
(Ordinary legislative procedure: first reading)

The European Parliament,

– having regard to the Commission proposal to Parliament and the Council (COM(2018)0380),

– having regard to Article 294(2) and Article 175(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C8-0231/2018),

– having regard to Article 294(3) of the Treaty on the Functioning of the European Union,

– having regard to the opinion of the European Economic and Social Committee of 12 December 2018¹,

– having regard to the opinion of the Committee of the Regions of 5 December 2018²,

– having regard to Rule 59 of its Rules of Procedure,

– having regard to the report of the Committee on Employment and Social Affairs, the opinions of the Committee on International Trade, the Committee on Budgets, the Committee on Budgetary Control and the Committee on Regional Development, and the position in the form of amendments of the Committee on Women’s Rights and Gender Equality (A8-0445/2018),

1. Adopts its position at first reading hereinafter set out;

2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;

3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ Not yet published in the Official Journal.
² Not yet published in the Official Journal.
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 Committee¹,

Having regard to the opinion of the Committee of the Regions²,

Acting in accordance with the ordinary legislative procedure³,

¹ OJ C ...
² OJ C ...
Whereas:

(1) Horizontal principles as set out in Article 3 of the Treaty on the European Union ('TEU') and in Article 9 and 10 of the Treaty on the Functioning of the European Union (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. In accordance with Article 8 TFEU, 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. [Am. 2]
On 17 November 2017, the European Pillar of Social Rights\(^1\) 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 for Transition (EGF for Transition), allowing the Union to set the relevant principles into practice in the case of major restructuring events.

On 20 June 2017, the Council endorsed the Union response\(^2\) to the ‘UN 2030 Agenda for Sustainable Development’\(^3\) — 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.


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’\(^1\). 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, automatisation and a transition towards a resource-efficient economy, fully respecting the 2015 Paris Agreement on Climate Change following the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change. 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 in a more timely manner to unforeseen events, and to ensure that budgetary resources are used where most urgently needed. [Am. 3]

In its ‘White Paper on the Future of Europe’\(^2\) the Commission expresses concerns regarding isolationist movements, growing doubts over the benefits of open trade and the Union’s social market economy in general.

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In its ‘Reflection Paper on Harnessing Globalisation’¹ 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 While acknowledging the advantages of more open trade, appropriate means are needed to address related 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 and environmental changes 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 are shared more fairly. Any simultaneous adverse effects of globalisation and technological and environmental transitions should be more widely anticipated by the relevant Union Structural Funds, such as the European Social Fund Plus (ESF+), in order better to adapt the business world and workforces by reconciling economic opening growth and technological advance with adequate social protection and active support to accessing employment and self-employment opportunities. [Am. 4]

In its ‘Reflection Paper on the Future of Union Finances’¹ the Commission underlines the need to reduce economic and social divergences between and within Member States. Therefore, a key priority is to invest in sustainable development, equality, social inclusion, education and training as well as health. [Am. 5]

Globalisation Climate Change, globalisation and technological change are 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 main Union instruments to assist affected workers are ESF+, which is designed to offer assistance in an anticipatory way, and the EFT, which is designed to offer assistance in the case of major restructuring events in a reactive manner. The ‘EU Quality Framework for anticipation of change and restructuring’², 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. [Am. 6]

The European Globalisation Adjustment Fund (EGF) was established by Regulation (EC) No 1927/2006 of the European Parliament and of the Council\(^1\) 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.


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\(^3\) 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.

**11a.** The EFT programme should be visible and require more and better data, in order to allow a proper scientific evaluation of the EFT and avoid administrative constraints in the operation of the programme for trade adjustment assistance. [Am. 7]

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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.

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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 equality and sustainable 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, technological change, digitisation and automation or other factors like the withdrawal of the United Kingdom from the European Union or 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 should 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 should remain a flexible and special instrument outside the budgetary ceilings of the Multiannual Financial Framework, as set out in the Commission's communication.¹ A Modern Budget for a Union that Protects, Empowers and Defends - The Multiannual Financial Framework for 2021–2027' and its annex¹. [Ams 8 and 97]

In its resolution of 30 May 2018 on the 2021-2027 multiannual financial framework and own resources, the European Parliament reconfirmed its firm position on the necessary level of funding for key Union policies in the 2021-2027 MFF, in order to enable them to fulfil their mission and objectives. It stressed in particular the call to double the specific MFF funding for SMEs and for tackling youth unemployment; welcomed several proposals that improve the current provisions, notably the increased allocations of special instruments; and stated its intention to negotiate additional improvements, wherever necessary. [Am. 9]

As stated, in order to maintain the European nature of the EEG EFT, an application for support should be triggered when a 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 250-200 jobs displacement within a the respective reference period of four months (or 6 months in sectoral cases) periods. 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, it should be possible to submit applications could be submitted in the case of a lower number of job displacements. [Am. 10]
(14a) While respecting the principle of subsidiarity, and taking into account the need for a significant impact of the restructuring event as a threshold for an EFT application, the EFT should strive to show solidarity with dismissed workers from all types of enterprises, regardless of their size. [Am. 11]

(14b) The EFT should remain a special Union instrument reacting to situations that cause major restructuring events in the European labour market. However, the Union should continue efforts to find more sustainable ways of tackling the structural change and challenges that affect labour markets and lead to such events in the Member States. [Am. 12]

(15) In order to express Union solidarity with displaced workers and self-employed persons whose activity has ceased, the co-funding rate of the cost of the package of personalised services and its implementation should equal that of the ESF+ in the respective Member State concerned.
(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 (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, such as in globalisation, technological and environmental changes, restructuring and in the use of the EGF. Such analyses should include sufficient disaggregated data, particularly from a gender perspective, in order to combat gender inequalities more efficiently. [Am. 13]
(17a) Eurofound’s European Restructuring Monitor (ERM) monitors in real time the reporting of large-scale restructuring events throughout the Union, based on a network of national correspondents. The ERM is very relevant to the EFT and should assist its operation in particular by helping to identify potential intervention cases at an early stage. [Am. 14]

(18) Displaced workers and self-employed persons whose activity has ceased should have equal access to the EGF EFT independently of their type of employment contract or employment relationship. Therefore, displaced workers, regardless of the type and duration of their employment relationship, as well as self-employed persons whose activity has ceased should be regarded as possible EGF EFT beneficiaries for the purposes of this Regulation. [Am. 15]
Financial contributions from the EGF should be primarily directed at active labour market measures and personalised services aimed at reintegrating beneficiaries rapidly into quality and sustainable employment in a future-oriented sector, either within or outside their initial sector of activity, but should also seek to promote self-employment and enterprise creation, including through the establishment of cooperatives. Measures should reflect the prospective 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 should be laid on the dissemination of skills required in the digital age, and on overcoming gender stereotypes in employment, where appropriate. The inclusion of pecuniary allowances in a coordinated package of personalised services should be restricted. The financial contributions should complement and not replace any measures which are the responsibility of Member States and/or companies by virtue of national law or collective agreements. Companies should be encouraged to participate in the national co-funding for the EGF-supported measures. [Am. 16]
(19a) When implementing and designing coordinated package of personalised services, aimed at facilitating the re-integration of the targeted beneficiaries, Member States should exploit and better target the aims of the Digital Agenda and the Digital Single Market Strategy with a view to addressing the serious gender gap within the ICT and science, technology, engineering and mathematics (STEM) sectors by promoting re-training and re-qualification of women into ICT and STEM sectors. When implementing and designing coordinated package of personalised services, Member States should also avoid perpetuating the domination of one gender in those industries and sectors where this has traditionally been the case. Increasing the representation of the less represented gender in different sectors, such as finance, ICT and STEM, would contribute towards the reduction of gender pay and pension gap. [Am. 17]

(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 quality and sustainable employment of the largest possible number of all beneficiaries participating in these measures as soon as possible within the six-seven-month period before the final report on the implementation of the financial contribution is due. The design of the coordinated package of personalised services should take into account the underlying reasons for the redundancies where relevant and anticipate future labour market perspectives and required skills. The coordinated package should be compatible with the shift towards a climate-friendly and resource-efficient economy. [Am. 18]
(21) Member States should pay particular attention to disadvantaged beneficiaries, including *persons with disabilities, persons with dependent relatives*, young and older unemployed persons, *persons with a low level of qualifications, persons with a migrant background* and *those persons* 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 EFT. [Am. 19]

(21a) *In the period between March 2007 and March 2017, the Commission received 148 applications for co-financing from the EGF from 21 Member States, for a total of almost EUR 600 million to help 138,888 displaced workers and 2,944 people not in employment, education or training (NEETs).* [Am. 20]

(22) In order to support beneficiaries effectively and rapidly, Member States should do their utmost to submit *as a matter of urgency* complete applications for a financial contribution from the EGF EFT and the Union institutions should do their utmost to assess them rapidly. In case the Commission requires further information for the assessment of an application, the provision of additional information should be limited in time. [Am. 21]
(22a) To facilitate the implementation and the aims of this Regulation, more publicity should be given to the EFT and its possibilities, in particular at the level of the relevant authorities in the Member States. [Am. 22]

(22b) The Commission should facilitate access to national and regional authorities through a dedicated helpdesk that would provide general information and explanations on procedures and on how to submit an application. That helpdesk should make available standard forms for statistics and further analysis. [Am. 23]

(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 and keep them engaged during the implementation process. [Am. 24]

(24) In compliance with the principle of sound financial management, financial contributions from the EGF should not replace but rather should, where possible, complement support measures which are available for beneficiaries within the Union funds or other Union policies or programmes. Nor can the EFT’s financial contribution replace national measures or replace measures that are the responsibility of dismissing companies under national law or collective agreements and should instead create real European added value. [Am. 25]
Special provisions In light of the principle of equality, Member States should be included for ensure effective access to information about the EFT throughout their territory, including in rural areas. The Commission should, in particular, promote the dissemination of existing best practice, raise awareness of the EFT’s eligibility criteria and application procedures and do more to raise awareness of the EFT among Union citizens, in particular workers. Special provisions should be included for information and communication activities on EGF EFT cases and outcomes. [Am. 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 EFT.

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 EFT budget line in the annual budgetary procedure.
In order to cover the needs arising especially during the first months of each year, where the options for transfers from other budget lines are particularly limited, an adequate amount of payment appropriations should be made available on the EFT budget line in the annual budgetary procedure. [Am. 27]

[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 management¹ (‘the Interinstitutional Agreement’) determine the budgetary framework of the EGF EFT].

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 EFT 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 EFT. 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. [separate vote]

¹ Reference to be updated.
(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 and the Member State in which the enterprise is located may advance the funds that are required urgently to make this possible. [Am. 29]

(31) In order to enable political scrutiny by the European Parliament and continuous monitoring by the Commission of results obtained with EGF EFT assistance, Member States should submit a final report on the implementation of the EGF EFT which should respond to clear monitoring requirements and contain a follow up of the beneficiaries and a gender equality impact assessment. [Am. 30]

(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’)\(^1\) or its successor Regulation. The Member States should justify the use made of the financial contribution received from the EGF EFT. In view of the short implementation period of EGF EFT operations, reporting obligations should reflect the particular nature of the EGF EFT interventions.

\(^{1}\) Reference to be updated.
The Member States should conduct effective communication activities in order to promote financial contributions from the EFT, emphasise that funding has come from the Union and raise the profile of activities financed by the Union under the EFT. [Am. 31]

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\(^1\), and Council Regulations (Euratom, EC) No 2988/95\(^2\) and No 2185/96\(^3\), 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\(^4\), the European Public Prosecutor's Office may investigate and prosecute fraud and other criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council\(^5\) on the fight against fraud to the Union's financial interests by means of criminal law. 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, the European Anti-Fraud Office (OLAF), the European Public Prosecutor's Office (EPPO) 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.


\(^3\) 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).


In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013, Regulation (Euratom, EC) No 2988/95, Regulation (Euratom, EC) No 2185/96 and Regulation (EU) 2017/1939, the financial interests of the Union are to be protected through proportionate measures, including the prevention, detection, correction and investigation of irregularities and 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 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 (EPPO) may investigate and prosecute fraud and other illegal activities affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371. 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 and the European Court of Auditors (ECA) and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.
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.

Pursuant to paragraph 22 and 23 of the Interinstitutional agreement of 13 April 2016 on Better Law-Making\(^1\), 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.

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\(^1\) OJ L 123, 12.5.2016, p. 1.
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 over the MFF 2021-2027 period, and an annual target of 30% as soon as possible and at the latest by 2027. Relevant actions will be identified during the fund's preparation and implementation, and reassessed in the context of its evaluation. [Am. 32]

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.

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 mandatory horizontal element of any coordinated package of personalised services offered and should incorporate the aim of increasing the participation of women in STEM professions. [Am. 33]
Article 1

Subject matter
This Regulation establishes the European Globalisation Adjustment Fund for Transition (EGF EFT).

It lays down the objectives of the EGF EFT, the forms of Union funding and the rules and criteria for providing such funding, including applications by the Member States for financial contributions from the EGF EFT for measures targeting the beneficiaries referred to in Article 7. [Am. 34]

Article 2

Mission
The EGF shall contribute to a better distribution of the benefits of globalisation and technological advance. The objective of the EFT shall be to support socio-economic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers adapt to structural change through the promotion of alternative, sustainable employment. The EFT shall be an emergency fund that operates reactively and contributes to a just transition. As such, the EGF EFT 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. [Am. 35]
Article 3

Objectives

1. The general objective of the programme is to demonstrate solidarity with and offer financial support for re-employment measures with regard to displaced workers regardless of the type or duration of their employment relationship and self-employed persons whose activity has ceased in the course of unexpected major restructuring events, referred to in Article 5(1), (2) and (3). [Am. 36]

2. The specific objective of the EGF is to offer assistance and support to workers with regard to their reintegration into the labour market in the case of unexpected major restructuring events, particularly those caused by globalisation-related challenges, such as changes in world trade patterns, trade disputes, financial or economic crises, the withdrawal of the United Kingdom from the European Union, the transition to a low-carbon economy or as a consequence of digitisation or automation, automatisation and technological change. Particular emphasis shall lie be placed on measures that help the most disadvantaged groups and on the promotion of gender equality. [Ams 37 and 98]
Article 4

Definitions

For the purposes of this Regulation,

(a) 'displaced worker' means a worker, regardless of the type or duration of his or her employment relationship, whose employment is ended prematurely by redundancy, or whose contract is not renewed, due to economic reasons; [Am. 38]

(b) 'self-employed person' means a person who employed fewer than 10 workers;

(c) 'beneficiary' means a person participating in EGF EFT 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 EFT, 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 EFT 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 EFT shall be provided in major restructuring events that result in the following:

(a) the cessation of activity of more than 250 at least 200 displaced workers or self-employed persons, over a reference period of four six months, in an enterprise in a Member State, including where that cessation applies in its suppliers or downstream producers; [Am. 39]

(b) the cessation of activity of more than 250 at least 200 displaced workers or self-employed persons, over a reference period of six nine 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 more than 250 at least 200 workers or self-employed persons affected in two of the regions combined; [Am. 40]
(c) the cessation of activity of more than 250 at least 200 displaced workers or self-employed persons, over a reference period of four nine 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. [Am. 41]

3. In small labour markets or in exceptional circumstances, in particular with regard to including 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 points (a), (b) or (c) of paragraph 1 are not entirely met, when the redundancies have a serious impact on employment levels and the local, or regional or national economy. The applicant Member State shall specify which of the intervention criteria set out in points (a), (b) or (c) of paragraph 1 are not entirely met. The aggregated amount of contributions in exceptional circumstances may not exceed 15 % of the annual ceiling of the EGF EFT. [Am. 42]

4. The EGF EFT may not be mobilised when workers are dismissed as a result of budget cuts taken by a Member State, which affect sectors that depend primarily on public financing. [Am. 43]
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 displaced workers and self-employed persons defined in Article 4 for the purpose of Article 5(1), (2) and (3). [Am. 44]

2. The applicant Member State shall calculate the number referred to in paragraph 1 as it stands on one of the following dates:

   (a) the date on which the employer, in accordance with Article 3(1) of Council Directive 98/59/EC¹, 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 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.

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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(1) 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(1), (2) and (3); [Am. 45]

(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 or 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.
By way of derogation from Article 5, applicant Member States may provide personalised services co-financed by the EFT to up to a number of NEETs (not in employment, education or training) under the age of 25, or where Member States so decide under the age of 30, on the date of submission of the application, equal to the number of targeted beneficiaries, as a priority to persons made redundant or whose activity has ceased, provided that at least some of the redundancies occur in NUTS 2 level regions. [Am. 46]

**Article 8**

**Eligible measures**

1. A financial contribution from the EGF EFT may be made for active labour market measures that form part of a coordinated package of personalised services, with the involvement of trade union organisations and/or worker representatives, designed to facilitate the re-integration of the targeted beneficiaries and, in particular, the most disadvantaged among the displaced workers, into quality and sustainable employment or self-employment. [Am. 47]

The dissemination of skills required in the digital industrial age as well as in a resource-efficient economy is a mandatory horizontal element of any package of personalised training and/or services offered. The level of training shall be adapted to the qualifications, skills and the specific needs of the respective beneficiary. [Am. 48]
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 experience, *personalised* 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; [Am. 49]

(b) special time-limited measures, such as job-search allowances, employers’ recruitment incentives, mobility allowances, *childcare allowances*, training or subsistence allowances, including allowances for carers and employers’ recruitment incentives including incentives to provide flexible working arrangements for displaced workers. [Am. 50]

The costs of the measures referred to in point (b) *may* *shall* not exceed 35 % of the total costs for the coordinated package of personalised services listed in this paragraph. [Am. 51]
The investments for self-employment, starting an own business *including a cooperative* or for employee take-overs *may shall* not exceed EUR **20 000** **25 000** per displaced worker. [Am. 52]

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 *as well as the possibility of reintegrating workers into the occupational sector of their former employment, where a major restructuring event has created a need for new or supplementary skills, and where existing skills can be utilised most efficiently.* [Am. 53]

2. The following measures shall not be eligible for a financial contribution from the EGF *EFT*:

(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;
(ba) measures to stimulate in particular the disadvantaged workers, those at the higher risk of poverty or older workers to remain in or return to the labour market; [Am. 54]

(bb) measures for which Member States are responsible by virtue of national law or collective agreements. [Am. 55]

The measures supported by the EGF shall not under any circumstances substitute passive social protection measures. [Am. 56]

3. The coordinated package of services shall be drawn up in consultation with the targeted beneficiaries or their representatives, or and/or the social partners. [Am. 57]

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 *acknowledge receipt of the application and inform the Member State of any additional information it requires in order to assess the application.* [Am. 58]

3. *Where requested by the Member State, the Commission shall provide them with technical assistance at the early stages of the procedure.* Where additional information is required by the Commission, the Member State shall reply within 10 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. [Am. 59]
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 60 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 may be extended by a further 20 working days, provided that the Commission gives a prior written explanation setting out the reasons for its delay and submits that explanation to the Member State concerned. [Am. 60]

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 all its legal obligations governing the redundancies and has provided for its workers accordingly; [Am. 61]

(ba) a clear indication of the activities already undertaken by the Member States for the assistance of displaced workers and of the complementary nature of the requested funds from the EFT due to lack of resources available to national or regional authorities; [Am. 62]

(bb) an overview of Union funds the dismissing enterprise already benefitted from in the five years preceding the collective redundancies; [Am. 63]
(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 educational level;

(e) the expected impact of the redundancies as regards the local, regional, or national or, where appropriate, cross-border economy and employment; [Am. 64]

(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, low-skilled, older and young beneficiaries, and those from disadvantaged areas; [Am. 65]

(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) for evaluation purposes, indicative case specific targets defined by the Member State regarding the re-employment rate of beneficiaries 6 months after the end of the implementation period;

(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;
the sources of national pre-financing or co-funding and other co-funding if applicable;

\[(ma)\] a statement that proposed actions will be complementary with actions funded by the Structural Funds and that any double financing will be prevented. [Am. 66]

**Article 10**

**Complementarity, compliance and coordination**

1. A financial contribution from the EGF EFT 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 and, where appropriate, cross-border level including those co-financed by Union funds and programmes, in line with the recommendations set out in the EU Quality Framework for anticipation of change and restructuring. [Am. 67]

3. The financial contribution from the EGF EFT shall be limited to what is necessary to show solidarity with, and provide temporary, one-off support to, for targeted beneficiaries. The measures supported by the EGF EFT shall comply with Union and national law, including State aid rules. [Am. 68]
4. In accordance with their respective responsibilities, the Commission and the applicant Member State shall ensure the coordination of the assistance from Union funds and programmes. [Am. 69]

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 all appropriate stages of the implementation of the financial contribution from the EGF. [Am. 70]

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 EFT may be used for to finance technical and administrative assistance for its implementation, such as preparatory, monitoring, data gathering, control, audit and evaluation activities including corporate information technology systems, communication activities and those enhancing the EGF EFT's visibility and other administrative and technical assistance measures. Synergies with established monitoring systems of structural change, such as the ERM, shall be reinforced. Such measures may cover future and previous programming periods. [Am. 71]

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.

Where the Commission implements technical assistance under indirect management, it shall ensure the transparency of the procedure for designating the third party responsible for carrying out the tasks assigned to it and shall inform all EFT stakeholders, including the European Parliament, of the sub-contractor selected for that purpose. [Am. 72]
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 EFT, including the creation of a helpdesk. The Commission shall also provide information along with clear guidance on using the EGF EFT 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. [Am. 73]

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. The Member States shall ensure that the Union added value of the funding is highlighted and that they assist the data gathering efforts of the Commission in order to enhance budgetary transparency. [Am. 74]

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 and on eligible actions, regularly updated list of contacts in the Member States as well as information on accepted and rejected applications and on the role of the European Parliament and the Council in the budgetary procedure. [Am. 75]

3. The Commission shall promote the dissemination of existing best practices in the area of communication, and implement information and communication activities on EGF cases and outcomes based on its experience with the aim of raising improving the effectiveness profile of the EGF, raising awareness of the EFT’s eligibility criteria and applications procedures, improving the EFT’s effectiveness and ensuring that Union citizens and workers know about the EGF, including citizens and workers in rural areas with difficult access to information. [Am. 76]
The Member States shall ensure that all communication and visibility material is made available upon request to Union institutions, bodies or agencies and that a royalty-free, non-exclusive and irrevocable licence to use such material and any pre-existing rights attached to it is granted to the Union. The licence grants the following rights to the Union:

- internal use i.e. right to reproduce, copy and make available the communication and visibility materials to EU and EU Member States' institutions and agencies and their employees;

- reproduction of the communication and visibility materials by any means and in any form, in whole or in part;

- communication to the public of the communication and visibility materials by using any and all means of communication;

- distribution to the public of the communication and visibility materials (or copies thereof) in any and all forms;

- storage and archiving of the communication and visibility materials;

- sub-licensing of the rights on the communication and visibility materials to third parties.

Additional rights may be granted to the Union.
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 within the deadline laid down in Article 9(4), the amount of a financial contribution from the EGF EFT, if any, that may be made within the limits of the resources available. [Am. 77]

2. The co-financing rate of the EGF EFT for the measures offered shall be aligned with the highest co-financing rate of the ESF+ in the respective Member State.

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 and shall notify the applicant Member State. [Am. 78]
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 as well as other concerned stakeholders, including the European Parliament. [Am. 79]

Article 15

Eligibility period

1. Expenditure shall be eligible for a financial contribution from the EGF EFT 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 EFT, in accordance with Article 8(1) and (4).

2. The Member State shall carry out the eligible measures set out in Article 8 as soon as possible. They shall, in any event, be implemented by six months after the date of entry into force of the decision on the financial contribution and carried out, and at the latest within 24 months after the date of entry into force of the decision on the financial contribution. [Am. 80]
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 EFT, as set out in Article 8, and ends 24 months after the date of entry into force of the decision on the financial contribution.

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 EFT 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 proposal to mobilise it. The decision to mobilise the EFT shall be taken jointly by the European Parliament and the Council within one month of the submission of the proposal to them. The Council shall act by a qualified majority and the European Parliament shall act by a majority of its component members and three fifths of the votes cast.

At the same time as it submits its proposal for a decision to mobilise the EFT, the Commission shall submit to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary lines. In the event of disagreement, a trilogue procedure shall be initiated.

Transfers related to the EFT shall be made in accordance with Article 31 of the Financial Regulation. [Am. 81]

2. The transfer request needs to be accompanied by a summary of the examination of the eligibility of the application. [Am. 82]
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 to mobilise the EFT. [Am. 83]

3a. A proposal for a decision to mobilise the EFT pursuant to paragraph 1 shall include the following:

(a) the assessment carried out in accordance with Article 9(4), together with a summary of the information on which that assessment is based;

(b) evidence that the criteria laid down in Articles 5 and 10 have been met; and

(c) the reasons justifying the amounts proposed. [Am. 84]

Article 16a

Exceptional cases

In exceptional cases and if the remaining financial resources available in the Fund in the year of the occurrence of the major restructuring event are not sufficient to cover the amount of assistance deemed necessary by the budgetary authority, the Commission may propose that the difference be financed through the next year's Fund. The annual budgetary ceiling of the Fund in the year of the occurrence of the major restructuring event and in the following year shall be respected under all circumstances. [Am. 85]
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.

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.

3. The Commission is empowered to adopt delegated acts in accordance with Article 25 to amend the indicators in the Annex where considered necessary to ensure effective assessment of the use of the fund.
**Article 19a**

*Model for the beneficiary survey*

The beneficiary survey referred to in point (d) of Article 20(1) shall be based on the model established by the Commission by means of an implementing act. The Commission shall adopt that implementing act in accordance with the advisory procedure referred to in Article 26(2) in order to ensure uniform conditions for the implementation of this Article. [Am. 86]

**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 the results obtained, explaining the challenges, lessons learned, synergies and complementarities with other EU funds, particularly ESF+, 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; [Am. 87]
(b) the names of the bodies delivering the package of measures in the Member State;

(c) the indicators set out in Article 19;

(d) the results of a beneficiary survey conducted within six months after the end of the implementation period, which shall cover the perceived change in the employability of beneficiaries, or for those who already found employment, more information on the quality and type of employment found, such as the change in working hours, level of responsibility or change of salary level in comparison to previous employment, and the sector in which the person found employment and break down this information by gender, age group and education level; [Am. 88]

(e) whether the dismissing enterprise, with the exception of start-ups, 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; [Am. 89]

(f) a statement justifying the expenditure.
2. Not later than at the end of the nineteenth month after the expiry of the period specified in Article 15(3), the Member State concerned shall submit the complete and duly verified simple dataset informing on the longer-term result indicator specified in point (3) of the Annex. [Am. 90]

3. 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 EFT and the balance due, if any, by the Member State concerned in accordance with Article 24. The winding-up shall be conditional on the provision of the longer-term result indicator in accordance with paragraph 2.
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 European Global Taxonomy (EGT) and shall in particular contain information relating to applications submitted, speed of their processing and potential deficiencies in existing rules, 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. [Am. 91]

2. The report shall be transmitted for information to the Member States, the Court of Auditors, the European Economic and Social Committee, the Committee of the Regions and the social partners. [Am. 92]
Article 22

Evaluation

1. Every four years the Commission shall carry out on its own initiative and in close cooperation with the Member States, an evaluation of the EGF EFT financial contributions including subsequent impact assessment of its application at national, regional and local levels.

For the purpose of evaluation referred to in the first subparagraph, the Member States shall collect all available data on EFT cases and assisted workers. [Am. 93]

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 sector and Member State. [Am. 94]

4. To ensure effective assessment of progress of the EGF towards the achievement of its objectives, the Commission is empowered to adopt delegated acts in accordance with Article 25 to amend the Annex to review or complement the indicators where considered necessary and to supplement this Regulation with provisions on the establishment of a monitoring and evaluation framework.

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 EFT. 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 one working day. 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 EÚT.
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 EFT 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 19(3) and Article 23(5) shall be conferred on the Commission for an indeterminate period of time from date of entry into force of this Regulation.

3. The delegation of power referred to in Article 19(3) and 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 of 13 April 2016 on Better Law-Making.

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 19(3) and 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 of the European Parliament and of the Council.\(^1\)

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 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 as from 1 January 2021.

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

Done at ..., 

*For the European Parliament*  
*The President*

*For the Council*  
*The President*
Common output and result indicators for EGF EFT applications

All personal data\(^1\) are to be broken down by gender (female, male, non-binary).

(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)*,

\(^1\) 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, 4.5.2016, 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).
– with upper secondary (ISCED 3) or post-secondary education (ISCED 4)*,
– with tertiary education (ISCED 5-8)*,
– \textit{with less than two years of professional experience},
– \textit{with between two and 10 years of professional experience},
– \textit{with over 10 years of professional experience}. [Am. 95]

The total number of beneficiaries is to be calculated automatically on the basis of the common output indicators relating to employment status$^1$.

These data on beneficiaries participating in EGF-EFT 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-EFT beneficiaries in employment (broken down by type of employment contract: full time/part time, fixed term/open-ended) and self-employment, 6 months after the end of the implementation period*,
– percentage of EGF-EFT beneficiaries gaining a qualification 6 months after the end of the implementation period*,
– percentage of EGF-EFT beneficiaries in education or training 6 months after the end of the implementation period*.

$^1$ Unemployed, inactive, employed, self employed.
These data are to be provided in the final report as specified in Article 20(1) and are to be collected by means of data provided by the competent authorities of the Member State as well as by beneficiary surveys (as specified in Article 20(1)d). 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.

(3) Common longer-term result indicator for beneficiaries

- percentage of EGF EFT beneficiaries in employment, including self-employment, 18 months after the end of the implementation period specified in the financing decision*. These data are to be made available by the end of the nineteenth month after the end of the implementation period. The data should 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. For larger cases, covering more than 1 000 beneficiaries, data may alternatively be collected based on a representative sample of the total number of beneficiaries as reported as an output indicator (1).