

European Globalisation Adjustment Fund (EGF): revision of rules

2008/0267(COD) - 06/05/2009 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted, 538 votes in favour to 35 against with 37 abstentions a legislative resolution amending, under the first reading of codecision procedure, the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund.

The amendments are the result of a compromise between Parliament and Council. The main amendments are as follows:

Direct link: the compromise text insists that Member States applying for an EGF contribution under the derogation for redundant workers shall establish a direct and demonstrable link between the redundancies and the financial and economic crisis.

The derogation will apply to all applications submitted before 31 December 2011.

Intervention criteria: the new text amends the criteria on how the number of redundancies will be counted. This is either: the date of the employer's individual notice to lay off or to terminate the contract of employment, or the date of the de facto termination of a contract of employment before its expiry, or the date on which the employer notifies the competent public authority in writing of the projected collective redundancies.

Eligible persons: a new article provides that Member States can provide personalised services co-financed by the EGF to certain affected workers.

Financial contribution: the amount of the financial contribution of the EGF may not exceed 50% but for applications submitted before 31 December 2011, the amount may not exceed **65%**.

In the case of grants, indirect costs, declared on a flat-rate basis, shall be expenditure eligible for a contribution from the EGF up to **20%** of the direct costs of an operation, provided that the indirect costs are incurred in accordance with national rules, including accountancy rules.

Transitional provisions: the Regulation will apply to all applications for assistance from the EGF received from 1 May 2009. As regards applications received before that date, the rules in force on the date of the application shall continue to apply throughout the entire duration of the EGF assistance.