace measures which are the responsibility of companies by virtue of national law or collective agreements.
2. Support for targeted beneficiaries shall complement measures of the Member States at national, regional and local level including those co-financed by Union funds, in line with the recommendations set out in the EU Quality Framework for anticipation of change and restructuring.
3. The financial contribution from the EGF shall be limited to what is necessary to provide temporary, one-off support for targeted beneficiaries. The measures supported by the EGF shall comply with Union and national law, including State aid rules.
4. In accordance with their respective responsibilities, the Commission and the applicant Member State shall ensure the coordination of the assistance from Union funds.
5. The applicant Member State shall ensure that the specific measures receiving a financial contribution from the EGF do not receive assistance from other Union financial instruments.

## *Article 11*

### Equality between men and women and non-discrimination

The Commission and the Member States shall ensure that equality between men and women and the integration of the gender perspective are an integral part of, and are promoted during, the various stages of the implementation of the financial contribution from the EGF.

The Commission and the Member States shall take all appropriate steps to prevent any discrimination based on gender, gender identity, racial or ethnic origin, religion or belief, disability, age or sexual orientation in access to the EGF and during the various stages of the implementation of the financial contribution.

## *Article 12*

### Technical assistance at the initiative of the Commission

1. At the initiative of the Commission, a maximum of 0.5 % of the annual ceiling of the EGF may be used for technical and administrative assistance for its implementation, such as preparatory, monitoring, control, audit and evaluation activities including corporate information technology systems, communication activities and those enhancing the EGF's visibility as a fund or with regard to specific projects and other administrative and technical assistance measures. Such measures may cover future and previous programming periods.
2. Subject to the ceiling set out in paragraph 1, the Commission shall submit a request for a transfer of appropriations for technical assistance to the relevant budgetary lines in accordance with Article 31 of the Financial Regulation.
3. The Commission shall implement technical assistance at its own initiative under direct or indirect management in accordance with [points (a) and (c) of Article 62(1)] of the Financial Regulation.
4. The Commission's technical assistance shall include the provision of information and guidance to the Member States for using, monitoring and evaluating the EGF. The Commission shall also provide information along with clear guidance on using the EGF to the European and national social partners. Guidance measures may also include the creation of taskforces in cases of severe economic disruptions in a Member State.

## *Article 13*

### Information, communication and publicity

1. The Member States shall acknowledge the origin and ensure the visibility of the Union funding by providing coherent, effective and targeted information to multiple audiences, including targeted information to beneficiaries, local and regional authorities, social partners, the media and the public.

Member States shall use the EU emblem in accordance with [Annex VIII of the Common Provisions Regulation] together with a simple funding statement ("funded/co-funded by the European Union").

2. The Commission shall maintain and update regularly an online presence, accessible in all official languages of the institutions of the Union, to provide updated information on the EGF, guidance on the submission of applications, as well as information on accepted and rejected applications and on the role of the European Parliament and the Council in the budgetary procedure.
3. The Commission shall implement information and communication activities on EGF cases and outcomes based on its experience with the aim of improving the effectiveness of the EGF and ensuring that Union citizens and workers know about the EGF.
4. The resources allocated to communication actions under this Regulation shall also contribute to covering the corporate communication of the political priorities of the Union provided that they are related to the general objectives referred to in Article 3.

## *Article 14*

### Determination of the financial contribution

1. The Commission shall, on the basis of the assessment carried out in accordance with Article 9 and in particular taking into account the number of targeted beneficiaries, the proposed measures and the estimated costs, evaluate and propose as quickly as possible the amount of a financial contribution from the EGF, if any, that may be made within the limits of the resources available.
2. The co-financing rate of the EGF for the measures offered shall be aligned with the highest co-financing rate of the ESF+ in the respective Member State [as provided for in Article 106(3) (a)(b)(c) of the Common Provisions Regulation] <sup>31</sup>, or shall be 60%, whichever is the higher.
3. Where, on the basis of the assessment carried out in accordance with Article 9, the Commission concludes that the conditions for a financial contribution under this Regulation are met, it shall immediately initiate the procedure set out in Article 16.
4. Where, on the basis of the assessment carried out in accordance with Article 9, the Commission concludes that the conditions for a financial contribution under this Regulation are not met, it shall immediately notify the applicant Member State.

## *Article 15*

### Eligibility period

1. Expenditure shall be eligible for a financial contribution from the EGF from the dates set out in the application pursuant to point (j) of Article 9(5) on which the Member State concerned starts, or is due to start, providing the personalised services to the targeted beneficiaries or incurs the administrative expenditure to implement the EGF, in accordance with Article 8(1) and (4).

---

<sup>31</sup> Reference to be updated.

2. The Member State shall carry out the eligible measures set out in Article 8 as soon as possible, and at the latest within 24 months after the date of entry into force of the decision on the financial contribution.
3. The implementation period is the period from the dates set out in the application pursuant to point (j) of Article 9(5) on which the Member State concerned starts the personalised services to the targeted beneficiaries and the activities to implement the EGF, as set out in Article 8, and ends 24 months after the date of entry into force of the decision on the financial contribution pursuant to Article 16(3).
4. Where a beneficiary accesses an education or training course the duration of which is two years or more, the expenditure for such a course shall be eligible for EGF co-funding up to the date when the final report referred to in Article 20(1) is due, provided that the relevant expenditure have been incurred before that date.
5. Expenditure pursuant to Article 8(4) shall be eligible until the deadline for submission of the final report in accordance with Article 20(1).

#### *Article 16*

##### Budgetary procedure and implementation

1. Where the Commission has concluded that the conditions for providing a financial contribution from the EGF are met, it shall submit a request for a transfer to the relevant budgetary lines in accordance with Article 31 of the Financial Regulation.
2. The transfer request needs to be accompanied by a summary of the examination of the eligibility of the application.
3. The Commission shall adopt a decision on a financial contribution, by means of an implementing act, which shall enter into force on the date the Commission is notified of the approval of the budgetary transfer by the European Parliament and the Council. The decision shall constitute a financing decision within the meaning of Article 110 of the Financial Regulation.

## *Article 17*

### Payment and use of the financial contribution

1. Following the entry into force of a decision on a financial contribution in accordance with Article 16(3) the Commission shall pay the financial contribution to the Member State concerned in a single 100 % pre-financing payment, in principle within 15 working days. The pre-financing shall be cleared once the Member State submits the certified statement of expenditure in accordance with Article 20(1). The unspent amount shall be reimbursed to the Commission.
2. The financial contribution referred to in paragraph 1 shall be implemented under shared management in accordance with Article 63 of the Financial Regulation.
3. Detailed technical terms of the financing shall be determined by the Commission in the decision on a financial contribution referred to in Article 16(3).
4. When carrying out the measures contained in the coordinated package of personalised services, the Member State concerned may submit a proposal to the Commission to amend the actions included by adding other eligible measures listed in points (a) and (b) of Article 8(1), provided that such amendments are duly justified and the total does not exceed the financial contribution referred to in Article 16(3). The Commission shall assess the proposed amendments and, if it agrees, shall amend the decision on a financial contribution accordingly.
5. The Member State concerned shall have the flexibility to re-allocate amounts between the budget items laid down in the decision on a financial contribution pursuant to Article 16(3). Should a reallocation exceed a 20 % increase for one or more of the items specified, the Member State shall notify the Commission beforehand.

## *Article 18*

### Use of the euro

Applications, decisions on financial contributions and reports under this Regulation, as well as any other related documents, shall express all amounts in euro.

## *Article 19*

### Indicators

1. Indicators to report on progress of the Programme towards the achievement of the objectives established in Article 3 are set out in the Annex. Personal data relating to these indicators are collected on the basis of this Regulation and for the sole purposes established thereof. They shall be treated in compliance with Regulation (EU) 2016/679 of the European Parliament and of the Council on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).
2. The performance reporting system shall ensure that data for monitoring programme implementation and results are collected efficiently, effectively and in a timely manner. To that end, proportionate reporting requirements shall be imposed on Member States.

## *Article 20*

### Final report and closure

1. Not later than at the end of the seventh month after the expiry of the period specified in Article 15(3), the Member State concerned shall present a final report to the Commission on the implementation of the financial contribution, including information on:



- (a) the type of measures and main results, explaining the challenges, lessons learned, synergies and complementarities with other EU funds and indicating, whenever possible, the complementarity of measures with those funded by other Union or national programmes in line with the EU Quality Framework for anticipation of change and restructuring;
  - (b) the names of the bodies delivering the package of measures in the Member State;
  - (c) the indicators set out in Annex point (1) and (2);
  - (d) [...]
  - (e) whether the dismissing enterprise, with the exception of micro enterprises and SMEs, has been a beneficiary of State aid or previous funding from Union cohesion or structural funds in the preceding five years;
  - (f) a statement justifying the expenditure.
2. No later than six months after the Commission has received all the information required in accordance with paragraph 1, it shall wind up the financial contribution by determining the final amount of the financial contribution from the EGF and the balance due, if any, by the Member State concerned in accordance with Article 24.

## *Article 21*

### Biennial report

1. By 1 August 2021 and every two years thereafter, the Commission shall present to the European Parliament and to the Council a comprehensive, quantitative and qualitative report on the activities under this Regulation and Regulation (EU) No 1309/2013 in the previous two years. The report shall focus mainly on the results achieved by the EGF and shall in particular contain information relating to applications submitted, decisions adopted, measures funded, including statistics on the indicators set out in the Annex, and the complementarity of such measures with measures funded by other Union funds, in particular ESF+, and information relating to the winding-up of financial contributions made and shall also document those applications that have been rejected or reduced owing to a lack of sufficient appropriations or to non-eligibility.
2. The report shall be transmitted for information to the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the social partners.

## *Article 22*

### Evaluation

1. The Commission shall carry out on its own initiative and in close cooperation with the Member States:
  - a) by 30 June 2025, a mid-term evaluation;
  - b) by 31 December 2029, a retrospective evaluation.
2. The results of the evaluations referred to in paragraph 1 shall be transmitted, for information, to the European Parliament, the Council, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the social partners. The recommendations of the evaluations shall be taken into account for the design of new programmes in the area of employment and social affairs or the further development of existing programmes.

3. The evaluations referred to in paragraph 1 shall include relevant statistics on the financial contributions, broken down by Member State.

### *Article 23*

#### Management and financial control

1. Without prejudice to the Commission's responsibility for implementing the general budget of the Union, Member States shall take responsibility for the management of measures supported by the EGF and the financial control of the measures. The steps they take shall include:
- (a) verifying that management and control arrangements have been set up and are being implemented in such a way as to ensure that Union funds are being used efficiently and correctly, in accordance with the principle of sound financial management;
  - (b) ensuring that the delivery of monitoring data is a mandatory requirement in contracts with bodies delivering the coordinated package of personalised services;
  - (c) verifying that the financed measures have been properly carried out;
  - (d) ensuring that expenditure funded is based on verifiable supporting documents, and is legal and regular;
  - (e) preventing, detecting and correcting irregularities including fraud and recovering amounts unduly paid together with interest on late payments where appropriate. The Member States shall report on irregularities including fraud to the Commission.

2. For the purposes of Article [63(3)?] of the Financial Regulation, Member States shall identify bodies responsible for the management and control of the measures supported by the EGF. Those bodies shall provide the Commission with the information set out in [Article 63(5), (6) and (7) ?] of the Financial Regulation on the implementation of the financial contribution when submitting the final report referred to in Article 20(1) of this Regulation.

Where authorities designated in accordance with Regulation (EU) No 1309/2013 have provided sufficient guarantees that payments are legal and regular, and properly accounted for, the Member State concerned may notify to the Commission that these authorities are confirmed under this Regulation. In this case, the Member State concerned shall indicate which authorities are confirmed and which is their function.

3. Member States shall make the financial corrections required where an irregularity is ascertained. The corrections made by the Member States shall consist in cancelling all or part of the financial contribution. The Member States shall recover any amount unduly paid as a result of an irregularity detected, repay it to the Commission and, where the amount is not repaid by the relevant Member State in the time allowed, default interest shall be due.
4. The Commission, in its responsibility for the implementation of the general budget of the Union, shall take every step necessary to verify that the actions financed are carried out in accordance with the principle of sound financial management. It is the responsibility of the applicant Member State to ensure that it has smoothly functioning management and control systems. The Commission shall satisfy itself that such systems are in place.

To that end, without prejudice to the powers of the Court of Auditors or the checks carried out by the Member State in accordance with national laws, regulations and administrative provisions, Commission officials or servants may carry out on-the-spot checks, including sample checks, on the measures financed by the EGF with a minimum notice of 12 working days. The Commission shall give notice to the applicant Member State with a view to obtaining all the assistance necessary. Officials or servants of the Member State concerned may take part in such checks.

5. The Commission is empowered to adopt delegated acts in accordance with Article 25 to supplement paragraph 1(e) by setting out the criteria for determining the cases of irregularity to be reported and the data to be provided.
6. The Commission shall adopt an implementing act setting out the format to be used for reporting of irregularities in accordance with the advisory procedure referred to in Article 26(2) in order to ensure uniform conditions for the implementation of this Article.
7. Member States shall ensure that all supporting documents regarding expenditure incurred are kept available for the Commission and the Court of Auditors for a period of three years following the winding-up of a financial contribution received from the EGF.

#### *Article 24*

##### Recovery of the financial contribution

1. In cases where the actual cost of the coordinated package of personalised services is less than the amount of the financial contribution pursuant to Article 16, the Commission shall recover the corresponding amount after having given the Member State concerned the possibility to submit its observations.

2. If, after completing the necessary verifications, the Commission concludes that a Member State either has failed to comply with the obligations stated in the decision on a financial contribution or is not complying with its obligations under Article 23(1), it shall give the Member State concerned the possibility to submit its observations. The Commission shall, if no agreement has been reached, adopt a decision by means of an implementing act to make the financial corrections required by cancelling all or part of the contribution of the EGF to the measure in question. That decision shall be taken within 12 months after having received the observations from the Member State. The Member State concerned shall recover any amount unduly paid as a result of an irregularity and, where the amount is not repaid by the applicant Member State in the time allowed, default interest shall be due.

### *Article 25*

#### Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.
2. The power to adopt delegated acts referred to in Article 23(5) shall be conferred on the Commission until 31 December 2027.
3. The delegation of power referred to in Article 23(5), may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.
4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement on Better Law-Making of 13 April 2016.
5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 23(5) shall enter into force only if no objection has been expressed either by the European Parliament or by the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

#### *Article 26*

##### *Committee Procedure*

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.
2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

#### *Article 27*

##### Transitional provision

Regulation (EU) No 1309/2013 shall continue to apply to applications submitted until 31 December 2020. It shall apply until the closure of the respective cases. Article 20 (1) (b) of Regulation (EU) No 1309/2013 shall apply until the ex post evaluation has been made.

*Article 28*

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply to applications submitted between 1 January 2021 and 31 December 2027. Article 22 (1) (b) of this Regulation shall apply until the retrospective evaluation has been made.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

*For the European Parliament*

*For the Council*

*The President*

*The President*

---



## Common output and result indicators for EGF applications

All personal data<sup>32</sup> are to be broken down by gender (female, male, non binary<sup>33</sup>).

## (1) Common output indicators on beneficiaries

- unemployed\*,
- inactive\*,
- employed\*,
- self-employed\*,
- below 30 years of age\*,
- above 54 years of age\*,
- with lower secondary education or less (ISCED 0-2)\*,
- with upper secondary (ISCED 3) or post-secondary education (ISCED 4)\*,
- with tertiary education (ISCED 5-8)\*.

---

<sup>32</sup> Managing authorities are to establish a system that records and stores individual participant data in computerised form. The data processing arrangements put in place by the Member States are to be in line with the provisions of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (OJ L 119, 4.05.2016, p. 1), in particular Articles 4, 6 and 9 thereof. Data reported under the indicators marked with \* are personal data according to Article 4(1) of Regulation (EU) 2016/679. Their processing is necessary for compliance with the legal obligation to which the controller is subject (Article 6(1)(c) of Regulation (EU) 2016/679).

<sup>33</sup> According to national legislation.

The total number of beneficiaries is to be calculated automatically on the basis of the common output indicators relating to employment status<sup>34</sup>.

These data on beneficiaries participating in EGF co-funded measures are to be provided in the final report as specified in Article 20(1).

(2) Common result indicators for beneficiaries

- percentage of EGF beneficiaries in employment and self-employment, 6 months after the end of the implementation period\*,

These data are to be provided in the final report as specified in Article 20(1). Those data are to cover the calculated total number of beneficiaries as reported under the common output indicators (1). The percentages shall thus also relate to this calculated total.

---

---

<sup>34</sup> Unemployed, inactive, employed, self employed