



Frequently asked questions (EGF Regulation 2014-2020)

August 2019

European Globalisation adjustment Fund (EGF)

Frequently Asked Questions

Disclaimer.....	5
Relevant Documentation.....	5
Application form.....	5
Final report structure and guidelines (Statement justifying the Expenditure).....	5
1. APPLICANTS.....	5
1.1. Question: Who may apply for support from the EGF?.....	5
1.2. Question: Could a region or another body be delegated to represent the Member State for the purposes of submitting an EGF application?.....	5
2. GLOBALISATION / TRADE RELATED/ CRISIS CRITERIA.....	5
2.1. Question: What types of evidence should a Member State provide to demonstrate the link between the redundancies or cessation of labour activity and the impact of structural changes in world trade patterns?.....	5
2.2. Question: What types of evidence should a Member State provide to demonstrate the link between the redundancies or cessation of labour activity and the impact of the continuation of the global financial and economic crisis or of a new global financial and economic crisis?.....	6
3. REDUNDANCIES.....	7
3.1. Question: When can a redundancy be counted towards the minimum of 500 redundancies required by the EGF Regulation?.....	7
3.2. Question: Can temporary agency workers, who work for the enterprise where the lay-offs occur, be included in the total of at least 500 redundancies?.....	7
3.3. Question: What kind of self-employed workers can be included in the total of at least 500 redundancies?.....	7
3.4. Question: Can workers who have volunteered for early retirement or voluntary dismissal be included in the total of at least 500 redundancies?.....	8
3.5. How is the location of an enterprise defined, if it has workplaces in several regions of a Member State?.....	8
3.6. Question: How could a joint application from two or more Member States be put together, where the same event leads to redundancies in more than one Member State?.....	8
3.7. Question: Can workers made redundant in Small and Medium Sized Enterprises (SMEs) benefit from EGF support?.....	9
3.8. Question: Could EGF assistance be made available under Article 4(1)(a) for the workers made redundant by suppliers of a main enterprise, or downstream producers depending on it, even if no application is made for the workers of that main enterprise?.....	9
3.9. Question: Can a Member State include redundancies from suppliers, if not all of their business was with the principal enterprise, which is the subject of the EGF application?.....	9
3.10. Question: When a company and its suppliers belong to the same sector of activity could they be eligible for EGF assistance under Article 4(1)(b)?.....	9

3.11.	Question: Can an application be submitted on the basis of Article 4(1)(b) when all the enterprises mentioned belong to the same group of companies?	10
3.12.	Question: What is the meaning of "small labour markets" in Article 4(2)?	10
3.13.	Question: Under Article 4(2), there is a 15 % annual ceiling for "exceptional circumstances" but not for "small labour markets". Why?	10
3.14.	Question: Could you give an example of what can be considered "exceptional circumstances"?	10
3.15.	Question: Is the twelve-week period not too short to collect information on all the workers who might be helped by the EGF?	11
3.16.	Question: Can the Member State submit an application before the end of the reference period indicated by the Member State in its application?	11
3.17.	Question: Can the reference period within which the 500 redundancies are counted be shorter than 4 or 9 months?	11
4.	BENEFICIARIES ELIGIBLE FOR MEASURES	11
4.1.	Question: What should individual workers or self-employed persons wishing to benefit from EGF support do?	11
4.2.	Question: Can workers made redundant before or after the reference period of 4 or 9 months benefit from EGF assistance?	12
4.3.	Question: If redundant workers find a new job, can they still be included in training (and other) measures during the rest of the implementation period?	12
4.4.	Question: According to Article 6, workers must have been made redundant (or their employment contract ends and is not renewed) in order to qualify for EGF support. Can they receive passive unemployment benefits? Will such benefits exclude them from EGF aid while they are still unemployed?	12
4.5.	Question: Can the number of workers who participate in the measures be greater than the number of targeted workers?	13
4.6.	Question: Can other unemployed persons, apart from those listed in Article 3 of the EGF Regulation, benefit from EGF assistance?	13
4.7.	Question: Can support be rendered to NEETs older than 25 years on the date of application?	13
4.8.	Question: Can the number of NEETs be greater than the number of redundant workers expected to participate in the measures?	13
4.9.	Question: Are NEETs still eligible for support if the youth unemployment rate declines below 20 % after applying?	13
5.	APPLICATIONS: INFORMATION REQUIREMENTS	14
5.1.	Question: If an application concerns a number of different regions or areas, must they all be described, or only those most affected by redundancies?	14
5.2.	Question: What information is required under Article 8.5.(j) concerning the procedures followed for consulting the social partners?	14
5.3.	Question: Can personalised services, such as training or counselling, be contracted out to implementing bodies, so that the Member State uses part of the EGF contribution to pay such a body?	14
5.4.	Question: In an application for EGF funding, who analyses the application form and documentation provided?	14

5.5.	Question: Can Member States contact the Commission staff and discuss their potential applications or applications at the drafting stage?.....	14
5.6.	Question: What is the role of the EGF Contact Persons in each Member State?.....	15
6.	TIMING AND DURATION	15
6.1.	Question: Can expenditure incurred before the date of application be eligible?	15
6.2.	Question: Is the length of time available to support a beneficiary restricted - i.e. does the EGF Regulation define an end to the eligibility period?.....	15
6.3.	Question: When does the implementation period start and end?.....	15
6.4.	Question: If a beneficiary receives financial support from the EGF to start his or her own business, can this funding be used during a period beyond the 24 months from the date of application?	16
6.5.	Question: Can EGF funding be used beyond the 24-month implementation period, e.g. for workers following courses continuing beyond that period?	16
7.	BUDGET AND FINANCE	17
7.1.	Question: Can the European Parliament and the Council reject the EGF funding proposed by the Commission?	17
7.2.	Question: Can Member States budget for administrative expenditure as part of an EGF application?	17
7.3.	Question: From which date is the budgeted expenditure for implementing activities eligible?	17
7.4.	Question: If an EGF case has been budgeted with 4 % expenditure for implementing activities but by the end of the implementation the actual spending is 7 % due to lower than expected activity costs, will the final payment for implementing activities be reduced to 4 %?	17
7.5.	Question: Is it possible for the EGF to provide financial support to the activities of a body representing the redundant workers?	18
7.6.	Question: Can a package of EGF measures include passive social protection measures carried out for the benefit of the workers included in an EGF application?.....	18
7.7.	Question: Do you have any concrete examples that constitute passive social protection measures which are not eligible for funding from the EGF?.	18
7.8.	Question: Is it possible to use financial means from the EGF package to co-fund the final report required under Article 18 of the EGF Regulation?.....	18
7.9.	Question: Do all measures undertaken in support of the workers during the implementation period have to be paid for in full by the end of the implementation period?.....	19
7.10.	Question: Can Member States include micro-credits for start-up initiatives / business creation as an eligible part of a personalised package?	19
7.11.	Question: Can workers benefiting from micro-credits as part of the EGF personalised package also receive funding through another EU micro-loan scheme?	19
7.12.	Question: Can a Member State present an application for EGF support which separates the active labour market measures to be funded entirely by them and those which would be funded entirely by the EGF?.....	19
7.13.	Question: Can a Member State application to the EGF contain private co-financing?.....	20

7.14.	Question: Can a Member State re-allocate amounts of funding between items while implementing the co-ordinated package of personalised services?	20
7.15.	Question: Can new measures be introduced in the budget in the course of the implementation of the project?	20
7.16.	Question: At the end of the final reporting stage, what happens if a Member State has not spent as much on the package of measures as it estimated in its original EGF application?	21
7.17.	Question: Are capital goods used as training devices, such as laptops, video projectors or cameras, eligible for co-financing from the EGF?	21
8.	PROCEDURES AND TIMELINES	21
8.1.	Question: How should an application for EGF co-funding be submitted?	21
8.2.	Question: Is there a deadline for the submission of an application?	21
8.3.	Question: How exactly should the various periods of time be calculated, i.e. the months and weeks stipulated in the EGF Regulation such as the reference period, the 12 weeks up to the submission of the application, the end of the EGF implementation phase or the date for the submission of the final report?	22
8.4.	Question: Can a Member State supply additional information, once an application has been made for EGF support?	22
8.5.	Question: How long does the European Union have to take a decision on an EGF application?	22
8.6.	Question: Is there a document informing the Member State about its deadlines and obligations following approval of its application?	23
9.	INFORMATION AND PUBLICITY	24
9.1.	Question: Does the Commission expect Members States to do any particular communications activity?	24
9.2.	Question: Is it sufficient to inform about the EGF assistance in the place where EGF funded measures take place?	24
9.3.	Question: Is it possible to carry out an evaluation study (study of the effect of the funded measures) with EGF funds in accordance with Article 7(4)?	24
9.4.	Question: According to Article 7(4), measures such as management and control activities can be funded through the EGF package. Do you have any concrete examples of what constitutes management on the one hand, and control on the other?	25
10.	MANAGEMENT, AUDITING AND EVALUATION	25
10.1.	Question: Should the management and control system which is applied to the Structural Funds also be applied to the EGF?	25
10.2.	Question: Can Member States use a different auditing system for the EGF, other than that established for the ESF?	25
10.3.	Question: Does the evaluation involve a lot of work for the Member State?	25
11.	REPORTING AND CLOSURE	26
11.1.	Question: When does the final report have to be presented to the Commission?	26
11.2.	Question: What information does the Commission expect to receive in the final report and what are the formal requirements?	26
11.3.	Question: What are the rules for the statement justifying the expenditure funded by the EGF (Article 18(1)(e))?	26

- 11.4. Question: What information needs to be kept available after the completion of the action?26
- 11.5. Question: How does the Commission close an EGF case?27

Disclaimer

https://ec.europa.eu/info/legal-notice_en#disclaimer

Relevant Documentation

[Regulation \(EC\) No 1309/2013](#). OJ L 347/855 (20.12.2013)

[Regulation \(EU, Euratom\) 2018/1046](#). OJ L 193/1 (18.7.2018). In particular Article 274.

Application form

Applications for EGF support are submitted via [the SFC](#) (System for Fund management in the European Union)

Final report structure and guidelines (Statement justifying the Expenditure)

Reporting on final results is done via SFC.

1. APPLICANTS

Question: Who may apply for support from the EGF?

Answer: Only Member States may apply. The initiative for an application may come from stakeholders, i.e. from the affected locality or region, or from the social partners involved, or the workers involved - but the application has to be submitted by the Member State and signed by a person authorised to represent the Member State.

The normal [representatives of the Member State](#) are the relevant ministry, or the Permanent Representation to the EU of the Member State.

1.2. Question: Could a region or another body be delegated to represent the Member State for the purposes of submitting an EGF application?

Answer: This is possible, but this delegation would have to be documented and made available to the Commission upon request.

2. GLOBALISATION / TRADE RELATED/ CRISIS CRITERIA

2.1. Question: What types of evidence should a Member State provide to demonstrate the link between the redundancies or cessation of labour activity and the impact of structural changes in world trade patterns?

Answer: The EGF Regulation requires applicant Member States to provide a "reasoned analysis of the link between the redundancies or cessation of activity and the major structural changes in world trade patterns, or the serious disruption of the local, regional and national economy caused by globalisation". Evidence should, as far as possible, come from recognised and reliable sources.

Member States should provide clear statistical information and background, demonstrating that redundancies or cessation of labour activity result at least from one of the following causes:

1. A substantial increase of imports into the EU
2. And/or a serious shift in EU trade in goods or services
3. And/or a rapid decline of the EU market share in a particular sector
4. And/or the offshoring of activities to a non EU country.

Statistics on points 1), 2) and 3) can be downloaded from [Eurostat's EASYCOMEXT](#) in case of increase of imports and shifts in trade in goods, or from [Eurostat's general database](#) for trade in services (following the balance of payment statistics). It must be noted that often trade in goods statistics follow the HS classification¹, instead of a NACE classification. You can find the correspondence table in [Eurostat's RAMON database](#). Statistics on point 4) can be collected through specific surveys where available. Data related to delocalisation to non EU countries should demonstrate that there is a substitution of activities (manufacturing or services) previously carried out within the EU to production in a non EU country.

The list of variables can be complemented with more detailed statistics on the specific case. This guideline provides a general framework that can be adapted in each different case. In this respect, the [European Monitoring Centre on Change \(EMCC\)](#) may assist the Commission and the Member States with qualitative and quantitative analyses in order to help in the evaluation of trends of globalisation and use of the EGF.

2.2. Question: What types of evidence should a Member State provide to demonstrate the link between the redundancies or cessation of labour activity and the impact of the continuation of the global financial and economic crisis or of a new global financial and economic crisis?

Answer: The EGF Regulation requires applicant Member States to provide a "reasoned analysis of the link between the redundancies or cessation of activity and the continuation of the global financial and economic crisis or a new global financial and economic crisis." Evidence should, as far as possible, come from recognised and reliable sources (for example, Eurostat or a national equivalent). The European Monitoring Centre on Change (EMCC) can be a source of useful information to be included in the application.

Member States should provide clear statistical information and background, demonstrating that redundancies or cessation of labour activity result from the continuation of the global financial and economic crisis or a new global financial and economic crisis. Thus, figures on turnover by sector and region over a period of time, showing the effects of the crisis are needed, as well as background information as to how any decline in production or sales was caused by the crisis and how it affected the enterprise(s) concerned.

¹ The Harmonized Commodity Description and Coding System (or Harmonized System) is a system for classifying goods in International trade.

3. REDUNDANCIES

3.1. Question: When can a redundancy be counted towards the minimum of 500 redundancies required by the EGF Regulation?

Answer: Article 5 of the EGF Regulation lays down five possibilities for selecting the point in time:

- (1) when the employer notifies the competent public authority in writing² of the projected collective redundancies, or
- (2) when an employer gives individual notice to a worker of his or her intention to terminate the contract of employment; this is normally (but not necessarily) done by means of an individual letter of dismissal, or
- (3) when there is a de facto termination of the contract of employment or its expiry, i.e. the date when the worker actually leaves the workplace, or
- (4) at the end of the assignment of a temporary agency worker to the user undertaking, or
- (5) for a self-employed person, at the date of cessation of activities as determined in accordance with national law or administrative provisions.

When using the first possibility, the applicant Member State must provide the Commission with additional information on the number of redundancies actually effected, before the Commission has finalised its assessment on whether the conditions for a financial contribution are met.

A Member State can combine several of these options in the same application, but has to clarify which of the five available possibilities for calculating the redundancies (or combinations of them) it has used for each dismissing enterprise.

3.2. Question: Can temporary agency workers, who work for the enterprise where the lay-offs occur, be included in the total of at least 500 redundancies?

Answer: Yes. For temporary agency workers in this situation, it is likely that the agency is a supplier (of personnel) to the main dismissing enterprise. If so, temporary agency workers can be counted towards the minimum of 500 redundancies provided that their contracts with the agency are terminated as a result of the lay-offs in the main enterprise. A clear connection between the two events must be demonstrated.

In such cases, they may not only be counted towards the threshold, but also be included as eligible beneficiaries in the measures co-funded by the EGF.

3.3. Question: What kind of self-employed workers can be included in the total of at least 500 redundancies?

Answer: One example of such an eligible self-employed worker would be the gardener or the window-cleaner in an enterprise closing down. Such workers are

² In conformity with the provisions of Article 3(1) of Council Directive 98/59/EC on the approximation of the laws of the Member States relating to collective redundancies (OJ L225/16 12.8.1998).

usually employed on an independent, but full-time basis if the enterprise is large, and would lose their jobs and cease their activities once the enterprise no longer needs their service. Another example could be a large number of farmers in a region or two adjoining regions, who cease their farming activities as the result of a trade agreement affecting their sector or the crisis cutting demand for their output.

3.4. Question: Can workers who have volunteered for early retirement or voluntary dismissal be included in the total of at least 500 redundancies?

Answer: Workers opting for early retirement or voluntary dismissal can be included in the total of 500 or more redundancies, if they have volunteered following a call for candidates by their employer, and if the other criteria for eligibility are complied with. They can also be included as eligible beneficiaries in the measures co-funded by the EGF, if they wish to find new employment opportunities.

3.5. How is the location of an enterprise defined, if it has workplaces in several regions of a Member State?

Answer: In the case of an Article 4(1)(b) application or an Article 4(2) application based on Article 4(1)(b), redundancies are counted in one region or two contiguous regions or in more than two contiguous regions defined at [NUTS 2 level](#), provided that there are more than 500 workers or self-employed persons affected in two of the regions combined. It is therefore important to identify correctly the region(s) where the workers are to be counted.

The criterion to be used when calculating the number of redundant workers is the location of each worker's normal workplace at the time when that worker was dismissed. Thus, a company with its headquarters in the capital of a Member State may have branch offices in several regions. The workers working in these branch offices are to be counted in the region where their respective branch office is located.

3.6. Question: How could a joint application from two or more Member States be put together, where the same event leads to redundancies in more than one Member State?

Answer: If the combined number of redundancies in two contiguous, i.e. physically adjacent, regions in two Member States reaches 500 or more, and the redundancies occur in the same NACE rev 2 division (i.e. economic sector), these can be linked in two separate applications under Article 4(1)(b) of the EGF Regulation. Thus, redundancies in the two regions can all be counted towards the threshold number of 500 redundancies, but the measures will be devised and implemented separately by each Member State.

A globalisation event which may lead to an application from one Member State under Art 4(1)(a) of the EGF Regulation (i.e. 500 or more redundancies in an enterprise in a Member State) may also cause redundancies (e.g. among suppliers) in another Member State. These redundancies, if fewer than 500, could potentially be the object of an application under Art 4(2), which refers to exceptional circumstances. An application could even be presented by one Member State alone if the other affected Member State chooses not to apply.

The EGF application form in SFC enables Member States to provide clear details of the linkage between any two separate applications.

3.7. Question: Can workers made redundant in Small and Medium Sized Enterprises (SMEs) benefit from EGF support?

Answer: The EGF can help workers made redundant in SMEs in four possible ways:

- Under Article 4(1)(a), if an SME is a supplier or downstream producer for an enterprise suffering redundancies as a result of the effects of globalisation or the global economic and financial crisis, then redundancies in the SME may be included in the application submitted by the Member State.
- Article 4(1)(b) was specifically included in the Regulation with a view to covering particularly the SMEs in a defined sector in one region (or contiguous regions).
- Under Article 4(2), an EGF application can be made in relation to "small labour markets" (e.g. a remote and sparsely populated region or a geographically isolated area, like an island or a mountain valley), as well as for "exceptional circumstances" (where "the conditions of Article 4 (1) (a) or (b) are not entirely met, and when redundancies have a serious impact on employment and the local economy"). This provision can benefit the workers made redundant by SMEs
- Under Article 4(2), where the applicant Member State demonstrates that SMEs are the main or the only type of business in a region and the application involves only or mainly SMEs; the application may exceptionally cover SMEs operating in different economic sectors (defined at NACE Revision 2 division level) and located in that particular region.

3.8. Question: Could EGF assistance be made available under Article 4(1)(a) for the workers made redundant by suppliers of a main enterprise, or downstream producers depending on it, even if no application is made for the workers of that main enterprise?

Answer: Article 4(1)(a) of the EGF Regulation covers redundancies in an enterprise, its suppliers and its downstream producers. In order to justify an application for EGF assistance, the Member State must demonstrate the effects of globalisation or the global financial and economic crisis on the main enterprise, and demonstrate that the redundancies in the suppliers or downstream producers result from the effects of globalisation or the crisis on that main enterprise. The Member State may decide not to include redundancies in the main enterprise in its application.

3.9. Question: Can a Member State include redundancies from suppliers, if not all of their business was with the principal enterprise, which is the subject of the EGF application?

Answer: It is important to show that the redundancies in the supplier result from the activities of the main enterprise being affected by globalisation or the global financial and economic crisis. This may be easier to demonstrate e.g. in the case of workers whose workplace was located in the premises of the main enterprise.

3.10. Question: When a company and its suppliers belong to the same sector of activity could they be eligible for EGF assistance under Article 4(1)(b)?

Answer: In such a case, it would be up to the Member States to decide which approach, Article 4(1)(a) or 4(1)(b), might be more appropriate, given that the

reference period of 4 or 9 months respectively and the other conditions must be complied with.

The Article 4(1)(a) approach (using a reference period of 4 months) does not make any distinction based on the economic sector of activity of the suppliers and can thus include redundant workers who either share the same economic activity of the main enterprise (e.g. all of them belong to the automotive sector) or belong to different sectors (e.g. the company providing catering services for the workers of the main enterprise). This approach does not take account of the regional location of the enterprises and can even be used at national level. Workers made redundant before or after the 4-month period cannot be counted towards the threshold, but can be included in the measures to be co-funded by the EGF.

The Article 4(1)(b) approach (using a reference period of 9 months) is based on sectors of economic activity and permits the inclusion of enterprises belonging to the same sector (same NACE rev 2 division) in the same application, provided that all of them are based in the same region or in two (or conditionally more than two) contiguous regions at NUTS2 level. Workers made redundant before or after the reference period cannot be included in the application.

3.11. Question: Can an application be submitted on the basis of Article 4(1)(b) when all the enterprises mentioned belong to the same group of companies?

Answer: No. For the purposes of an EGF application, enterprises belonging to the same group of companies are considered to be part of the same enterprise. For this reason, an application for redundancies which occurred within the same group of companies must be submitted under Article 4(1)(a).

3.12. Question: What is the meaning of "small labour markets" in Article 4(2)?

Answer: The Regulation does not provide a definition of a "small labour market". Possible examples are islands, mountain valleys or remote and sparsely populated regions. Member States wishing to make use of this criterion must justify their view that the labour market in question is a small one.

It is important to bear in mind that the Regulation specifies that a derogation for a small labour market may apply even "if the intervention criteria laid down [...] are not entirely met". The Member State must specify which of the criteria were not entirely met, and must present a case that is reasonably close to the normal criteria.

3.13. Question: Under Article 4(2), there is a 15 % annual ceiling for "exceptional circumstances" but not for "small labour markets". Why?

Answer: This clause, relating to "exceptional circumstances", is not further defined, and it is up to the Member State to justify why the circumstances of the case are exceptional. It was therefore decided to limit the application of this clause in terms of the overall budget available to the EGF.

3.14. Question: Could you give an example of what can be considered "exceptional circumstances"?

Answer: An example of exceptional circumstances could be that a Member State has submitted an application under Article 4(1)(b) (dismissals within the same sector and the same region or two[or conditionally more than two] contiguous regions), but further

redundancies occur in the same sector (same NACE rev 2 division) due to the same cause and during the same period, in a different non-contiguous region of the same Member State. In such a case, for instance, an application for EGF assistance for the latter workers may be made under Article 4(2) arguing exceptional circumstances.

The Commission has also accepted as exceptional circumstances those cases where redundancies from the same enterprise occur in several waves, so that the Member State may decide to submit several separate applications for these redundancies. If the total number of redundancies is above 500, then a wave may be accepted under the exceptional circumstances derogation if the other criteria are complied with.

Other circumstances can exist, and need to be presented for consideration by the relevant Member State concerned.

It is important to bear in mind that the Regulation specifies that a derogation based on exceptional circumstances may apply even "if the criteria laid down [...] are not entirely met". The Member State must specify which of the criteria were not entirely met and present a case that is reasonably close to the normal criteria.

3.15. Question: Is the twelve-week period not too short to collect information on all the workers who might be helped by the EGF?

Answer: The EGF Regulation provides 12 weeks for Member States to gather the necessary information and submit the application. The application should be as complete as possible at that stage. If additional information is required by the Commission, the Member State has a further 6 weeks to provide a response (this can be extended by another 2 weeks if duly justified). It is important to remember that the timeline is determined by the urgent need to help the redundant workers.

3.16. Question: Can the Member State submit an application before the end of the reference period indicated by the Member State in its application?

Answer: No. In accordance with Article 8(1), Member States shall submit an application within twelve weeks from the date on which the conditions in Article 4 (1) or (2) were met. Therefore, the end of the reference period must be before the date of application. It is, however, possible to use a shorter reference period, if the maximum duration is not required for the calculation of the redundancies.

3.17. Question: Can the reference period within which the 500 redundancies are counted be shorter than 4 or 9 months?

Answer: Yes. These periods are maximum periods for calculating the number of redundancies. If a Member State does not expect any further redundancies needing to be included, and on the condition that the threshold of 500 redundancies has been met, it can decide to use a shorter reference period in its application.

4. BENEFICIARIES ELIGIBLE FOR MEASURES

4.1. Question: What should individual workers or self-employed persons wishing to benefit from EGF support do?

Answer: They should get in touch with their Member State's EGF Contact Person, whose details can be found on the [EGF website](#) under "How to apply". They may also contact

a trade union, the public employment service, or their local or regional authorities and ask them to make the first contact with the EGF Contact Person.

4.2. Question: Can workers made redundant before or after the reference period of 4 or 9 months benefit from EGF assistance?

Answer: Workers laid off before or after the four-month reference period of **Article 4(1)(a)** (dismissals in one enterprise and its suppliers), or Article 4(2) when it derogates from the criteria set out in Article 4(1)(a), may be eligible for EGF assistance if:

(1) they are made redundant as a result of the same event which triggered the redundancies during the reference period, and

(2) their redundancy occurred after the general announcement of the projected redundancies, but before the end of the implementing period. However, if the redundancies occur close to the end of the implementing period, eligible beneficiaries might not fully benefit from the personalised measures due to time constraints.

The Regulation does not offer the same possibility with regard to **Article 4(1)(b)** (dismissals within the same sector and the same region or two or more contiguous regions) since this provides for a longer (nine-month) reference period.

4.3. Question: If redundant workers find a new job, can they still be included in training (and other) measures during the rest of the implementation period?

Answer: If this is already planned at the time of application, the details of such a scheme should be set out in the application itself. A mix between work and training may be an integral part of a programme for the integration of a group of workers, in that there may be an element of job experience provided to them while training, or there may be an element of coaching or mentoring at the start-up phase of a new job or a new business.

The worker remains an eligible beneficiary throughout the implementation period, even after having found a new job. If the worker can benefit from training outside working hours, or can be helped to progress with plans to set up a new business, this remains possible even after the worker has taken up full-time or part-time employment.

And if the worker loses the newly found job, he or she still remains eligible for the full range of measures on offer during the implementation period.

4.4. Question: According to Article 6, workers must have been made redundant (or their employment contract ends and is not renewed) in order to qualify for EGF support. Can they receive passive unemployment benefits? Will such benefits exclude them from EGF aid while they are still unemployed?

Answer: As long as the beneficiaries are eligible under the terms of Article 6 of the EGF Regulation, they qualify for assistance from the EGF. While the EGF itself cannot fund unemployment benefits, it does not prevent the Member State from paying these to workers benefiting from EGF support for active labour market policy measures.

4.5. Question: Can the number of workers who participate in the measures be greater than the number of targeted workers?

Answer: Yes. The number of workers who participate in the measures can be greater than the number of targeted workers. However, the number of workers who participate in the measures cannot be greater than the number of eligible workers.

The total amount of the budget established by the approval procedure and laid down in the Implementing Decision remains unchanged even when the number of workers who participate in the measures is greater than expected.

4.6. Question: Can other unemployed persons, apart from those listed in Article 3 of the EGF Regulation, benefit from EGF assistance?

Answer: Yes, there is one extra category. NEETs (i.e. young people not in employment, education or training) can in certain circumstances be included in an application for EGF support. By way of derogation from Article 2, Member States may provide personalised services to NEETs as part of an EGF application. The NEETs need to be under the age of 25 or, where Member States so decide, under the age of 30 on the date of submission of the application. The maximum number of NEETs who can be included is equal to the number of targeted worker beneficiaries. Priority should be given to young persons made redundant or whose activity has ceased. This derogation only applies if at least some of the worker redundancies occur in NUTS 2 level regions where youth unemployment rates are at least 20 % (based on the latest annual data available) and if the NEETs themselves reside there.

4.7. Question: Can support be rendered to NEETs older than 25 years on the date of application?

Answer: Yes. Article 6 (2) provides that "The support may be rendered to NEETs under the age of 25, or where Member States so decide, under the age of 30." Member States may provide EGF aid to NEETs up to the age of 30 even if they decide to set a ceiling of 25 years in the Youth Employment Initiative itself.

4.8. Question: Can the number of NEETs be greater than the number of redundant workers expected to participate in the measures?

Answer: No. The number of NEETs may at most be equal to the number of targeted workers expected to participate in the measures.

4.9. Question: Are NEETs still eligible for support if the youth unemployment rate declines below 20 % after applying?

Answer: Yes. For NEETs to be eligible for EGF support, at least some of the worker redundancies have to occur in NUTS 2 level regions where youth unemployment rates are of at least 20 %, based on the latest annual data available at the time of submitting the application. Would the youth unemployment rates declined after the application was submitted, the eligibility status of the NEETs does not change.

5. APPLICATIONS: INFORMATION REQUIREMENTS

- 5.1. **Question: If an application concerns a number of different regions or areas, must they all be described, or only those most affected by redundancies?**

Answer: The Commission needs to analyse the impact of the redundancies on the local, regional and national economy and to assess whether the actions proposed in the application are realistic, targeted and adequate. It is therefore up to the applicant Member State to present the impact of the redundancies in the relevant area by describing the area and characteristics most relevant to the application, in particular the way in which the area is affected by the redundancies, and the alternative job opportunities existing or to be created in the regions or areas.

- 5.2. **Question: What information is required under Article 8.5.(j) concerning the procedures followed for consulting the social partners?**

Answer: The Member State should confirm that the representatives of the redundant workers or the social partners have been consulted, and indicate the dates and details of these consultations. The Commission is interested above all to know about any consultations concerning the package of measures to be co-funded by the EGF. Other stakeholders such as local and regional authorities should also be indicated, with a mention as to how they have been or will be involved.

- 5.3. **Question: Can personalised services, such as training or counselling, be contracted out to implementing bodies, so that the Member State uses part of the EGF contribution to pay such a body?**

Answer: Yes. Personalised services can be delivered by specialised implementing bodies such as training institutions. These bodies should be mentioned in the application. The costs per worker should be calculated in the financial form and — for the purposes of keeping an audit trail — the accredited body must keep with its invoices a list of the named workers to whom it has provided services and the dates when the services were provided.

- 5.4. **Question: In an application for EGF funding, who analyses the application form and documentation provided?**

Answer: The initial analysis is carried out by the services of the European Commission. A proposal for funding is then made by the Commission to the Budgetary Authority (i.e. the European Parliament and the Council), which can approve or reject the Commission's proposal.

- 5.5. **Question: Can Member States contact the Commission staff and discuss their potential applications or applications at the drafting stage?**

Answer: The Commission very much encourages Member States to contact its staff before or during the drafting stage of their application. Such contacts are in the interests of both the Member State and the Commission and help to reduce the time required for the processing and approval of applications. An early consultation and exchange of views on the feasibility of the case and the initial drafts of the application can help the Member State to prepare a formal application, which is complete and contains the elements required by the Commission. Therefore the staff of the Commission offer their assistance and other guidance before the formal application is

submitted and welcome any query or request for a meeting that could lead to an eligible application. Contact : EMPL-EGF@ec.europa.eu

5.6. Question: What is the role of the EGF Contact Persons in each Member State?

Answer: The EGF Contact Persons are the national co-ordinators of EGF action in their respective countries. They are the first port of call for any interested party wishing to enquire about past, present or future EGF cases presented by the Member State concerned. The Contact Persons together are a formally recognised [Expert Group](#), meeting twice a year, and set up to help the Member States in the implementation of the EGF Regulation.

6. TIMING AND DURATION

6.1. Question: Can expenditure incurred before the date of application be eligible?

Answer: Yes. Expenditure becomes eligible from the date on which the Member State starts the activities to implement the EGF or starts providing the affected workers with the personalised services described and budgeted in the (future) application to the Commission. The starting date can therefore be any time from the moment of the announcement of the dismissals to the public authorities of the Member State, and it is practically always before the date on which the application is sent to the Commission.

All expenditure is at the applicant Member State's own risk until a positive decision on the application is taken by the EU's Budgetary Authority (the European Parliament and the Council). At their request, Member States will be informed in advance about the adoption date.

6.2. Question: Is the length of time available to support a beneficiary restricted - i.e. does the EGF Regulation define an end to the eligibility period?

Answer: Yes. The length of EGF support is restricted by the Regulation, which states that the EGF contribution must be used within 24 months of the date of submission of the application. Exceptionally, and in accordance with Article 16(4), the Member State may decide to postpone the starting date for its proposed actions by 3 months, in which case the implementation period of 24 months will start from that date and end 24 months later.

Services (or actions) may continue after the end of the 24-month period, but they cannot be co-financed by the EGF. Those carried out within the 24-month period must be paid for before the final report is submitted to the Commission (6 months after the end of the implementation period).

Exceptionally, where a beneficiary accesses an education or training course the duration of which is of two years or longer, the fees (only) for this course may be included for EGF co-funding up to the date when the final report pursuant to Article 18 is due, provided that the relevant fees have been paid before the due date of the final report. For more information on this provision, please read the answer to question 6.5.

The EGF Regulation does not provide for any extension of the cut-off date.

6.3. Question: When does the implementation period start and end?

Answer: In accordance with Articles 14 and 16.4 of the EGF Regulation, the implementation period can start:

- on the date of the formal submission of the application, or
- up to three months following the date of submission, if the applicant Member State in the application opts for a later starting date for the implementation of the support measures, or
- before the submission of the application, if the Member State starts to incur the expenditure defined in the application before submitting it formally; this is the normal case.

Any expenditure incurred before the chosen date is ineligible.

It is important to bear in mind that all expenditure incurred until a positive decision on the application is taken by the EU's Budgetary Authority (i.e. the European Parliament and the Council) is at the applicant Member State's own risk.

This means the length of the implementation period may vary: If it starts on the date of the formal submission of the application, or up to three months after that date³ as laid down in Article 16(4) of the EGF Regulation, it is exactly 24 months. If, on the other hand, the applicant Member State starts to incur some of the planned expenditure before submitting the application, and the application is subsequently approved by the EU's Budgetary Authority, then the actual implementation period can be longer than 24 months.

6.4. Question: If a beneficiary receives financial support from the EGF to start his or her own business, can this funding be used during a period beyond the 24 months from the date of application?

Answer: The financial support for self-employment, business start-up and employee take-overs may not exceed EUR 15 000 per person. Member States will in their applications spell out the conditions which beneficiaries will need to fulfil before the contribution can be paid out to them (in any case, the new business has to be set up before the end of the implementation period). When the financial contribution is paid in full prior the setting-up of the business the final beneficiaries can continue to use the funds after the end of the implementation period. When the financial support is paid ex-post, the provisions in question 7.9 apply.

It is only the actual disbursement of the funds to the final beneficiary that must be documented for EGF audit purposes. National auditors may approach the beneficiary to find out whether they have used the funds within an agreed time period and whether these funds were used for the purposes they were given for.

6.5. Question: Can EGF funding be used beyond the 24-month implementation period, e.g. for workers following courses continuing beyond that period?

Answer: No, with one exception: Expenditure on fees for education or training courses the duration of which is two years or more is eligible up to the date when the final report is due, provided that such fees have been paid before the said date. First of all, this excludes any other course related expenditure such as books or transport. Secondly, if the final report date falls within an academic period such as a semester or a term, and if that period needs to be paid for in full, then only that part of the fee

³ As the postponement of the start-up date is only rarely used in practice, the following questions will not each time refer to that possibility.

which relates to the period before the final report date, is eligible on a pro rata basis. This applies to all beneficiaries taking education or training courses the duration of which is two years or more, irrespective of the length of the course, which the beneficiary has already taken, i.e. it applies even to those who have only just begun to take such a course.

7. BUDGET AND FINANCE

7.1. Question: Can the European Parliament and the Council reject the EGF funding proposed by the Commission?

Answer: Yes. The European Parliament and the Council are free to accept or reject the Commission's proposal and to ask questions in order to provide them with further information. In practice, so far, no application proposed to the Budgetary Authority has been rejected, but questions have been asked about most of them.

7.2. Question: Can Member States budget for administrative expenditure as part of an EGF application?

Answer: Yes. Article 7(4) of the EGF Regulation provides that Member States can include in their proposed budget both the coordinated package of personalised services to be funded, and activities for implementing this package, i.e. preparatory, management, information and publicity, control and reporting activities.

The same co-financing rate applies to all these items. A reasonable percentage for the implementing activities should be somewhere around 4 % of the total budget. A somewhat higher percentage is acceptable, if duly justified by explanations from the Member State. The application must contain details on the administrative expenditure proposed. As both communication and control & audit are obligatory in EGF implementation, an application would be expected to contain appropriate amounts for each of these items.

7.3. Question: From which date is the budgeted expenditure for implementing activities eligible?

Answer: Expenditure for implementing activities, such as preparatory work or data collection becomes eligible from the date on which the Member State incurs such expenditure implementing EGF. Even if these items are implemented before the formal application is submitted, auditable evidence must be collected from the outset. The earliest date for such expenditure is the date when the impending redundancies are first announced (e.g. via a press release from the dismissing enterprise).

The date on which the Member State first incurs such administrative expenditure must be stated in the application, and this date is referred to in the Commission's proposal and Implementing Decision. Expenditure predating this date will not be eligible.

7.4. Question: If an EGF case has been budgeted with 4 % expenditure for implementing activities but by the end of the implementation the actual spending is 7 % due to lower than expected activity costs, will the final payment for implementing activities be reduced to 4 %?

Answer: No. The costs for implementing EGF are agreed in the decision of the Budgetary Authority (European Parliament and Council). The eligible expenditure for implementing the EGF package presented in the final report will be accepted, but an

increase in the percentage of administrative expenditure within the overall final accounts must be duly explained and needs to be justified.

7.5. Question: Is it possible for the EGF to provide financial support to the activities of a body representing the redundant workers?

Answer: Yes. As long as these activities are directly related to helping the redundant workers in a particular EGF case, they are eligible and even encouraged. Such support could also cover setting up a Monitoring Committee for co-ordinating the measures within the case while they are being implemented. Such activities could either constitute measures in their own right, or they could be included under the "management" heading of the financial table. The details should be described in the application.

7.6. Question: Can a package of EGF measures include passive social protection measures carried out for the benefit of the workers included in an EGF application?

Answer: No. Article 7(2) of the EGF Regulation lays down that the EGF cannot co-finance passive social protection measures. These include unemployment benefits not explicitly linked to active measures, as well as early retirement pensions.

Article 7(1)(b) also states that the package of EGF measures can include special time-limited measures, such as job-search allowances, mobility allowances or allowances for individuals participating in lifelong learning and training activities. These allowances can be co-financed only for the time during which an eligible beneficiary participates in the active measures contained in the EGF package of measures. The eligibility of the time-limited allowances is also conditional upon the eligible beneficiary's participation in active measures during the period for which the allowance is being paid.

In accordance with Article 7(1), the allowances and incentives (i.e. any direct payments to the beneficiary or the employer, apart from that for business creation, which has its own ceiling) proposed in the application may not exceed 35 % of the total costs for the co-ordinated package of personalised services. This percentage is also applied to the financial figures presented in the final report.

7.7. Question: Do you have any concrete examples that constitute passive social protection measures which are not eligible for funding from the EGF?

Answer: Examples of non-eligible passive social protection supports are those provided to the worker whether or not s/he actively prepares for a new job. These include out-of-work income maintenance and support independent of a worker's participation in the EGF co-funded measures, as well as early retirement benefits.

7.8. Question: Is it possible to use financial means from the EGF package to co-fund the final report required under Article 18 of the EGF Regulation?

Answer: Yes. All administrative expenditure is eligible until the date of submission of the final report. This is why, in the Implementing Decision, a different deadline is fixed for these items.

7.9. Question: Do all measures undertaken in support of the workers during the implementation period have to be paid for in full by the end of the implementation period?

The activities as such must have taken place within the implementation period. Outstanding bills may be paid after this period, but must have been paid before the final report is due (six months after the end of the implementation period).

When the financial support for self-employment, business start-up and employee take-overs is paid ex-post facto i.e. when the payment is a reimbursement of cost incurred setting-up a business within the implementing period, the financial support can be paid within six months after the end of the implementing period, as explained in the previous paragraph. When the financial support is paid in full prior to setting-up the business the eligible amount must have been paid out to the beneficiary before the end of the implementation period.

Costs arising after the end of the implementation period cannot be co-funded by the EGF, with the exception of education or training courses the duration of which is two years or more, where the fees (but no ancillary costs) are also eligible until the date when the final report is due. For more information on this aspect, see Question 6.5.

7.10. Question: Can Member States include micro-credits for start-up initiatives / business creation as an eligible part of a personalised package?

Answer: Funding with relation to micro-credits is eligible but in practice limited. Examples include interest payments on micro credits incurred during the implementation period of the EGF, any advisory or legal fees needed, the cost of a business plan, etc. Given that all expenditure must be incurred during the implementation period (i.e. the loan would have to be both paid out and reimbursed before the end of this period), it is not practicable for the EGF to fund the loan as such. For the purposes of business creation or takeover, the EGF provides the possibility of a financial grant instead.

7.11. Question: Can workers benefiting from micro-credits as part of the EGF personalised package also receive funding through another EU micro-loan scheme?

Answer: In order to exclude any risk of double financing from EU financial instruments (Article 9(5) of the EGF Regulation), micro-credits intended for start-up initiatives (business creation) which are to receive (co-)funding from the two EU sources would have to support totally separate aspects of the start-up initiative. Each case being different, it is highly recommended that Member States seek the advice of the Commission staff before they programme the use of micro-credits from more than one EU financial instrument.

7.12. Question: Can a Member State present an application for EGF support which separates the active labour market measures to be funded entirely by them and those which would be funded entirely by the EGF?

Answer: No. Member States must present an integrated package of measures for the EGF and request EGF co-financing for the entire package. Any measures, which they intend to fund themselves, should be described, but not included in the package presented for EGF support.

7.13. Question: Can a Member State application to the EGF contain private co-financing?

Answer: Yes. The EGF Regulation does not specify the components of the Member State contribution. However, the private funds, just like the public funds, may not include spending which is obligatory under national law or a collective agreement. Private co-funding is also subject to the same EGF audit and control requirements as public co-funding.

7.14. Question: Can a Member State re-allocate amounts of funding between items while implementing the co-ordinated package of personalised services?

Answer: Yes, this is possible provided that certain principles are respected. While implementing the co-ordinated package of personalised services, Member States have the flexibility of re-allocating amounts between the various items of this package as set out in their application, provided that the total amount of the budget established by the approval procedure and laid down in the Implementing Decision is not exceeded. The Commission expects the Member State to inform it about such changes before the end of the implementation period, setting out the revised budget, with each re-allocation explained, particularly if such changes exceed a 20 % increase for one or more of the lines in the budget (as attached to the Implementing Decision).

Re-allocation can take place within the coordinated package of personalised services, or within the implementing activities (such as preparation, management, control etc.), and even across these two broad categories, provided that the re-allocation respects the principle of sound financial management and is in line with the principle of proportionality and the provisions of the Regulation. For further information on, please also read questions 7.2. and 7.4..

Member States must in their final reports provide a clear explanation of the re-allocations made during the implementation period.

7.15. Question: Can new measures be introduced in the budget in the course of the implementation of the project?

Answer: At the application stage, if necessary, this may be done soon after the submission of an application (such amendments may be included in the Member State's response to the Commission's request for additional information). After this period, it is no longer possible to introduce new measures, since the proposal for a Decision by the European Parliament and the Council will then have entered the process of adoption.

Following adoption of the proposal by the European Parliament and the Council, the Commission adopts its Implementing Decision, which is transmitted to the Member State. This Implementing Decision lays down the agreed measures with their respective budgets, the implementation period and the date when the final report is due.

During implementation, Article 16(5) of the Regulation provides that the Member State may submit a proposal to the Commission to amend the actions listed in points (a) and (c) of article 7(1) by adding other eligible actions, provided that such amendments are duly justified and the total does not exceed the financial contribution granted. The Commission will assess the proposal and, if it agrees, adopt and notify to the Member State an amendment to the Implementing Decision. No amendment of actions referred in article 7(1)(b) is foreseen in the EGF Regulation.

7.16. Question: At the end of the final reporting stage, what happens if a Member State has not spent as much on the package of measures as it estimated in its original EGF application?

Answer: In accordance with Article 22 of the Regulation, the Member State will be asked to reimburse the unspent part of the pre-financing contribution awarded, as set out in the Statement Justifying the Expenditure submitted by the Member State with its final report.

After having allowed the Member State to submit its comments, the Commission will adopt an Implementing Decision addressed to the Member State, setting out its calculations and requiring the Member State to reimburse the unspent EGF contribution, if any.

7.17. Question: Are capital goods used as training devices, such as laptops, video projectors or cameras, eligible for co-financing from the EGF?

Answer: Yes, they can be, but only that portion of depreciation which occurs during the implementation phase of an EGF case is eligible for EGF co-funding.

Capital goods used as training devices for one or more EGF co-funded measure(s), such as laptops, video projectors or cameras, can be considered as equipment directly linked with the implementation of the action. Provided that the piece of equipment is written off in accordance with the national tax and accounting rules, the portion of the equipment's depreciation corresponding to the duration of the EGF related use can be charged to the EGF accounts. Audit trails have to be clear and correctly documented.

Example: The purchase price of an item used as training device is 800 EUR and the depreciation period of this item according to national rules is four years (i.e. monthly depreciation: 800 EUR / 48 months = 16,7 EUR). In the event that the training device was used for one or more EGF training measure(s) during 20 months, then 16,7 EUR x 20 months = a total of 334 EUR can be charged to the EGF accounts.

8. PROCEDURES AND TIMELINES

8.1. Question: How should an application for EGF co-funding be submitted?

Answer: An EGF application should be submitted via [SFC2014](#), where there is an online application form. Please ask the EGF Contact Person for your Member State who in your country is entitled to fill in this form and who may validate it for submission to the Commission.

It is helpful to notify the Commission staff by email to the EGF mailbox EMPL-EGF@ec.europa.eu, so that the case handler is informed that a new application has been formally submitted.

8.2. Question: Is there a deadline for the submission of an application?

Answer: The latest date on which an application can be submitted (the "deadline date") is calculated as follows (see Article 8(1) of the EGF Regulation):

- 4-month or 9-month reference period, within which the eligible redundancies occur,
- plus 12 weeks for the preparation of the application.

Applications submitted after that date are ineligible.

8.3. Question: How exactly should the various periods of time be calculated, i.e. the months and weeks stipulated in the EGF Regulation such as the reference period, the 12 weeks up to the submission of the application, the end of the EGF implementation phase or the date for the submission of the final report?

Answer: The 12-week period for preparing and submitting an application (Article 8(1) of the EGF Regulation) starts on the **last day** of the 4- or 9-month reference period and ends 12 weeks later on the **same day of the week**. Example: if the last day of the reference period is **Thursday** 6.10.2016, the last day for submitting the application is **Thursday** 29.12.2016.

The 4- or 9-month reference period (Article 4 of the EGF Regulation) is calculated **from date to date** - example: from 7.6.2016 to 7.10.2016. Exception: when the same date does not occur in the relevant month, for example: from 31.10.2016 to 28.02.2017 (instead of 31.02).

The 24-month implementation period from the date of application (Article 16(4) of the EGF Regulation) is again calculated according the 'month rule' – example: date of application 16.12.2016 – last day of implementation period 16.12.2018.

The same is true for the 6 months (Article 15(1) of the EGF Regulation) within which Member States are required to submit their final implementation reports – example: last day of implementation period 16.12.2018 means that the last day for submitting the report is 16.6.2019.

Exception: If the due date is a Saturday, Sunday or public holiday, it is shifted to the next working day (i.e. the Monday following a week-end, or the day following a public holiday).

The above mentioned approach how to calculate the months and weeks is based on Regulation (EEC, Euratom) No. 1182/71 of the Council of 3 June 1971.

8.4. Question: Can a Member State supply additional information, once an application has been made for EGF support?

Answer: Yes, and in most cases it will need to do so. Following the submission of the application, the Commission has two weeks during which to ask follow-up questions on any issues, which are not sufficiently clear in the application. The Member State then has six weeks to respond (Article 8(2) and (3) of the EGF Regulation). Following this deadline, the Commission assesses the application on the basis of the information at its disposal.

The six-week deadline for replies from the Member State can be extended by a further two weeks (Article 8(3) of the EGF Regulation) if the Member State sends a request to the Commission, explaining why the extra time is needed.

8.5. Question: How long does the European Union have to take a decision on an EGF application?

Answer: Once the Commission has received the responses from the Member State and the deadline for any further responses has passed, it assesses the application and prepares a proposal for a Decision by the European Parliament and the Council. This must be done within twelve weeks of the deadline for the Member State's responses.

The normal timeline is therefore as follows:

4- or 9-month reference period for the Member State to count the redundancies
12 weeks for the Member State to prepare and submit an application
2 weeks for the Commission to seek any outstanding information
6 weeks for the Member State to provide the outstanding information
12 weeks for the Commission to prepare and adopt a proposal for a Decision

On rare occasions, this timeline may be extended:

- If the application is received by the Commission in a language which it needs to have translated, the timeline will begin to run only after the translation has been provided by the Commission's Translation Services.
- If the Member State has duly justified difficulties responding to the Commission's questions within the 6-week period, it may request a further 2 weeks to comply.
- If the Commission is exceptionally unable to complete its assessment within the 12-week period, it must explain in writing why this problem has arisen.

Once the Commission's draft proposal has received the opinions of the various internal departments consulted, the Member State is asked to review its planned budget for a final time, in case any of the estimated figures have meanwhile changed. This is done immediately before the proposal is translated into all EU languages, ready for adoption.

The Commission assesses applications and proposes a Decision to mobilise the EGF to the Budgetary Authority (the European Parliament and the Council). The Budgetary Authority then has a month to approve the contents of the application and a concurrent six weeks to approve the relevant funding. Once the Budgetary Authority has adopted this decision, the Commission pays the financial contribution to the Member State in a single 100 % pre-financing payment, in principle within 15 working days. The whole process, from the submission of the application to the payment, therefore normally takes around 28 weeks, i.e. 7 months.

The Decision of the European Parliament and the Council is published in the Official Journal.

8.6. Question: Is there a document informing the Member State about its deadlines and obligations following approval of its application?

Answer: Yes. The Commission adopts a Decision awarding a financial contribution to the Member State (the Implementing Decision). This is a signed original, which is sent to the Permanent Representative in Brussels of the relevant Member State, and in that country's language(s). The Implementing Decision refers to the deadlines for the implementation, the reporting and evaluation obligations, and reflects the estimated budget for the planned measures, as well as the estimated numbers of participants. The total budget in the Implementing Decision is normally paid to the Member State within 15 days of adoption of the mobilisation Decision by the European Parliament and the Council.

It is of utmost importance for the Member State to comply with all the conditions established in the Regulation and referred to in the Implementing Decision. The Member State should read it very carefully and, in case of any mistakes in the Implementing Decision, contact the Commission immediately to have them corrected.

9. INFORMATION AND PUBLICITY

9.1. Question: Does the Commission expect Members States to do any particular communications activity?

Answer: Article 12(1) of the EGF Regulation lays down who should be informed, and also provides that the information should be visible. The Member State concerned has to provide the information about the EGF and the actions it co-funds, ensuring that the contribution from the EGF is visible and highlighted in the community. It is up to the Member State to choose among the communication actions possible those that are suitable in accordance with national particularities.

Creating a website is a good example of communication, as it combines in one tool all the information addressed to the workers concerned, to the social partners, the media and the general public. The Commission also encourages the use of existing EGF dissemination materials such as posters, videos, leaflets, etc.

The Member State may decide to convene a conference, for instance towards the end of the EGF implementation period, raising awareness of the EGF and of the results of the measures. The scope of the conference could vary, from a local one to an international one, but in any case it should attract good coverage by the media.

The costs of the information activity and publicity material can be covered from the budget co-funded by the EGF as part of the administrative expenditure to implement EGF. Questions 7.2. to 7.4. provide further information about the relevant budget.

9.2. Question: Is it sufficient to inform about the EGF assistance in the place where EGF funded measures take place?

Answer: Putting up a sign, if all the workers use the same location, is essential, but more is expected, depending on the circumstances. The workers should, if possible, be individually informed. All information / literature / brochures / posters could for instance contain the EGF-related logo chosen by the Member State with some words to the effect that the EGF is co-funding. Mentioning the EGF on the relevant web site is important. Member State authorities should communicate with the press, ensure TV coverage, call meetings with the social partners, convene a conference, etc. The budget proposed for such activities should take account of these needs. Audit visits will check whether the EGF support has been well publicised, and how.

An [EGF leaflet](#) (in all official EU languages) and other communications materials are available from the [EGF web site](#) (publications).

9.3. Question: Is it possible to carry out an evaluation study (study of the effect of the funded measures) with EGF funds in accordance with Article 7(4)?

Answer: Yes, this is possible and is welcomed by the Commission. A budget for the study must be included in the application, and it must be carried out before the final report is due and presented to the Commission as part of that report.

9.4. Question: According to Article 7(4), measures such as management and control activities can be funded through the EGF package. Do you have any concrete examples of what constitutes management on the one hand, and control on the other?

Answer: Management is the running of the programme, the overall supervision, laying down guidelines, making sure that the funds reach the right people and that the measures are carried out. Management reaches from the Ministry right down to the grass roots, where activities are taking place.

Control is checking whether all this is working properly, including the establishment of all necessary audit procedures and carrying out the required audit activities, again from the centre all the way to the grass roots.

10. MANAGEMENT, AUDITING AND EVALUATION

10.1. Question: Should the management and control system which is applied to the Structural Funds also be applied to the EGF?

Answer: Whilst it is for the Member States to decide how to manage the EGF, it may be convenient for them to make use of the Structural Funds managing authorities for this purpose. This is for a number of reasons:

- (1) a Member State may not apply for EGF assistance frequently; therefore, setting up a separate structure may not be necessary;
- (2) given that complementarity between the ESF and the EGF must be ensured by the Member State, it may be helpful for the Member State if the managing authority for the ESF is also responsible for the EGF or if a close relationship exists between the two;
- (3) if the management and control system is a common one, the results of an ESF systems audit may be used for EGF purposes also.

Even if the ESF system is used, it would normally make sense to adapt the system to the (much simpler) needs of the EGF. Whatever system the Member State decides to use must be described in an EGF application when it is submitted.

10.2. Question: Can Member States use a different auditing system for the EGF, other than that established for the ESF?

Answer: Yes. But Member States should make sure that their auditing arrangements are appropriate and transparent. The Commission staff can advise upon request by the Member State.

10.3. Question: Does the evaluation involve a lot of work for the Member State?

Answer: The EGF Regulation provides for a mid-term evaluation which must be ready by 30 June 2017, to analyse the effectiveness and sustainability of the EGF results achieved, and an ex post evaluation by 31 December 2021, to measure the impact and added value of the Fund (see Article 20).

These evaluations are carried out by the Commission, with the assistance of external experts, in close co-operation with the Member States. To this end, the Member States

are requested to provide the evaluators with the lists of workers helped by the EGF, prepared at the end of the 24-month implementation period, so that these workers can be contacted. In addition, the Member States will be contacted with queries or requests by the evaluators or be asked to comment on draft evaluation reports. Member State representatives may also be invited to participate in technical meetings organised by the Commission staff.

11. REPORTING AND CLOSURE

11.1. Question: When does the final report have to be presented to the Commission?

Answer: The final report (Article 18 of the EGF Regulation) needs to be sent to the Commission six months at the latest after the end of the implementation period. The deadline for submitting the final report is referred to in the Commission's Implementing Decision.

Should Member States opt to close the package of personalised measures before the end of the 24-month from the date of application, this does not advance the date by which the final report is due.

11.2. Question: What information does the Commission expect to receive in the final report and what are the formal requirements?

Answer: Article 18 of the EGF Regulation provides that the final report should present detailed information on the implementation of the financial contribution. The final report must contain all the elements listed in Article 18 of the EGF Regulation and be approved by an official empowered to make such a report on behalf of the Member State. This could be the official who originally submitted the application or another official designated by the Member State authorities.

The final report should be presented online within the [SFC2014](#) template and should be submitted at the latest by the date established by the EGF Regulation and referred to in the Implementing Decision of the EGF case.

11.3. Question: What are the rules for the statement justifying the expenditure funded by the EGF (Article 18(1)(e))?

Answer: As laid down in Article 18(1)(e) of the EGF Regulation, a "statement justifying the expenditure" is an integral part of the final report. Member States should use the model statement available as part of the final report template in SFC2014.

By validating the statement, the authority designated certifies that operations were implemented in accordance with the applicable European and national rules, with the provisions of the EGF Regulation and with the EGF Implementing Decision. The authority further certifies that all transactions related to the EGF contribution are lawful and that all expenditure included in the "statement of expenditure" table complies with the criteria for eligibility of expenditure set out in the EGF Regulation and has actually been paid.

11.4. Question: What information needs to be kept available after the completion of the action?

Answer: The Implementing Decision specifies that, for the purposes of carrying out the ex-post evaluation of the EGF, the Member State concerned is to make available to the

Commission all necessary information regarding the actions supported by the EGF and the beneficiaries of each action, in particular the employment status of the beneficiaries one year after submission of the final report, with a breakdown by sex and by category of worker.

In practical terms, Member States should maintain a database with the contact details of the beneficiaries who have been supported by the EGF (provided the beneficiaries have agreed to this), so that the evaluators can make contact with a sample of workers so as to obtain information about their labour market status one to two years after the end of the implementation period. If possible, this database should be up to date at the moment of the ex-post evaluation.

In addition, Article 21(5) of the EGF Regulation stipulates that Member States must keep all supporting documents regarding expenditure incurred, 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. Member States may keep such documentation in electronic form.

11.5. Question: How does the Commission close an EGF case?

Answer: When it has received the final report, the statement justifying the expenditure and the opinion of an independent audit body the Commission adopts an Implementing Decision requiring the Member State to reimburse the unspent funding declared by the Member State in its statement justifying the expenditure.

It may also ask the Member State to provide further information on aspects, which have remained unclear in the report and statement. Once in possession of all necessary information, the Commission winds up the financial contribution within six months. This is done by means of a formal letter (called the "winding-up letter"). The obligation to store all supporting documents is for a three-year period following the date of the winding-up letter.