



EUROPEAN  
COMMISSION

Brussels, 1.4.2025  
COM(2025) 140 final

2025/0073 (COD)

Proposal for a

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

**amending Regulation (EU) 2021/691 as regards support to workers affected by  
imminent job displacement in enterprises undergoing restructuring**

## **EXPLANATORY MEMORANDUM**

### **1. CONTEXT OF THE PROPOSAL**

#### **• Reasons for and objectives of the proposal**

The aim of this proposal is to enable the European Globalisation Adjustment Fund for Displaced Workers ('the EGF') to not only support displaced workers, but also workers affected by imminent job displacement.

Employees of enterprises undergoing restructuring should be able to benefit from personalised packages of measures in case they are affected by imminent job displacement. To enable their employees to benefit from such support, enterprises undergoing restructuring may request the relevant Member State to submit an application for EGF assistance if the intervention criteria are met and if the enterprise wishes to offer EGF co-financed assistance.

Restructuring events often occur in a series of waves of lay-offs. Under its current set-up, the EGF is only able to help workers that have already lost their jobs. However, if it is already known when a next batch of workers will lose their jobs, they should be helped in response to this imminent threat so as to mitigate its impact.

Whereas longer-term anticipatory assistance falls under the European Social Fund Plus (ESF+), the EGF is an emergency instrument to respond to restructuring events. This proposal supports and strengthens the emergency character of the EGF. In the short term, it is often not possible to reprogramme ESF+ funding, and enterprises undergoing restructuring have limited means to support the workers affected by redundancy. The EGF could fill this gap by responding to restructuring events occurring over a mid-term timeframe.

According to the Autumn 2024 Economic Forecast, growth in the EU is expected to pick up to 1.5% in 2025, as consumption shifts up a gear and investment is set to rebound from the contraction of 2024. However, elevated uncertainty and structural shifts are expected to weigh on segments of the economy, notably in manufacturing. Whereas the EU experienced a phase of extraordinary employment growth over the past few years, data from Eurofound's European Restructuring Monitor show that the tide has been turning since 2024. The number of jobs cuts announced for the near future related to large-scale restructuring within the EU now far exceeds the number of job creations.

According to the data collected by the European Restructuring Monitor, large-scale restructuring across all countries observed and all sectors lasted for more than a year (387 days). The larger the restructuring event, the longer the duration. For restructuring events involving more than 3 000 workers, the average duration is almost 1 000 days.

Economic disruptions, for example those caused by the twin transition or by globalisation, have adverse effects on workers whose skills are no longer needed. However, employment contraction can go hand-in-hand with labour and skills shortages. Therefore, the workers concerned must be supported by access to active labour market policy measures, such as education and retraining, to allow them to acquire the skills needed to move into new roles or jobs.

In light of the twin transition and new geopolitical challenges, it is vital to enhance productivity growth while ensuring social inclusion and preserving equity, to ensure that workers benefit from EU solidarity.

This proposal is therefore needed to cushion the adverse effects economic disruptions have on the workforce, and to boost the EU's economic competitiveness. It underlines the character of

the EGF as a reactive emergency response instrument to assist workers who are affected by imminent job displacement in enterprises undergoing restructuring.

The support provided to those workers would consist of packages of personalised services to equip them with the skills needed to move into a different role, or to change jobs. Short-time work schemes are not eligible given they are funded by Member States' national budgets. Extending EU solidarity to those workers through such support would take into account existing support that are available to them at national level.

Workers who are affected by imminent job displacement or anticipate job displacement in enterprises undergoing restructuring can benefit from EGF support under the provisions setting the support available to displaced workers.

In the current context of economic disruptions, it is vital to support both workers who are made redundant and workers who anticipate imminent job displacement by accelerating the procedure to mobilise EGF support. To achieve that, Regulation (EU) 2021/691 could set out a procedure whereby the Commission, under strict conditions, can request the European Parliament and the Council to mobilise the full maximum annual amount budget at the beginning of each year. If that mobilisation is approved, the Commission would adopt individual financing decisions in relation to the applications introduced by the EU countries concerned. The Commission will immediately inform the European Parliament and the Council of its adoption, including the conditions that led the Commission adopting the financing decisions, as well as the corresponding amounts.

If the full maximum annual amount is not used by the Commission in a given year, that amount will lapse at the end of the financial year.

The proposed amendment will be fully accommodated within the existing provisions of the MFF Regulation (Article 8 of Council Regulation 2020/2093 of 17 December (as amended by Council Regulation 2024/765 of 29 February 2024), as well as with the existing provisions of the Interinstitutional Agreement between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, cooperation in budgetary matters, sound financial management, and new own resources of 16 December 2020 (Point 9) (the IIA).

This proposal also assists enterprises undergoing restructuring in actively managing economic transitions in a socially responsible manner.

- **Consistency with existing policy provisions in the policy area and other Union policies**

This proposal is one of the flagship actions under pillar 4 of the EU's industrial action plan for the European automotive sector COM(2025) 95 final. It supports the aims of the Union of Skills and the European Competitiveness Compass.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The legal basis is the Treaty on the Functioning of the European Union (TFEU), and in particular the third paragraph of Article 175.

If specific actions are needed that fall outside the scope of the EU Structural Funds, Article 175 third paragraph TFEU allows the European Parliament and the Council to take action in line with the ordinary legislative procedure and after consulting the European Economic and Social Committee and the European Committee of the Regions.

- **Subsidiarity (for non-exclusive competence)**

Funding from the EU budget concentrates on activities whose objectives cannot be sufficiently achieved by the Member States alone, and where EU intervention can bring additional value compared to Member States acting alone. The mobilisation of the EGF to fund measures aimed at assisting displaced workers and those affected by imminent job displacement to find new employment respects the principle of subsidiarity and creates European added value.

It is standard practice for national labour market programmes to assist displaced workers, and it is also good practice for companies to train their workforce. The EGF does not aim to replace such programmes. In case of restructuring events that have a significant impact on the labour market, the national labour market programmes are put at test. Companies undergoing restructuring often have limited budgets to help their surplus employees adjust. Therefore, because of the scale and effects of large-scale restructuring and as the EGF is an expression of solidarity in Member States, assistance can be better delivered at EU level. EGF support will make EU solidarity more meaningful for workers that have been affected by restructuring events and for Europeans in general.

The mobilisation of the EGF creates added value by increasing the overall number of services offered to workers affected by restructuring events, as well as the variety of services offered and their level of intensity. The EGF can also test innovative ideas, identify best practices and incorporate them into the national support packages. EGF co-financed measures also contribute in general to improving the support available to workers facing job displacement.

- **Proportionality**

In line with the principle of proportionality, this proposal does not go beyond what is necessary to achieve its goals. The administrative burden on the EU and on the national authorities applying for EGF support has been limited to what is necessary for the Commission to exercise its responsibility in implementing the EU's budget. Since the financial contribution is made to the EU country under the principle of shared management, that country will be required to report on how the funding was used.

- **Choice of the instrument**

Since this proposal amends Regulation (EU) 2021/691, the instrument has to be a Regulation.

### **3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS**

- **Ex-post evaluations/fitness checks of existing legislation**

This proposal is adopted in response to the heightened economic uncertainty and risks as well as the fact that the EGF does not respond appropriately to restructuring events that occur over longer timeframes. The Commission has analysed the challenges and concluded that this proposal is needed to ensure that the EGF can respond effectively to show solidarity with workers, regions, and enterprises that have been affected.

### **4. BUDGETARY IMPLICATIONS**

The EGF is a special instrument not included in the budgetary ceilings of the multiannual financial framework. Article 8(1) of Regulation (EU, Euratom) 2020/2093 laying down the multiannual financial framework for the years 2021 to 2027, as amended by Article 1(4) of

Council Regulation (EU, Euratom) 2024/765 of 29 February 2024, provides that the EGF may not exceed a maximum annual amount of EUR 30 million (in 2018 prices), based on Article 312 TFEU. This proposal, based on Article 175 TFEU, cannot amend the maximum annual amount.

The functioning of the EGF is governed by point 9 of the draft Interinstitutional Agreement between the European Parliament, the Council and the Commission on cooperation in budgetary matters and on sound financial management. The present proposal is compatible with these provisions.

## **5. OTHER ELEMENTS**

### **• Detailed explanation of the specific provisions of the proposal**

The proposed amendments specify that announced job displacements that will occur over a certain timeframe in the near future fall within the EGF's scope. The aim is to allow for a more common approach to job displacements triggered by large-scale restructuring events. Enterprises undergoing restructuring must be able to request EGF assistance through national authorities. The funding must be used to offer personalised packages of active labour market policy measures to workers that are affected by imminent job displacements in the near future.

Since the EGF is implemented under shared management, each EU country sets-up a single entry point to handle requests by enterprises. The EU country concerned then submits an application for EGF assistance. Expenses incurred by the applicant EU country for preparatory, management, information and publicity, and control and reporting activities relating to such applications must be co-financed at 100% across the EU.

In order to facilitate future evaluations, a beneficiary survey should be conducted after the implementation of each financial contribution from the EGF. The beneficiary survey is prepared by the Commission. As the enterprises are the only ones having access to the contact details of the beneficiaries, they should assist the Commission by sending out to the beneficiaries the invitation to take part in the survey. The Commission should use the collected data for evaluation purposes.

In order to implement this Regulation, in particular the guidance, information, evaluation and information measures, the Commission deems it necessary to raise the ceiling for the technical assistance to 1.5% of the EGF's maximum annual amount.

Proposal for a

## REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

### amending Regulation (EU) 2021/691 as regards support to workers affected by imminent job displacement in enterprises undergoing restructuring

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:

- (1) Regulation (EC) No 1927/2006 of the European Parliament and of the Council<sup>3</sup> established the European Globalisation Adjustment Fund (EGF) for the multiannual financial framework from 1 January 2007 to 31 December 2013. The EGF was established 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.
- (2) The scope of the EGF was broadened in 2009 as part of the European Economic Recovery Plan to include support to workers made redundant as a direct consequence of the global financial and economic crisis.
- (3) Regulation (EU) No 1309/2013 of the European Parliament and of the Council<sup>4</sup> established the EGF for the period of the multiannual financial framework from 1 January 2014 to 31 December 2020. It also extended the scope of the EGF to cover redundancies resulting from any new global financial and economic crisis. Furthermore, Regulation (EU) No 1309/2013 was amended to introduce rules allowing the EGF to exceptionally cover collective applications involving small and medium-sized enterprises located in one region and operating in different economic sectors defined at NACE Revision 2 division<sup>5</sup> level, where the applicant Member State

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

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

<sup>3</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](#)).

<sup>4</sup> Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 ([OJ L 347, 20.12.2013, p. 855](#)).

<sup>5</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council



demonstrates that small and medium-sized enterprises are the main or the only type of business in that region.

- (4) Regulation (EU) 2021/691 of the European Parliament and of the Council established the EGF for the period of the multiannual financial framework from 1 January 2021-31 December 2027. In order to make the EGF more responsive to the rapidly changing economic challenges in a globalised economy, the scope of the EGF was broadened again to cover any type of large-scale restructuring event, no matter what the cause. A lower threshold better reflects the realities in lesser populated regions. In the light of the twin digital and green transitions, measures that prepare beneficiaries for the twin transition were considered mandatory elements of every coordinated package of personalised measures offered to beneficiaries. Further, the co-financing rates were aligned with the highest co-financing rate of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council<sup>6</sup> in the respective Member State. Additionally, a mandatory beneficiary survey was introduced.
- (5) The main Union instrument to assist those workers that have been affected is the ESF+, which is designed to offer assistance in an anticipatory way. The EGF is also designed to offer assistance in response to major restructuring events. However, this set-up does not properly reflect the fact that large-scale restructuring events generally take place over a long time period. Member States can use the ESF+ to upskill and reskill workers, but the ESF+ does not provide support for the upskilling and reskilling of workers in emergency situations such as those in which workers affected by imminent job displacement are. The enterprises where the workers concerned are employed are often in economic difficulty and therefore unable to offer such assistance on their own.
- (6) The EGF's role continues to be important as a flexible instrument to support workers who lose their jobs in large-scale restructuring events and to help them to find other jobs as quickly as possible. The Union should continue to provide specific, one-off support to facilitate the reintegration into decent and sustainable employment of displaced workers in areas, sectors, territories or labour markets suffering from a shock caused by serious economic disruption. The EU has to ensure its sustainable prosperity and competitiveness while preserving its unique social market economy, succeeding in the twin transition, and safeguarding its democracy, economic security and geopolitical standing. To safeguard the EU's future as an economic powerhouse, and progress on its twin digital and green transition, it is vital to support workers affected by imminent job displacement in enterprises undergoing restructuring so that they can acquire the skills that would help them transfer into a different role, or to change job.
- (7) Therefore it is necessary to amend Regulation (EU) 2021/691 so that the EGF can also offer assistance to workers affected by imminent job displacement in enterprises undergoing restructuring. As these workers are still in active employment, their employer may request assistance through the relevant Member States' authorities. As the EGF is under shared management, it is the Member States' authorities that can

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Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (Text with EEA relevance) (OJ L 393, 30.12.2006, p. 1).

<sup>6</sup> Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21, ELI: <http://data.europa.eu/eli/reg/2021/1057/oj>).

request EGF co-funding upon receipt of a request by an enterprise, provided that the enterprise agrees to provide the national co-funding. Should the financial contribution from the EGF be granted, the Member State concerned should make the funds requested available to the enterprise within two weeks of their receipt. In particular, the enterprise should make available to the Member State all information needed to prepare the final report on the implementation of the relevant financial contribution, not later than six months after the end of the implementation of the assistance. The Commission will prepare a beneficiary survey and the enterprise should share the access to the survey to the workers who participated in the programme.

- (8) Given the objective to support workers, the targeted packages supporting workers affected by imminent job displacement have to be designed in a way that excludes any Member State discretion on the eligibility criteria or the selection of beneficiaries. If Member States had discretion as to the use of the EGF resources, in particular as regards the selection of enterprises whose workers would benefit from targeted programmes, EGF resources would be considered as State resources, and therefore should be subject to EU State aid rules.
- (9) The support provided to workers affected by imminent job displacement in enterprises undergoing restructuring should take into account existing forms of support available under national measures. Short-time work schemes should not be eligible for EGF support as they do not relate to the displacement of jobs, but to their temporary suspension. If the national measures allow it, the requesting enterprise may subcontract the delivery of the coordinated package of personalised measures, or parts thereof.
- (10) The co-financing rate for such measures targeted to workers affected by imminent job displacement in enterprises undergoing restructuring should be equal to the co-financing rate for EGF assistance to displaced workers. Enterprises that request EGF support should provide the national co-financing.
- (11) The co-financing rate for expenditure incurred by the Member State in relation to applications for EGF support, including the preparation of applications as well as the monitoring and control of the assistance granted, and in relation to information and publicity measures, should be 100%.
- (12) As the workers affected by imminent job displacement are still in active employment, only those active labour market policy measures that help them re- or upskill, that give guidance or mentoring, including measures aimed at workers that could envisage starting their own business one day, should be eligible. Therefore, neither allowances, nor start-up grants should be eligible.
- (13) Workers affected by imminent job displacement receiving EGF assistance should remain eligible even if their work relationship ends. They should also remain eligible for possible follow-up applications by the respective Member States in support of displaced workers from the same enterprise.
- (14) Given the Commission's increasing tasks in implementing Regulation (EU) 2021/691, the Commission should be able to request technical assistance of up to 1.5% of the total annual maximum amount of the EGF. The higher rate is also justified since the EGF's annual maximum amount was lowered in the context of the multiannual financial framework mid-term revision.
- (15) To provide swifter support to workers affected by imminent job displacement in enterprises undergoing restructuring or workers made redundant and allow them to



benefit from Union solidarity in the current context of economic disruptions and rapid changes, there is a need to accelerate the support given to the workers. One way of doing this is by requiring the Commission to request to the European Parliament and the Council to mobilise the full maximum annual amount at the beginning of each year, if specific conditions are met. The Commission proposal should therefore indicate the circumstances that led the Commission to conclude that the conditions to request full mobilisation of the maximum annual amount, have been met. The Commission proposal should be based on information provided by the Member States at the end of each year. The proposal should include the number of potential applications from each Member State concerned, the sectors of activities concerned, the estimated number of enterprises which could request Member States to apply for EGF support, and the estimated number of workers at risk of imminent job displacement or that have been displaced. The identity of the enterprises concerned should not be revealed if the information is not yet publicly known.

- (16) Once the full mobilisation of the maximum annual amount is approved by the European Parliament and the Council, the Commission should adopt financing decisions on individual applications and should be required to immediately inform the European Parliament and the Council of the adoption of those decisions. If the full mobilised maximum annual amount is not used by the Commission in a given year, that amount would lapse at the end of the financial year.
- (17) The proposed amendments will be fully accommodated with Article 8 of Council Regulation 2020/2093<sup>7</sup>, as well as with point 9 of the Interinstitutional Agreement of 16 December 2020<sup>8</sup>.
- (18) This Regulation should enter into force as a matter of urgency to swiftly provide support to the workers affected on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EU) 2021/691 is amended as follows:

- (1) **In Article 1, paragraph 2** is replaced by the following:

‘2. In accordance with Article 4, the EGF shall offer support to displaced workers and self-employed persons whose activity has ceased in the course of major restructuring events and to workers affected by imminent job displacement in enterprises undergoing restructuring.’;
- (2) **Article 2** is replaced by the following:

#### *‘Article 2*

##### *Mission and objectives*

‘1. The EGF shall support socioeconomic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers and self-employed persons whose activity has ceased to adapt to structural change. The EGF shall constitute an emergency fund. As such, the EGF shall

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<sup>7</sup> OJ L 433 I, 22.12.2020, p. 11.

<sup>8</sup> OJ L 433 I, 22.12.2020, p. 28.

contribute to the implementation of the principles set out in the European Pillar of Social Rights and shall enhance social and economic cohesion among regions and Member States.

2. The objectives of the EGF are to demonstrate solidarity and promote decent and sustainable employment in the Union by offering assistance in the case of major restructuring events, in particular those caused by challenges related to globalisation, such as changes in world trade patterns, trade disputes, significant changes in the trade relations of the Union or the composition of the internal market and financial or economic crises, as well as the transition to a low-carbon economy, or as a consequence of digitisation or automation. The EGF shall support beneficiaries in returning to decent and sustainable employment as soon as possible. Particular emphasis shall be placed on measures that help the most disadvantaged groups. The EGF shall also support workers affected by imminent job displacement in acquiring the skills needed to help them transfer into a different role, or to change jobs.’;

(3) **Article 3** is amended as follows:

(a) the following point is inserted

‘(1a) ‘worker affected by imminent job displacement’ means a worker, regardless of the type or duration of their employment relationship, whose employment contract or relationship is expected to be ended by redundancy as of the date on which the employer notifies the competent public authority in writing of the projected collective redundancies in accordance with Article 3(1) of Directive 98/59/EC.’;

(b) the following point is added:

‘(6) ‘enterprise undergoing restructuring’ means an enterprise undergoing a process that involves collective redundancies as referred to in Directive 98/59/EC.’;

(4) **Article 4(1)** is amended as follows:

(a) **paragraph 1** is replaced by the following:

‘1. Member States may apply for financial contributions from the EGF for measures targeting displaced workers, workers affected by imminent job displacement, and self-employed persons in accordance with the provisions laid down in this Article.’;

(b) in **paragraph 2**, the following point is added:

‘(d) at least 200 workers affected by imminent job displacement in an enterprise undergoing restructuring in a Member State.’;

(5) **Article 5** is amended as follows:

(a) in the **first paragraph**, the first sentence is replaced by the following:

‘The applicant Member State shall specify the method used for calculating the number of displaced workers, workers affected by imminent job displacement, and self-employed persons for the purpose of Article 4 as at one or more of the following dates.’;

(b) the **second paragraph** is replaced by the following:

‘In the cases referred to in the first paragraph, point (a), the applicant Member State shall provide the Commission with additional information about the actual number of redundancies effected in accordance with Article 4, before the completion of the Commission’s assessment, for all applications concerning beneficiaries referred to in Article 6, first paragraph, points (a) and (b).’;

- (6) in **Article 6**, first paragraph, the following point is added:
- ‘(c) workers affected by imminent job displacement in an enterprise undergoing restructuring. The workers shall remain eligible even in case of an actual termination of the work relationship. Only those restructuring events shall be eligible that qualify as collective redundancies under Directive 98/59/EC.’;
- (7) **Article 7** is amended as follows:
- (a) **paragraph 1** is replaced by the following:
- ‘1. A financial contribution from the EGF may be made for active labour market policy measures that form part of a coordinated package, designed to facilitate the reintegration of the targeted beneficiaries, in particular the most disadvantaged among them, into employment or self-employment, or to help workers referred to in Article 6, first paragraph, point(c) acquire the skills they need to transfer either into a different role with their current employer or to a different employer.’;
- (b) **in paragraph 2**, second subparagraph, the following point is added:
- ‘(c) ‘For the beneficiaries referred to in Article 6, first paragraph, point (c), the coordinated package may include training and retraining, tailored to the individual worker’s needs, including on information and communication technology and other skills required in the digital age, certification of acquired knowledge and skills, individual job-search assistance services and targeted group activities, occupational guidance, advisory services, mentoring, outplacement assistance, entrepreneurship promotion and cooperation activities. It may not include short-time work schemes.’;
- (8) **Article 8** is amended as follows:
- (a) the **title** is replaced by the following:
- ‘Article 8
- Applications for EGF assistance to displaced workers and self-employed persons  
whose activity has ceased’;
- (b) **paragraph 6** is replaced by the following:
- ‘6. Based on the information provided by the applicant Member State, the Commission shall complete its assessment of the application’s compliance with the conditions for providing a financial contribution within 30 working days of the receipt of the complete application or, where applicable, of the translation of the application.
- Where the Commission is unable to meet that deadline, it shall inform the Member State before that deadline and set a new date to complete its assessment. That new date shall be no later than 20 working days after the deadline under the first subparagraph.’;
- (c) **in paragraph 7 point 1)** is replaced by the following:
- ‘1) a reasoned statement that the requested EGF support complies with the procedural and material Union rules on State aid as well as a statement outlining why the coordinated package does not replace measures that are the responsibility of employers by virtue of national law or collective agreements.’;
- (9) The following **Article 8a** is inserted:

‘Article 8 a

## Applications for EGF assistance to workers affected by imminent job displacement

1. Enterprises undergoing restructuring may request the Member State concerned to submit an application for a financial contribution from the EGF, if the intervention criteria set out in Article 4(2), point (d) are met, and if the enterprise wishes to offer EGF-co-financed assistance to those parts of its workforce affected by imminent job displacement, in line with Article 6, first paragraph, point (c). Such a request shall be submitted by the enterprise within two weeks of the date on which it had notified the public authorities in writing of the projected collective redundancies in accordance with Article 3(1) of Directive 98/59/EC.
2. All Member States shall designate a Single Entry Point to which enterprises can direct requests referred to in paragraph 1, and publish relevant guidelines and templates. The information collected from these templates shall cover all the information necessary for a financial contribution application from the EGF as set out in paragraph below.
3. Member States shall treat all requests equally in the order of receipt without exerting any discretion regarding the admissibility and eligibility of these requests, and shall submit applications for assistance received from enterprises. Member States shall not introduce any additional requirements or alter the requirements set out in this Regulation.
4. The applicant Member State shall submit to the Commission a financial contribution application from the EGF within one week of the date on which it received an enterprise's request.
5. If requested by the enterprise, the Member State concerned shall provide guidance to the enterprise throughout the application procedure.
6. If requested by the applicant Member State, the Commission shall provide guidance to the Member State throughout the application procedure.
7. Within 10 working days of the date of submission of the application, or, where applicable, within 10 working days of the date on which the Commission is in possession of a translation of the application, whichever is the later, the Commission shall acknowledge receipt of the application and request from the applicant Member State any additional information that it requires in order to assess the application.
8. Where the Commission requests additional information, the Member State shall reply within 15 working days of the date of the request. The Commission shall extend that deadline by 10 working days at the request of the applicant Member State. Any such requests for extension shall be duly reasoned.
9. Based on the information provided by the applicant Member State, the Commission shall complete its assessment of the application's compliance with the conditions for providing a financial contribution within 30 working days of the receipt of the complete application or, where applicable, of the translation of the application.

Where the Commission is unable to meet that deadline, it shall inform the applicant Member State before that deadline, setting a new date for the completion of its assessment. That new date shall be no later than 20 working days after the deadline under the first subparagraph.
10. An application shall contain the following information:

- (a) the identification of the enterprise concerned;
- (b) an assessment of the number of jobs affected by displacement in accordance with Article 6, first paragraph, point (c);
- (c) a brief description of the events that led to the restructuring;
- (d) a confirmation that the enterprise has complied and continues to comply with its legal obligations or collective agreements governing those projected redundancies and is providing for its workers accordingly, and a description of the procedures followed by the enterprise for consulting the targeted beneficiaries or their representatives;
- (e) an estimated breakdown of the composition of the targeted beneficiaries by gender, age group and educational level, used in the design of the coordinated package;
- (f) a detailed description of the coordinated package and related expenditure, including any measures in support of employment initiatives for disadvantaged, young and older beneficiaries;
- (g) the estimated budget for each of the components of the coordinated package in support of the targeted beneficiaries that will be offered by the enterprise;
- (h) the dates on which the provision of the coordinated package to the targeted beneficiaries and the activities to implement the EGF, as set out in Article 7, were started or are due to be started;
- (i) the estimated budget for any preparatory, management, information and publicity, control and reporting activities by the applicant Member State in relation to such an application;
- (j) a reasoned statement that the requested EGF support complies with the procedural and material Union rules on State aid as well as a reasoned statement outlining why the coordinated package does not replace measures that are the responsibility of employers by virtue of national law or collective agreements;
- (k) the confirmation that the enterprise concerned will co-finance the measures and that it is the only source for the national co-funding.’;

(10) **In Article 11, paragraph 1** is replaced by the following:

‘1. At the initiative of the Commission, a maximum of 1.5% of the maximum annual amount of the EGF may be used for technical and administrative expenditure for its implementation, such as preparatory, monitoring, control, audit and evaluation activities, as well as data gathering, including in relation to corporate information technology systems, communication activities and those enhancing the EGF’s visibility as a fund or for specific projects and other technical assistance measures. Such measures may cover future and previous programming periods.’;

(11) **Article 13** is amended as follows:

(a) **paragraph 1** is replaced by the following:

‘1. On the basis of the assessment carried out in accordance with Article 8 or Article 8a, in particular taking into account the number of targeted beneficiaries, the proposed measures and the estimated costs, the Commission shall evaluate and determine the amount of a financial contribution from the EGF, if any, that may be made within the limits of the resources available.’;

- (b) the following paragraph is inserted:
- ‘2a. The co-financing rate for expenditure incurred by the Member State for beneficiaries referred to in Article 6, first paragraph, point (c) and relating to measures set out in Article 7(6), shall be 100%.’;
- (c) **paragraph 3** is replaced by the following:
- ‘3. Where, on the basis of the assessment carried out in accordance with Article 8 or Article 8a, the Commission concludes that the conditions for a financial contribution under this Regulation are met, it shall immediately adopt a decision on a financial contribution as set out in Article 15 (6).’;
- (12) **In Article 14, paragraphs (1) and (2)** are replaced by the following:
- ‘1. Expenditure shall be eligible for a financial contribution from the EGF from the dates set out in the application in accordance with Article 8(7), point (j), or Article 8a(10), point (h), on which the Member State or the enterprise concerned starts, or is due to start, providing the coordinated package to the targeted beneficiaries or on which the Member State incurs administrative expenditure to implement the EGF in accordance with Article 7(1) and (5).
2. The Member State or the enterprise shall start implementing the eligible measures set out in Article 7 without undue delay and shall carry out those measures as soon as possible, and in any event within 24 months from the date of entry into force of the financial contribution decision.’;
- (13) **Article 15** is replaced by the following:

‘Article 15

Budgetary procedure and implementation

- ‘1. To ensure that the assistance is provided as soon as possible to the eligible beneficiaries, the Commission shall submit a proposal to mobilise the EGF to the European Parliament and to the Council in accordance with paragraphs 2 or 3.
2. The Commission shall submit its proposal for a decision to mobilise the EGF to the European Parliament and the Council where it has received one application for EGF support and at least one of the following conditions is met:
- a) The Commission assesses, following application or information received from the Member States, that one of the conditions set out in Article 4 paragraph 2, 3 or 4, is met;
- b) The Commission is informed of the cessation of activities leading to job losses of more than 1 000 workers;
- c) The Commission is informed of large-scale restructuring events with imminent displacement affecting more than 1 000 workers.
3. The Commission may request the full mobilisation of the maximum annual amount for the EGF by the end of February every year. The Commission proposal shall include the following elements, based on information provided by the Member States:
- (i) the number of potential applications from each Member State concerned;
- (ii) the sectors of activities concerned;



- (iii) the estimated number of enterprises which could request Member States to apply for EGF assistance;
- (iv) the estimated number of workers displaced or at risk of imminent job displacement.

At the same time as it submits its proposal for a decision to mobilise the EGF, the Commission shall submit to the European Parliament and to the Council a proposal for a transfer of the maximum annual amount to the relevant budgetary lines.

When the maximum annual amount has not been mobilised under the first subparagraph of this paragraph, the Commission shall request the mobilisation of the EGF per application received. The Commission proposal for a decision to mobilise the EGF per application shall include the assessment carried out in accordance with Article 8(6) or Article 8(a) (9), together with a summary of the information on which that assessment is based and the reasons justifying the amounts proposed. At the same time as it submits its proposal for a decision to mobilise the EGF, the Commission shall submit to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary lines.

4. Member States shall provide the Commission with the information referred to in paragraph 2 by the end of December each year.

5. The decision to mobilise the EGF shall be taken jointly by the European Parliament and the Council. The budgetary transfer in relation to the EGF shall be made in accordance with Article 31 of the Financial Regulation.

6. Where the Commission has concluded that the conditions for providing a financial contribution from the EGF under Article 4 are met, it shall adopt a decision on a financial contribution. That decision shall constitute a financing decision within the meaning of Article 110 of the Financial Regulation.

7. When the maximum annual amount has been mobilised pursuant to the first subparagraph of paragraph 3, the Commission shall inform the European Parliament and the Council immediately upon the adoption of each financial contribution decision.'

- (14) **Article 16** is replaced by the following:

‘Article 16

Insufficient funds

If the remaining commitment appropriations available in the EGF are not sufficient to cover the amount of assistance that is necessary for a financial contribution, the Commission may postpone the adoption of a financial contribution decision until commitment appropriations are available in the following year. The annual budgetary ceiling of the EGF shall be respected in all circumstances.’

- (1) In **Article 17**, the following paragraph is added:

‘6. Within one week of receipt of the Commission’s pre-financing payment, the Member State concerned shall make available to the enterprise concerned that part of the pre-financing payment that relates to the coordinated package of measures implemented by the enterprise. The Member State shall retain the part of the pre-financing that relates to measures referred to in Article 7(5).’;

- (2) In **Article 20**, the following paragraph is added:

‘3. In cases where an enterprise is implementing a financial contribution from the EGF for workers affected by imminent job displacement, the enterprise shall by the end of the sixth month after the expiry of the implementation period provide the Member State concerned with all relevant information specified in paragraph 1.’;

(3) In **Article 22**, paragraph 4 is replaced by the following:

‘4. A beneficiary survey shall be launched during the sixth month after the end of each implementation period. The beneficiary survey shall be open to participation for at least four weeks. Member States shall distribute the beneficiary survey to the beneficiaries, send out at least one reminder and inform the Commission of the distribution and reminder sent. In cases involving assistance implemented by an enterprise to beneficiaries under Article 6, first paragraph, point (c), that enterprise is responsible for distributing the survey prepared by the Commission among the workers that have participated in the measures. The responses to the beneficiary surveys shall be collated and analysed by the Commission for the use in future evaluations.’

(4) The following new Article is inserted:

‘Article 28a

Transitional measures

By derogation from Article 15(1), the Commission may submit a proposal to mobilise the remainder of the maximum annual amount for 2025 for the EGF to the European Parliament and to the Council, subject to the conditions set in Article 15, as of...[ the date of the entry into force of this Regulation].’

*Article 2*

### ***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*.

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

Done at Brussels,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

## **LEGISLATIVE FINANCIAL AND DIGITAL STATEMENT**

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## 1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

### 1.1. Title of the proposal/initiative

Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/691 on the European Globalisation Adjustment Fund for Displaced Workers and repealing Regulation (EU) No 1309/2013

### 1.2. Policy area concerned

Employment (Competitiveness and Social Fairness)

### 1.3. Objectives

#### 1.3.1. General objectives

The EGF is a flexible instrument that allows the EU respond to unexpected events. Since its establishment in 2007, the EGF helps workers that have lost their jobs as a result of economic disruptions.

Under the EGF, the EU provides specific, one-off support in the form of active labour market policy measures to facilitate the reintegration into decent and sustainable employment. This support complements the more anticipatory assistance offered by ESF+.

This proposal aims to extend this assistance to workers affected by imminent job displacement as the consequence of a collective redundancy procedure.

It also aims to streamline and speed-up the mobilisation procedure.

#### 1.3.2. Specific objectives

##### Specific objective No

(1) The EGF's objective is to support workers who have been made redundant in major restructuring events that, by their scale and effects, cause a significant impact and to facilitate workers' reintegration into decent and sustainable employment. This proposal will add the objective to also provide assistance to workers who are affected by redundancy in an enterprise undergoing restructuring, to be better prepared to complete a job transition in a shorter time, and to facilitate their transfer into a new role or career.

(2) The EGF's assistance must be made available more swiftly.

#### 1.3.3. Expected result and impact

*Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.*

Allow a fast and sustainable transition into decent new jobs.

#### 1.3.4. Indicators of performance

*Specify the indicators for monitoring progress and achievements.*

Indicator 1: Total EGF beneficiaries in a given case

Indicator 2: Beneficiaries by gender (female/male/non-binary)

Indicator 3: Beneficiaries by age group (below 30 years/above 54 years)

Indicator 4: Beneficiaries by education level (with lower secondary education or less/with upper secondary or post-secondary education/ with tertiary education)

Indicator 5: Percentage of EGF beneficiaries in education or training

Indicator 6: Beneficiaries by employment status (unemployed/inactive/employed (dependent)/self-employed).

The indicators do not set a baseline, targets or milestones. The number of targeted beneficiaries as specified by the Member State concerned is not considered a baseline. The reason for this is that some Member States target only workers who have been made redundant and have little chance of successfully moving jobs without tailored support, while other Member States target all workers who have been made redundant.

**1.4. The proposal/initiative relates to:**

- ☐ a new action
- ☐ a new action following a pilot project / preparatory action<sup>9</sup>
- ☐ the extension of an existing action
- ☒ a merger or redirection of one or more actions towards another/a new action

**1.5. Grounds for the proposal/initiative**

**1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative**

This proposal will enable the EGF to respond to large-scale restructuring events by helping workers who immediately lose their jobs. It will also offer anticipatory help to those who are affected by imminent redundancy.

**1.5.2. Added value of EU involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this section 'added value of EU involvement' is the value resulting from EU action, that is additional to the value that would have been otherwise created by Member States alone.**

**Reasons for action at EU level**

EU involvement through the EGF makes it possible to complement national (both public and private) measures to reintegrate workers who have been made redundant or will be made redundant due to major restructuring events. Experience so far shows that EU involvement makes it possible to provide more tailor-made support for a longer period of time, often involving measures that would not have been provided without EU involvement.

**Expected generated EU added value (*ex post*)**

Attaining a higher reintegration rate of displaced workers than the rate achieved through national support generates volume effects. This means that funding has not only increased the number and variety of services offered, but also the level of intensity of those services.

Improving the public's perception of the EU.

<sup>9</sup> Article 58(2), point (a) or (b) of the Financial Regulation.



*1.5.3. Lessons learned from similar experiences in the past*

See the experience gained under Regulation (EU) 2021/691 as set out in the Explanatory Memorandum of the Proposal for a Regulation.

*1.5.4. Compatibility with the multiannual financial framework and possible synergies with other appropriate instruments*

EGF support complements the more anticipatory assistance offered by ESF+.

*1.5.5. Assessment of the different available financing options, including scope for redeployment*

The impact assessment's key finding (SWD/2018/289 final) is that as an emergency relief fund, the EGF should remain outside the budgetary ceilings of the EU budget.

**1.6. Duration of the proposal/initiative and of its financial impact**

☒ **limited duration**

- In effect until the expiry of Regulation (EU)2021/691

☐ **unlimited duration**

- Implementation with a start-up period from YYYY to YYYY,
- followed by full-scale operation.

**1.7. Method(s) of budget implementation planned<sup>10</sup>**

☐ **Direct management** by the Commission

- ☐ by its departments, including by its staff in the EU delegations;
- ☐ by the executive agencies

☒ **Shared management** with the Member States

☐ **Indirect management** by entrusting budget implementation tasks to:

- ☐ third countries or the bodies they have designated
- ☐ international organisations and their agencies (to be specified)
- ☐ the European Investment Bank and the European Investment Fund
- ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation
- ☐ public law bodies
- ☐ bodies governed by private law with a public service mission to the extent that they are provided with adequate financial guarantees
- ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that are provided with adequate financial guarantees
- ☐ bodies or persons entrusted with the implementation of specific actions in the common foreign and security policy pursuant to Title V of the Treaty on European Union, and identified in the relevant basic act
- ☐ bodies established in a Member State, governed by the private law of a Member State or EU law and eligible to be entrusted, in accordance with sector-specific rules, with the implementation of EU funds or budgetary guarantees, to the extent that such bodies are controlled by public law bodies or by bodies governed by private law with a public service mission, and are provided with adequate financial guarantees in the form of joint and several liability by the controlling bodies or equivalent financial guarantees and which may be, for each action, limited to the maximum amount of the EU support.

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<sup>10</sup> Details of budget implementation methods and references to the Financial Regulation may be found on the BUDGpedia site: <https://myintracomm.ec.europa.eu/corp/budget/financial-rules/budget-implementation/Pages/implementation-methods.aspx>.

## 2. MANAGEMENT MEASURES

### 2.1. Monitoring and reporting rules

Article 21 of Regulation (EU) 2021/691 requires the Commission to present, every two years, to the European Parliament and the Council a quantitative and qualitative report on the activities carried out under this Regulation. The report focuses on the results achieved by the EGF and in particular contains information on the applications submitted, processing time, decisions adopted, measures funded, including statistics on the indicators set out in Annex II to Regulation (EU) 2021/691, 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.

In line with Article 22 of Regulation (EU) 2021/691, the Commission, in close cooperation with the Member States, will carry out a mid-term evaluation by 30 June 2025 and an evaluation by 31 December 2029. The evaluation will set out recommendations that must be taken into account when designing new programmes in employment and social affairs or the further development of existing programmes.

### 2.2. Management and control system(s)

#### 2.2.1. *Justification of the budget implementation method(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed*

The requirements that apply to management and financial control are laid down in Article 23 of Regulation (EU) 2021/691.

EGF is under shared management. Experience has shown that a tailor-made package of personalised services needs to be designed by the authority closest to the individual concerned. Depending on the Member State and the type of restructuring event, this would usually be a local, regional or national authority. The implementation tasks are therefore delegated to the Member State authorities. The assistance to workers affected by redundancy will further require the involvement of the enterprise undergoing restructuring. EU intervention is needed due to the scale of the impact of the redundancies, but in line with the subsidiarity principle it is limited to what is necessary to meet the objectives of showing EU solidarity with displaced workers.

Given its purpose, which is to provide support in situations of urgency either in an anticipatory or reactive manner, the EGF remains a flexible instrument falling outside the budgetary ceilings of the EU budget.

The mobilisation mechanism is laid down in Article 15 of Regulation (EU) 2021/691. The Commission must pay the financial contribution to the Member State concerned in a single 100% pre-financing payment.

#### 2.2.2. *Information concerning the risks identified and the internal control system(s) set up to mitigate them*

The risks are those related to shared management of Community Funds. The requirements applicable to management and financial control are laid down in Article 23 of Regulation (EU) 2021/691.

2.2.3. *Estimation and justification of the cost-effectiveness of the controls (ratio between the control costs and the value of the related funds managed), and assessment of the expected levels of risk of error (at payment & at closure)*

In terms of expected error rate(s), the aim is to maintain an error rate below the threshold of 2%.

**2.3. Measures to prevent fraud and irregularities**

Member States should prevent, detect and deal effectively with any irregularities, including fraud, committed by beneficiaries. Moreover, in line with Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council and Council Regulations (EC, Euratom) No 2988/95 and (Euratom, EC) No 2185/96, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, in order to establish whether there has been fraud, corruption or any other illegal activity affecting the EU's financial interests.

The European Public Prosecutor's Office (EPPO) is empowered, in line with Council Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the EU's financial interests as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council. Member States should take the necessary measures to ensure that any person or entity receiving EU funds fully cooperates to protect the EU's financial interests, grants the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of Member States participating in enhanced cooperation under Regulation (EU) 2017/1939, the EPPO, and ensures that any third parties involved in the implementation of EU funds grant equivalent rights. Member States must report to the Commission any irregularities detected, including fraud, and any follow-up action they have taken in connection with such irregularities and any OLAF investigations. Member States must cooperate with the Commission, OLAF, the Court of Auditors and the EPPO, in line with point (d) of Article 63(2) of the Financial Regulation on all matters related to suspected or established fraud.

### 3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

#### 3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

In order of multiannual financial framework headings and budget lines.

Heading of multiannual financial framework	Budget line	Type of expenditure	Contribution			
	Number	Diff./Non-diff <sup>11</sup> .	from EFTA countries <sup>12</sup>	from candidate countries and potential candidates <sup>13</sup>	From other third countries	other assigned revenue
S-Solidarity mechanisms within and outside the Union (Special instruments)	30.0402 Reserve for the European Globalisation Adjustment Fund for Displaced Workers (EGF)	Diff.	NO	NO	NO	NO
S-Solidarity mechanisms within and outside the Union (Special instruments)	16.0202 European Globalisation Adjustment Fund for Displaced Workers (EGF)	Diff.	NO	NO	NO	NO

<sup>11</sup> Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.

<sup>12</sup> EFTA: European Free Trade Association.

<sup>13</sup> Candidate countries and, where applicable, potential candidates from the Western Balkans.

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☒ The proposal/initiative requires the use of operational appropriations, as explained below

3.2.1.1. Appropriations from voted budget  
EUR million (to three decimal places)

Heading of multiannual financial framework	<...>	Special instrument outside the MFF ceilings a
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The total commitment and payment appropriations for the EGF cannot exceed a maximum annual amount of EUR 30 million (in 2018 prices). The present proposal does not modify this maximum annual amount of the EGF. The estimates of payment appropriations below relate specifically to the estimated levels of payments for specific actions under this proposal, within the limits of the maximum annual amount of the EGF.

The proposed amendment will be fully accommodated within the existing provisions of the MFF Regulation (Article 8 of Council Regulation 2020/2093 of 17 December (as amended by Council Regulation 2024/765 of 29 February 2024), as well as with the existing provisions of the Interinstitutional Agreement of 16 December 2020 (Point 9).

			2025	2026	2027	TOTAL
			p.m.	p.m.	p.m.	p.m.
16.02.02 Operational line for the European Globalisation Adjustment Fund	Commitments	(1)				
	Payments	(2)		7 460	30 775	38 235
30.04.02 Reserve for the European Globalisation Adjustment Fund <sup>14</sup>	Commitments	(1)				
	Payments	(2)	p.m.	p.m.	p.m.	p.m.
Appropriations of an administrative nature	Commitments =	(3)	p.m.	p.m.	p.m.	n.a.

<sup>14</sup> The figures indicated above present only the expected impact of the proposal for the European Globalisation Adjustment Fund for Displaced Workers.



financed from the envelope of the programme <sup>15</sup>	Payments					
<b>TOTAL appropriations</b>	Commitments	=1+3				
	Payments	=2+3	7 460	30 775	38 235	

Heading of multiannual financial framework	7	‘Administrative expenditure’
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EUR million (to three decimal places)

Human resources	2025	2026	2027	TOTAL
	1 431	1 431	1 431	4 293
Other administrative expenditure	n.a.	n.a.	n.a.	n.a.
<b>TOTAL appropriations under HEADING 7 of the multiannual financial framework</b>	(Total commitments = Total payments)	1 431	1 431	4 293

EUR million (to three decimal places)

<b>TOTAL appropriations across HEADINGS</b> of the multiannual financial framework for payments and outside the multiannual financial framework for commitments	2025	2026	2027	TOTAL
	Commitments			
Payments	7 460	30 775	38 235	

For other administrative expenditure, the whole global envelope is shown under the ESF+ legislative financial statement.

<sup>15</sup> Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.

3.2.2. Estimated output funded from operational appropriations (not to be completed for decentralised agencies)

Commitment appropriations in EUR million (to three decimal places)

Indicate objectives and outputs		Year 2024	Year 2025	Year 2026	Year 2027	Enter as many years as necessary to show the duration of the impact (see Section I.6)						TOTAL		
		OUTPUTS												
↓	Type <sup>16</sup>	Average cost	0N	Cost	0N	Cost	0N	Cost	0N	Cost	0N	Cost	Total No	Total cost
SPECIFIC OBJECTIVE No 1 <sup>17</sup> ...														
- Output														
- Output														
- Output														
Subtotal for specific objective No 1														
SPECIFIC OBJECTIVE No 2 ...														
- Output														
Subtotal for specific objective No 2														
TOTALS														

<sup>16</sup> Outputs are products and services to be supplied (e.g. number of student exchanges financed, number of km of roads built, etc.).  
<sup>17</sup> As described in Section 1.3.2. ‘Specific objective(s)’.

### 3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☒ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below

#### 3.2.3.1. Appropriations from voted budget

VOTED APPROPRIATIONS	Year	Year	Year	Year	TOTAL 2021-2027
	2024	2025	2026	2027	
HEADING 7					
Human resources	n/a	1 431	1 431	1 431	4 293
Other administrative expenditure	n/a	0 000	0 000	0 000	0 000
Subtotal HEADING 7	n/a	1 431	1 431	1 431	4 293
Human resources	n/a	0 000	0 000	0 000	0 000
Other expenditure of an administrative nature	n/a	0 000	0 000	0 000	0 000
Subtotal outside HEADING 7	n/a	0 000	0 000	0 000	0 000
TOTAL	n/a	1 431	1 431	1 431	4 293

The appropriations required for human resources and other administrative expenditure will be met by appropriations from the Commission's Directorate-General (DG) that is already assigned to management of the action and/or has been redeployed within the DG, together, if necessary, with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

Description of tasks to be carried out:

Officials and temporary staff	Analyse and discuss EGF applications submitted by the Member States. Prepare the documentation for EGF applications being presented to the Commission and the Budgetary Authority. Consult and discuss with the relevant Commission DG throughout the workflow. Monitor the implementation of the financial contributions. Prepare and/or discuss relevant modifications to the applications presented.
External staff	Analyse and discuss EGF applications submitted by the Member States. Prepare the documentation for EGF applications being presented to the Commission and the Budgetary Authority. Consult and discuss with the relevant Commission DG throughout their workflow. Monitor the implementation of the financial contributions. Prepare and/or discuss relevant modifications to the applications presented.

### 3.2.4. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources

- ☒ The proposal/initiative requires the use of human resources, as explained below

### 3.2.4.1. Financed from voted budget

Estimate to be expressed in full-time equivalent units (FTEs)<sup>18</sup>

VOTED APPROPRIATIONS		Year 2024	Year 2025	Year 2026	Year 2027
<b>• Establishment plan posts (officials and temporary staff)</b>					
20 01 02 01 (Headquarters and Commission's Representation Offices)		0	6	6	6
20 01 02 03 (EU Delegations)		0	0	0	0
01 01 01 01 (Indirect research)		0	0	0	0
01 01 01 11 (Direct research)		0	0	0	0
Other budget lines (specify)		0	0	0	0
<b>• External staff (inFTEs)</b>					
20 02 01 (AC, END from the 'global envelope')		0	3	3	3
20 02 03 (AC, AL, END and JPD in the EU Delegations)		0	0	0	0
Admin. Support line [XX.01.YY.YY]	- at Headquarters	0	0	0	0
	- in EU Delegations	0	0	0	0
01 01 01 02 (AC, END - Indirect research)		0	0	0	0
01 01 01 12 (AC, END - Direct research)		0	0	0	0
Other budget lines (specify) - Heading 7		0	0	0	0
Other budget lines (specify) - Outside Heading 7		0	0	0	0
<b>TOTAL</b>		<b>0</b>	<b>9</b>	<b>9</b>	<b>9</b>

Considering the overall strained situation in Heading 7, in terms of both staffing and the level of appropriations, the human resources required will be met by staff from the DG who are already assigned to the management of the action and/or have been redeployed within the DG or other Commission DG.

### 3.2.5. Overview of estimated impact on digital technology-related investments

	To be covered by current staff available in the Commission DG	Exceptional additional staff*		
		To be financed under Heading 7 or Research	To be financed from BA line	To be financed from fees
Establishment plan posts	6		N/A	

<sup>18</sup> Please specify below the table how many FTEs within the number indicated are already assigned to the management of the action and/or can be redeployed within your DG and what are your net needs.

External staff (CA, SNEs, INT)	3			
-----------------------------------	---	--	--	--

### 3.2.6. Compatibility with the current multiannual financial framework

The proposal/initiative:

- ☒ can be fully financed through redeployment within the relevant heading of the multiannual financial framework (MFF) for the payments and for the staff costs
- ☒ requires use of the special instruments as defined in the MFF Regulation
- ☐ requires a revision of the MFF

### 3.2.7. Third-party contributions

The proposal/initiative:

- ☒ does not provide for co-financing by third parties
- ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

	Year 2024	Year 2025	Year 2026	Year 2027	Total
Specify the co-financing body					
TOTAL appropriations co-financed					

### 3.3. Estimated impact on revenue

- ☒ The proposal/initiative has no financial impact on revenue.
- ☐ The proposal/initiative has the following financial impact:
  - ☐ on own resources
  - ☐ on other revenue
  - ☐ please indicate, if the revenue is assigned to expenditure lines

\_\_\_\_\_EUR million (to three decimal places)

Budget revenue line:	Appropriations available for the current financial year	Impact of the proposal/initiative <sup>19</sup>			
		Year 2024	Year 2025	Year 2026	Year 2027
Article .....					

For assigned revenue, specify the budget expenditure line(s) affected.

[...]

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

<sup>19</sup> As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.

[...]

#### **4. DIGITAL DIMENSIONS**

##### **4.1. Requirements of digital relevance**

The proposed amendment does not bring about new digital requirements.

##### **4.2. Data**

The proposed amendment does not bring about new data assets to handle.

##### **4.3. Digital solutions**

The proposed amendment does not bring about new digital solutions; the EGF makes use of the digital solutions set in Regulation (EU) 2021/1060.

##### **4.4. *Interoperability assessment***

The proposed amendment does not change the current way of exchanging data between Member States and Commission, which is based on the measures defined in Regulation (EU) 2021/1060.

##### **4.5. Measures to support digital implementation**

The proposed amendment has no digital impact on the established digital landscape and therefore does not bring measures to support digital implementation.

NB: In case the Commission proposal evolves considerably during the legislative negotiations, the information laid down in the Legislative Financial and Digital Statement LFDS for any financial and/or digital aspects may need to be updated in order to support the negotiation process and create clarity for all parties concerned.