

European Globalisation Adjustment Fund (EGF): revision of rules

2008/0267(COD) - 18/06/2009 - Final act

PURPOSE: to amend certain existing provisions of the Regulation on the European Globalisation Adjustment Fund (EGF) with a view to enhancing its performance in terms of re-integrating into employment workers who are made redundant as a consequence of globalisation.

LEGISLATIVE ACT: Regulation (EC) No 546/2009 of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund.

CONTENT: following an agreement reached at first reading with the European Parliament, the Council adopted a revised version of the [Regulation on the European Globalisation Adjustment Fund \(EGF\)](#). Germany voted against with the United Kingdom and Latvia abstaining.

In its [European Economic Recovery Plan](#), the Commission announced its intention to make the EGF a more effective early intervention instrument as part of Europe's crisis response. The Commission reaffirmed its intention to revise the rules of the EGF so that it can intervene more rapidly in key sectors, *inter alia* to co-finance training and job placements for those who are made redundant as a result of the economic crisis.

The new Regulation provides in particular for the following:

- lowering the eligibility threshold for EGF applications **from 1000 to 500 redundant workers** over a period of 4 months (or over 9 months following the sector and the regions);
- extending to **24 months the duration of EGF support** (currently 12 months) so as to allow sufficient time for the measures to be effective in re-integrating particularly the most vulnerable workers into new jobs;
- **broaden temporarily the EGF's scope** to enable it to react more effectively. In order to provide additional EGF support during the period of the financial and economic crisis. 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%**;

Member States applying for an EGF contribution under this derogation shall **establish a direct and demonstrable link between the redundancies and the financial and economic crisis**.

For the purposes of **calculating the number of redundancies**, the new Regulation stipulates that a redundancy shall be counted from:

- the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker, or;
- the date of the de facto termination of the 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; in this case, the applicant Member State(s) shall provide the Commission with additional information on the actual number of redundancies effected and the estimated costs of the coordinated package of personalised services, prior to the completion of the assessment provided for in this Regulation.

For each enterprise in question the Member State(s) shall specify in the application how the redundancies are being counted.

Moreover, Member States can provide personalised **services co-financed** by the EGF to affected workers.

In the **case of grants**, indirect costs, declared on a flat-rate basis, shall be expenditure eligible for a contribution from the EGF of 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: this Regulation shall 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.

ENTRY INTO FORCE: 02/07/2009.