



# Frequently asked questions

## European Globalisation Adjustment Fund for Displaced Workers (EGF) 2021-2027

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# European Globalisation Adjustment Fund for Displaced Workers (EGF)

## Frequently Asked Questions

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## Disclaimer

[https://ec.europa.eu/info/legal-notice\\_en#disclaimer](https://ec.europa.eu/info/legal-notice_en#disclaimer)

## Relevant Documentation

[Regulation \(EU\) 2021/691](#). OJ L 153/48 (3.5.2021)

[Regulation \(EU\) 2021/1060](#). OJ L 231/159 (30.6.2021)

## Application form

Applications for EGF support are submitted [via SFC 2021](#) (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 2021](#).

### Terms for referring to workers who have lost their job

The name of the fund (2021-2027) has been agreed as European Globalisation Adjustment Fund for Displaced Workers (EGF). In this text the words "redundant", "dismissed", "laid-off" or "displaced" are used interchangeably, not least to reflect the variety in other languages. The bottom line is that workers have (already) lost their job in a large-scale restructuring event.

## 1. APPLICANTS

### 1.1. Question: Who may apply for EGF support?

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

The representatives of the Member State may be the relevant ministry, or the Permanent Representation to the EU of the Member State<sup>1</sup>.

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

**Answer:** This is possible, with a delegation from the Member State, to be documented and made available to the Commission upon request. The applicant Member State remains liable of the application, even when a region represents it by delegation.

## 2. TRIGGERING EVENTS

### 2.1. Question: Do Member States need to provide evidence related to the cause of the redundancies?

**Answer:** During the 2014-2020 period, Member States had to demonstrate that dismissals were caused by globalisation or a global economic crisis. In the 2021-2027 period, however, the mobilisation of the EGF is no longer triggered by the specific cause of a restructuring event. Hence, an in-depth analysis is no longer required. Nevertheless, MS must provide a description of the events that led to the dismissals, supported by data from recognised and reliable sources.

The list of possible causes in article 2(2) is non-exhaustive, listing some of the biggest challenges expected as examples.

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<sup>1</sup> The contacts in the Member States can be found on the [EGF website](#)

### 3. REDUNDANCIES

#### 3.1. Question: When can a redundancy be counted towards the minimum of 200 redundancies required by the EGF Regulation?

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

- (a) when the employer notifies the competent public authority in writing of the projected collective redundancies, or
- (b) 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
- (c) 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
- (d) at the end of the assignment of a temporary agency worker to the user undertaking, or
- (e) 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 confirm 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 it must be clear which of the five available possibilities for calculating the redundancies (or combinations of them) has been 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 200 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 200 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.

Article 5(d) provides the method for counting for displacements of temporary agent jobs.

#### 3.3. Question: What kind of self-employed workers can be included in the total of at least 200 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 usually employed on an independent, but full-time basis if the enterprise is large, and would lose their jobs and cease their activities if the enterprise no longer needs their service. In regional sectoral cases any self-employed who goes out of business and whose business activity is in the relevant sector is eligible.



**3.4. Question: The EGF may not be mobilised when public sector employees are displaced as a result of budget cuts taken by a Member State. Does this restriction apply also to displaced workers from enterprises providing services or delivering goods to publicly financed entities affected by budgetary cuts?**

**Answer:** In accordance with Article 4(5), the EGF may not be mobilised in cases of dismissals in the public sector, which are the consequence of public budgetary cuts. However, the EGF can support displaced workers from enterprises active on a competitive market, providing services or delivering goods to publicly financed entities affected by budgetary cuts. The same applies to self-employed people.

An example of eligible displaced workers from enterprises providing services or delivering goods to publicly financed entities affected by budgetary cuts could be a privately owned shipyard specialised in military vessels, with customers worldwide. The shipyard needs to displace 280 jobs after its main customer, the national navy, has cancelled several orders of vessels due to public budget cuts. These dismissals are eligible. The shipyard is not performing public services, and the shipyard itself is not solely depending on contributions from the public budget. It is active on a competitive market, competing with shipyards worldwide, and selling its product to a variety of customers.

**3.5. Question: Can workers who have volunteered for early retirement or voluntary dismissal be included in the total of at least 200 redundancies?**

**Answer:** Workers opting for early retirement or voluntary dismissal can be included in the total of 200 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.

**3.6. Question: 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(2)(c) application all the redundancies must occur in the same region. In the case of an Article 4(2)(b) application or an Article 4(3) or 4(4) application based on Article 4(2)(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 at least 200 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 displaced 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.

**3.7. 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 200 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(2)(b) of the EGF Regulation. Thus, redundancies in the two regions can be counted to reach the threshold of 200 redundancies, but the measures will be devised and implemented separately by each Member State.

An event which may lead to an application from one Member State under Article 4(2)(a) of the EGF Regulation (i.e. 200 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 200, could potentially be the subject of an application under Article 4(3) or 4(4), which refer to small labour markets or exceptional circumstances.

An application can be presented by one Member State even if the other affected Member State chooses not to apply.

The applicant Member States must provide clear details of the linkage between any two separate applications.

### **3.8. Question: Can workers displaced from Small and Medium Sized Enterprises (SMEs) benefit from EGF support?**

**Answer:** The EGF can help workers displaced from SMEs in four possible ways:

- Under Article 4(2)(a), if an SME is a supplier or downstream producer for an enterprise suffering a restructuring process, then redundancies in the SME may be included in the application submitted by the Member State.
- Articles 4(2)(b) and (c) cover particularly the SMEs in a defined sector in one region (or contiguous regions) or in different sectors in one region.
- Under Article 4(3) or 4(4), an EGF application can relate to "small labour markets" (e.g. a remote and sparsely populated region or a geographically isolated area, like an island or a mountain valley), or to "exceptional circumstances" (where "the conditions of Article 4(2) are not entirely met, and when redundancies have a serious impact on employment and the local economy"). Workers displaced by SMEs can benefit from this provision.

### **3.9. Question: Could EGF assistance be made available under Article 4(2)(a) for the workers displaced from 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(2)(a) of the EGF Regulation covers redundancies in an enterprise, its suppliers and its downstream producers. The Member State may decide not to include redundancies in the main enterprise in its application. However, in order to justify an application for EGF assistance, the Member State must demonstrate that decisions taken by the main enterprise resulted in displacements in the suppliers or downstream producers.

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

**Answer:** It is important to show that a substantial part of the supplier's business was with the enterprise affected by a major restructuring event (the main enterprise), so

the redundancies in the supplier are due to the reduction of activities in the main enterprise.

**3.11. Question: When a company and its suppliers belong to the same sector of activity or they are located in the same NUTS2 region, could they be eligible for EGF assistance under Article 4(2)(b) or 4(2)(c)?**

**Answer:** In such a case, it would be up to the Member States to decide which approach, Article 4(2)(a), (b) or (c), would be more appropriate, taking into account the other conditions, such as the reference period of 4 or 6 months.

Under Article 4(2)(a) (reference period of 4 months), an application can include workers displaced from suppliers in the same economic activity of the main enterprise (e.g. all of them belong to the automotive sector) or in different sectors (e.g. the company providing catering services for the workers of the main enterprise). This approach would not take account of the regional location of the enterprises and could even be used at national level.

Under Article 4(2)(b) (reference period of 6 months), several enterprises belonging to the same sector of activity (same NACE rev 2 division) could be part of the same application, provided that all of them are based in the same region or in two (or conditionally more than two) contiguous NUTS2 regions.

Under Article 4(2)(c) (reference period of 4 months), several enterprises located in the same NUTS2 region could be included in the same application even if they belong to different sectors and are not linked by supplier/downstream producer relationship.

**3.12. Question: Can an application be submitted on the basis of Article 4(2)(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 (i.e. subsidiaries) are considered to be part of the same enterprise. An application for redundancies which occurred within the same group of companies must be submitted under Article 4(2)(a).

**3.13. Question: What is the meaning of "small labour markets" in Article 4(3)?**

**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.

The Member State must specify which of the criteria are not entirely met, and must present a case that is reasonably close to the normal criteria.

**3.14. Question: Could you give an example of what can be considered "exceptional circumstances" under Article 4(4)?**

**Answer:** The "exceptional circumstances" are not further defined in the Regulation, and it is up to the Member State to justify why the circumstances of the case are exceptional.

If making use of the derogation foreseen by the Regulation for exceptional circumstances, the Member State must specify which of the criteria are not entirely met, and must present a case that is reasonably close to the normal criteria.

An example of exceptional circumstances could be that a Member State has submitted an application under Article 4(2)(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. This could be the case for islands, for example. An application for EGF assistance may argue exceptional circumstances under Article 4(4).

**3.15. Question: Under Article 4(4), there is a 15 % annual ceiling for "exceptional circumstances". Why?**

**Answer:** The "exceptional circumstances" are not further defined in the Regulation, and it is up to the Member State to justify why the circumstances of the case are exceptional. To retain the exceptional nature of such cases, they are limited to a 15% share of the overall annual budget available to the EGF.

**3.16. 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 twelve 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 fifteen working days to provide a response (this can be extended by another ten working days if duly justified). These deadlines aim to reduce the time needed to reach the displaced workers.

**3.17. Question: Can the reference period within which the 200 redundancies are counted be shorter than 4 or 6 months?**

**Answer:** Yes. These periods are maximum periods for calculating the number of redundancies. If the threshold of 200 redundancies has been met and the Member State does not expect any further redundancies to be included, it can decide to use a shorter reference period. This would reduce the time needed for EGF support to reach the displaced workers.

**3.18. Question: Can the Member State submit an application before the end of the reference period indicated 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(2), (3) or (4) 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 or to shorten the twelve weeks period for preparing the application.

## **4. ELIGIBLE BENEFICIARIES**

**4.1. Question: If individual workers or self-employed persons wish to benefit from EGF support, what should they do?**

**Answer:** They are encouraged to get in touch with their Member State's EGF Contact Person, indicated 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 6 months benefit from EGF assistance?**

**Answer:** As stated in Article 6, workers laid off and self-employed persons whose activity has ceased before or after the four or six-months reference periods set in Article 4 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 no more than six months before the reference period, or after it, until the last day before the date of the completion of the assessment and the adoption of the draft proposal for a decision by the Commission (about 15 weeks after the application date), or both.

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

**Answer:** Yes. The displaced worker remains an eligible beneficiary throughout the implementation period, even after having found a new job. Thus, the worker can benefit from training, or receive support to set up a new business, even after the worker has taken up full-time or part-time employment.

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 not renewed after termination) in order to qualify for EGF support. Can they receive unemployment benefits? Will such benefits exclude them from EGF support 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.

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

**Answer:** Yes. The ceiling is set by the number of eligible workers.

This means that the number of workers who actually participate in the measures can be greater than the number of targeted workers (i.e. the number of workers that were originally expected to participate). 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 laid down in the Financing Decision remains unchanged even when the number of workers who actually participate in the measures is greater than expected.

**4.6. Question: Can other unemployed persons, apart from those listed in Article 6 of the EGF Regulation, benefit from EGF assistance?**

**Answer:** No. During 2014-2020, young people not in employment, education or training (NEETs) could also benefit from EGF. This is no longer the case, as there are other instruments more suitable to assist them, such as the European Social Fund Plus (ESF+).

**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 Member State needs to present an analysis of the expected impact of the redundancies to allow the Commission to assess whether the measures 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 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(7)(c) concerning the recommendations set out in the EU Quality Framework for anticipation of change and restructuring?**

**Answer:** Applicant need to indicate how the good practices (see right hand side column of the table below) have been implemented: brief description of measures taken (with their timeline) and who was involved. Applicants can also refer to possible legal requirements in the MS if these measures are mandatory.

Quality Framework for Anticipation of Change and Restructuring  
*Summary of actors and good practices*

	ANTICIPATION OF CHANGE	MANAGEMENT OF RESTRUCTURING PROCESSES
<b>COMPANIES, EMPLOYEES' REPRESENTATIVES SOCIAL PARTNERS AND SECTORAL ORGANISATIONS</b>	Strategic monitoring of economic, business and market environment Mapping of jobs and skills needs Multiannual plan for jobs and skills Flexibility, training and career development measures targeted at individual workers Promote internal and external mobility Information, consultation and collective bargaining on above issues	Foster internal consensus through joint diagnosis Explore all possible options before contemplating redundancies Organise individual and personalised support for redundant employees Information, consultation and collective bargaining on above issues Involve external actors
<b>INDIVIDUAL EMPLOYEES</b>	Step up their capacity to collect the information needed to understand the situation; Review their skills and update their career orientations; Strengthen their employability and mobility and make professional transitions that are feasible; Exercise their right to education and training and accept the corresponding obligations	Seek information on company strategy Explore possible action to avoid being made redundant Use individual and personalised support
<b>NATIONAL AND REGIONAL AUTHORITIES</b>	Develop forecasting and foresight tools covering jobs and skills and exchange of labour-market information Reinforce ALMP, promote qualification plans and counselling services, give financial support Promote cooperation between actors and risk mutualisation Develop frameworks favouring professional transitions Strategic monitoring of economic, business and market environment Mapping of jobs and skills needs Multiannual jobs and skills plan Flexibility, training and career development measures targeted at individual workers Promote internal and external mobility Territorial employment pacts and public-private partnerships	Collect data on dismissals, monitor the impact of restructuring, support early-warning systems Reinforce public employment services, establish outplacement programmes, promote job creation Support local mobility platforms, mobility through allowances, and financially vulnerable groups Promote partnerships and coordinate the use of Structural Funds Early-warning systems, convene meetings of actors for joint diagnosis Mobile reconversion units, promote attractiveness and job creation Support training and mobility measures

Source: [COM\(2013\) 882 Final](#)

**5.3. Question: What information is required under Article 8(7)(k) concerning the procedures followed for consulting the social partners?**

**Answer:** The Member State should confirm that the targeted beneficiaries, their representatives, or the social partners have been consulted, and indicate the dates and details of these consultations. The Commission is interested, above all, in the 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.

Please note that this requirement is connected with the information required under Article 8(7)(c).

**5.4. 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 final report. For the purposes of keeping an audit trail, the selected body must keep with its invoices a list with the names of the workers to whom it has provided services and the dates when the services were provided.

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

**Answer:** The analysis is carried out by the European Commission. A proposal for funding is then adopted by the Commission and presented to the Budgetary Authority (the European Parliament and the Council), which can approve or reject the Commission's proposal.

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

**Answer:** Yes, the Commission 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, containing the elements required by the Commission.

Contact: [EMPL-EGF@ec.europa.eu](mailto:EMPL-EGF@ec.europa.eu)

**5.7. 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 in their respective countries. They are the first port of call for any interested party wishing to enquire about 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. APPLICATIONS: MEASURES

### 6.1. Question: Does the Regulation set measures that should form part of a coordinated package of personalised services?

**Answer:** Yes. Although it is up to the applicant Member State to decide which measures will be part of the package of personalised services, a horizontal element has to be considered when designing the packages of measures.

This horizontal element is the dissemination of skills required in the digital industrial age and in a resource-efficient economy. The need and level of training must be adapted to the qualifications and competences of the beneficiaries, so it is up to the Member State to decide how best to provide for these skills.

### 6.2. Question: How many measures constitute a package?

**Answer:** Although the Regulation does not define how many measures make a package, a single measure or service does not constitute a package. Measures constitute a package when the beneficiary has the possibility to choose among several services (at least two).

### 6.3. Question: What is the meaning of “cooperation activities” in Article 7(2)(a)?

**Answer:** The wording cooperation activities refers to the establishment of cooperatives.

## 7. TIMING AND DURATION

### 7.1. Question: Is expenditure incurred before the start of the implementation period 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, provided that such dates are set out in the application. The starting date can therefore be any time from six months before the reference period, and it is practically always before the date of entry into force of the decision on the financial contribution (the Commission Financing Decision).

However, 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 estimated adoption date.

### 7.2. 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 entry into force of the decision on the financial contribution (Article 14(2)).



Measures may continue after the end of the 24-month period, but can no longer be co-financed by the EGF. Those carried out within the 24-month period must be paid before the final report is submitted to the Commission (7 months after the end of the implementation period).

Exceptionally, when a beneficiary follows an education or training course longer than two years, the fees (only) for this course may be included for EGF co-financing up to the date when the final report pursuant to Article 20 is due, provided that they have been paid before the due date of the final report. For more information on this provision, please read the answer to question **7.5**.

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

The Regulation refers to special time-limited measures, i.e. the variety of allowances and incentives that can also be part of the coordinated package of measures but shall not exceed 35% of the total cost of the package. The expression 'time-limited' refers to the fact that Article 7(2)(b) measures are conditioned to the active participation in Article 7(2)(a) measures of the package.

### **7.3. Question: When does the implementation period start and end?**

**Answer:** In accordance with Article 14(2) of the EGF Regulation, the implementation period can start:

- On the date of the entry into force of the decision on the financial contribution from the EGF (decision taken by the European Parliament and the Council), or
- Before that, on the dates set out in the application, when Member State starts to incur the expenditure defined in the application. Member states may start to incur the expenditure even before submitting the application, which 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 taken by the EU's Budgetary Authority (i.e. the European Parliament and the Council) is at the applicant Member State's own risk.

In practice, the length of the implementation period may vary: If it starts on the date of the entry into force of the decision on the financial contribution, it is exactly 24 months. If the applicant Member State starts to incur some of the planned expenditure before the entry into force of the decision on the financial contribution, the actual implementation period can be longer than 24 months (i.e. 24 months plus the time between the start of the expenditure and the decision on the financial contribution of the EGF).

### **7.4. Question: If a beneficiary receives financial support from the EGF to start his or her own business, can this funding be used beyond the 24 months implementation period?**

**Answer:** The financial support for self-employment, business creation and employee take-overs may not exceed € 22 000 per person. Member States in their applications will spell out the conditions to be fulfilled by beneficiaries to receive the financial contribution (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 to the setting-up of the business, the 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 **8.10** apply.

Only the actual disbursement of the funds to the final beneficiary 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 for the purposes they were given for.

**7.5. 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: fees for education or training courses longer than two years are eligible up to the date when the final report is due, provided that such fees have been paid before the said date. 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 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 lasting 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 such a course.

## **8. BUDGET AND FINANCE**

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

**Answer:** Yes. The European Parliament and the Council can accept or reject the Commission's proposal. In practice, only one application proposed to the Budgetary Authority has been rejected so far, but questions have been asked about most of them.

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

**Answer:** Yes. Article 7(5) of the EGF Regulation provides that Member States can include in their proposed budget both the coordinated package of personalised services, 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, in line with the [provisions for the ESF+](#). A somewhat higher percentage may be acceptable, if duly justified by the Member State. The application must contain details on the administrative expenditure proposed. As both communication and control & audit are mandatory in EGF implementation, an application would be expected to contain appropriate amounts for each of these items or an explanation that such expenditure is borne by the state budget.

**8.3. Question: If an EGF application budgets 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 Commission Implementing Decision. 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.

**8.4. Question: Communication and control & audit are mandatory in EGF implementation. What happens if communication and control & audit requirements are insufficiently fulfilled or not fulfilled all?**

**Answer:** The insufficient compliance with the communication and control & audit requirements may lead to flat-rate financial corrections, in particular in the framework of on-the-spot checks carried out by the Commission audit services.

**8.5. 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 it is incurred by the Member State. Even if implemented before the 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 Financing Decision. Expenditure before this date will not be eligible.

**8.6. Question: Can the EGF provide financial support to the activities of a body representing the displaced 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 implementation of the measures of the EGF case. 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.

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

**Answer:** No. Article 7(3) 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(3) also states that the package of EGF measures can include special time-limited measures, such as job-search allowances, employers' recruitment incentives, mobility allowances, allowances for carers and childcare or allowances for individuals participating in lifelong learning and training activities. The eligibility of the time-limited

allowances is conditional upon the beneficiary's participation in active measures during the period for which the allowance is being paid.

In accordance with Article 7(2), 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) may not exceed 35 % of the total costs for the co-ordinated package of personalised services. This percentage is also applied to the figures presented in the final report.

**8.8. Question: Do you have any concrete examples of passive social protection measures, which are not eligible for co-financing from the EGF?**

**Answer:** 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.

**8.9. Question: Is it possible to use financial means from the EGF package to co-fund the final report required under Article 20(1) 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 Financing Decision, a different deadline is set for these items.

**8.10. Question: Must all measures undertaken in support of the workers be paid in full by the end of the implementation period?**

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

When the financial support for self-employment, business creation and employee take-overs is paid ex-post, i.e. when the payment is a reimbursement of cost incurred setting-up a business within the implementation period, it can be paid within seven months after the end of the implementation 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 longer than 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 7.5.

**8.11. Question: Can Member States include micro-credits for business creation as 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, advisory or legal fees, 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), this timeframe is not appropriate for a loan. For the purposes of business creation or takeover, the EGF provides the possibility of a grant.

**8.12. 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) receiving (co-)funding from two EU sources would have to support totally separate aspects of the start-up. Each case being different, it is highly recommended that Member States seek the advice of the Commission before they programme the use of micro-credits from more than one EU financial instrument.

**8.13. Question: In its application for EGF support, can a Member State separate measures to be funded entirely by national funds and measures to 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 measure to be funded entirely with national funds should be described, but not included in the package presented for EGF support.

**8.14. Question: Can an EGF application include 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 mandatory under national law or a collective agreement. Private co-financing is also subject to the same EGF audit and control requirements as public co-financing. The Member State remains responsible for the national co-financing regardless of its sources.

**8.15. Question: Can a Member State re-allocate amounts of funding between items in the course of implementation?**

**Answer:** Yes, Member States have the flexibility of re-allocating amounts between the various items of this package as set out in the Financing Decision, provided that the total budget laid down in the Financing Decision is not exceeded.

When a reallocation exceeds a 20 % increase for one or more lines in the budget (as in the annex of the Financing Decision), the Member State must notify the Commission beforehand and explain each re-allocation.

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 is in line with sound financial management and proportionality and in accordance with the provisions of the Regulation. For further information, please also read questions **8.2.** and **8.5.**

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

**8.16. Question: Can new measures be introduced in the budget in the course of implementation?**

**Answer:** During implementation, Article 17(4) of the Regulation provides that the Member State may submit a proposal to the Commission to amend the measures listed in points (a) and (b) of Article 7(2) by adding other eligible measures, provided that such amendments are duly justified and the total budget does not exceed the financial contribution granted. The Commission will assess the proposed amendments and, if it agrees, adopt and notify to the Member State an amendment to the Financing Decision.

**8.17. Question: At the final reporting stage, what happens if a Member State has not spent as much on the package of measures as indicated in its application?**

**Answer:** In accordance with Article 24(1) 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.

**8.18. Question: Might the contribution of the EGF be cancelled in full or partly?**

**Answer:** If, after completing the necessary verifications, the Commission concludes that a Member State has failed to comply with the obligations stated in the Financing Decision or is not complying with its obligations under Article 23, the Commission will ask the Member State to submit its comments. If no agreement is reached, the Commission will adopt a Financing Decision addressed to the Member State, setting out its calculations and requiring the Member State to reimburse all or part of the contribution.

**8.19. Question: Is equipment used as training devices, such as laptops, video projectors or cameras, eligible for EGF co-financing?**

**Answer:** Only depreciation costs occurring during the implementation of an EGF case are eligible for EGF co-financing.

Equipment used as training devices for one or more EGF co-funded measure(s), such as laptops, video projectors or cameras, can be considered as directly linked with the implementation of the measure. Provided that the piece of equipment is written off in accordance with the national tax and accounting rules, the proportion 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 and the depreciation period of this item according to national rules is four years (i.e. monthly depreciation: € 800 / 48 months = € 16,7). In the event that the training device was used for one or more EGF training measure(s) during 20 months, then € 16,7 x 20 months = a total of € 334 can be charged to the EGF accounts.

**8.20. Question: In Member States where tuition is “free”, could the average per capita cost of the education be included?**

**Answer:** When an EGF beneficiary engages in tertiary education, the EGF could co-finance the relevant tuition, regardless of whether the tuition covers completely or partially the cost of the education. If tuition is free, then there is no tuition cost to be co-financed.

**8.21. Question: Are measures implemented outside the EU or outside the Member State that requested EGF support eligible for EGF co-financing?**

**Answer:** The measures are provided as close as possible to the eligible beneficiaries, to facilitate both participation and management and control of the measures. However, a Member State may choose to implement measures in another Member State or in a non-EU country, as the Regulation does not restrict where the measures can take place.

The managing authority must evaluate the convenience of implementing outside the national territory, also taking into account the additional burden in terms of management and control of the measures.

**8.22. Question: Are measures that aim at the reintegration into employment in a different Member State or in a non-EU country eligible for EGF co-financing?**

**Answer:** Measures should reflect the prospective needs of the local, regional or national labour market. However, where relevant, the mobility of the displaced workers can be supported to help them find new jobs elsewhere.

**8.23. Question: Can a beneficiary who receives financial support to start his or her own business, receive also financial support from the EGF for this purpose?**

**Answer:** To avoid double funding, the funding from different sources must not cover the same expenditure. For example, a beneficiary receives a contribution to support new business from a national or regional program and an EGF contribution to business creation of € 20,000. The contribution for the national programme is used to cover set up cost such as cost of registering the enterprise, fees of legal advisors/lawyer, etc.; while the EGF contribution is used to buy equipment or goods, etc.

The beneficiary needs to establish a clear audit trail of the use of the various amounts received.

The amounts that the beneficiary receives from other national sources cannot be counted in the EGF statement of expenditure as national contribution.

**8.24. Question: When a beneficiary receives financial support to start his or her own business from various sources, can the total amount received exceed the limit established by the EGF Regulation of € 22,000?**

**Answer:** The limit of € 22,000 established by the EGF Regulation for the investment for self-employment, applies only to the amount co-financed by the EGF.

**8.25. Can Simplified Cost Options be used in EGF cases?**

**Answer:** The EGF Regulation does not make any explicit reference to the use of simplified cost options (SCOs). However, Article 17(3) of the EGF Regulation is quite broad and formulated in an open manner, which can be read as it allowed for SCOs, if this use is clearly stipulated in the decision on the financial contribution.

Although a SCO already adopted in other funds such as the ESF/ESF+ cannot be automatically applied to EGF cases, the rates of such SCO might be used in the EGF if described in the application, what would allow its inclusion in the proposal for decision on the EGF financial contribution and the related financing decision.

**8.26. Can Regulations such as Regulation (EU) 2021/702 on the definition of standard scales of unit costs and lump sums for reimbursement of expenditure by the Commission to Member be applied in the EGF-context?**

The scope of such acts is limited to the operations under the specific fund to which it relates – so while the rates might potentially be used in other funds, such use should be authorised in accordance with the relevant financial rules, that is the EGF Regulation in our context (see FAQ 8.25).

**8.27. Is it possible to opt for using SCOs retroactively, even though their use was not foreseen at application stage, the way it is possible to add new measures at a later stage?**

No, it is not possible to opt for the use of SCOs retroactively, if their possible use was not announced at application stage. The detailed terms of the EGF financing are determined by the Commission in the Decision on a financial contribution (Art. 17.3). Such decision can be amended only to add additional measures as provided in Art. 17.4.

## **9. PROCEDURES AND TIMELINES**

**9.1. Question: How to submit an application for EGF co-financing?**

**Answer:** An EGF application should be submitted via [SFC2021](#), where there is an online application form. Please check with the EGF Contact Person for your Member State who is entitled to fill in and validate this form for submission to the Commission.

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

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

- 4-month or 6-month reference period,
- plus 12 weeks for the preparation of the application.

Applications submitted after that date are not eligible.

**9.3. 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 6-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 **Wednesday** 6.10.2021, the last day for submitting the application is **Wednesday** 29.12.2021.



The **4- or 6-month** reference period (Article 4(2) of the EGF Regulation) is calculated from date to date - example: from **6.6.2021** to **6.10.2021**. Exception: when the same date does not occur in the relevant month, for example: from **31.10.2021** to **28.02.2022** (instead of 31.02).

The **24-month** implementation period from the date of entry into force of the Financing Decision (Article 14(2) of the EGF Regulation) is calculated from date to date – example: date of the Financing Decision **16.12.2021** – last day of implementation period **16.12.2023**.

The same is true for the **7-months** (Article 20(1) of the EGF Regulation) within which Member States must submit their final implementation reports – example: last day of implementation period **16.12.2023** means that the last day for submitting the report is **16.7.2024**.

Exception: If the due date is a Saturday, Sunday or public holiday, it is shifted to the next working day.

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

#### **9.4. Question: Can a Member State supply additional information after submission of an application for EGF support?**

**Answer:** Yes, and in most cases this will be needed. Following the submission of the application, the Commission has ten working days<sup>2</sup> during which to ask follow-up questions on any issues, which are not sufficiently clear in the application (Article 8(4) of the EGF Regulation). The Member State has 15 working days to respond (Article 8(5)). Following this deadline, the Commission assesses the application on the basis of the information received.

The 15 working days deadline for the Member State reply can be extended by a further 10 working days (Article 8(5) of the EGF Regulation) if the Member State sends a request to the Commission, explaining why the extra time is needed.

#### **9.5. Question: How long does it take between the application for EGF support and the entry into force of the Financing Decision?**

**Answer:** The normal timeline is as follows:

##### Before applying

- 4- or 6-month reference period for the Member State to count the redundancies.
- 12 weeks for the Member State to prepare and submit an application.

##### After applying

- 10 working days for the Commission to seek any outstanding information.
- 15 working days for the Member State to provide the outstanding information.
- 50 working days for the Commission to prepare and adopt a proposal for a Decision.

On rare occasions, this timeline may be extended:

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<sup>2</sup> European Commission public holidays in [2024](#) and [2025](#)

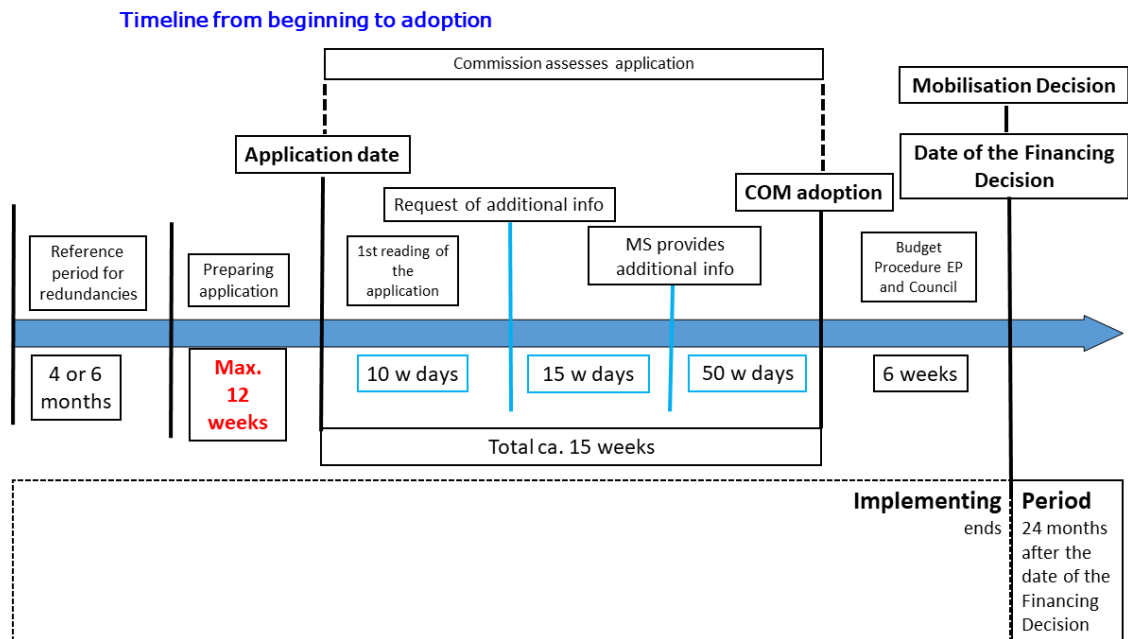
- If a translation of the application is needed, the timeline will begin to run only after the translation has been completed.
- If the Member State has duly justified difficulties responding to the Commission's questions within the 15 working days period, it may request a further 10 working days to comply.
- If the Commission is exceptionally unable to complete its assessment within 50 working days, it has to inform the Member State concerned, explaining the reasons for the delay and set a new date for completion of its assessment. The new date has to be set within the 20 working days from the original deadline.
- If funds are insufficient in a given year (i.e. if the available commitment appropriations for EGF are not sufficient to cover the amount of assistance according to the Commission proposal), the adoption of the proposal may be postponed until commitment appropriations are available in the following year.

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 has six weeks to approve or reject the relevant funding.

When the Budgetary Authority notifies the Commission of the approval of the mobilisation of the EGF, the Financing Decision enters into force and 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 takes around 24 weeks.

## Timeline



### 9.6. Question: How is the Member State informed about the deadlines and obligations following approval of its application?

**Answer:** The Commission Decision awarding a financial contribution to the Member State (the Financing Decision) is sent to the Permanent Representative of the relevant Member State to the EU. The Financing Decision contains the deadlines for the implementation, the reporting and evaluation, and the estimated budget for the planned measures, as well as the estimated numbers of participants.

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

The Commission will separately communicate the date of entry into force of the Decision.

### 9.7. Question: What is the designation procedure for the experts who must be consulted by the Commission before adopting a delegated act?

**Answer:** The [Interinstitutional Agreement of 13 April 2016 on Better Law-Making](#) sets that it is for the Member State to decide which experts are to participate on its behalf, without formalising a procedure for the appointment of such experts. Therefore, it is at the discretion of the Member State how the experts are designated.

### 9.8. Question: Does the committee set-up according to Article 26 of the EGF Regulation, have the same configuration that the group of experts which must be consulted by the Commission before adopting a delegated act?

**Answer:** The committee to assist the Commission (Article 26) is composed by representatives of the Member States and chaired by a representative of the

Commission. It is at the discretion of the Member State how the members of the committee are designated.

A Member State may choose to be represented by different people or the same person: as a member of the committee within the meaning of Regulation (EU) no 182/2011, as an expert to be consulted by the Commission before adopting a delegate act and as a contact person for the EGF.

## 10. INFORMATION AND PUBLICITY

### 10.1. Question: Which communication activities are expected from Member States?

**Answer:** Article 12(1) of the EGF Regulation lays down who should be informed of the Union funding, and states that the Member State concerned has to provide information about the EGF and the measures it co-funds, ensuring that the contribution from the EGF is visible and highlighted. It is up to the Member State to choose suitable communication actions 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, the social partners, the media and the general public. Informing the beneficiaries of the EU co-financing during collective or bilateral information sessions, is also a welcomed practice and a good opportunity to announce that there will be a beneficiary survey launched at the end of the implementation period. The Commission also encourages the use of social media, dissemination of materials such as posters, videos, leaflets, etc., and the dissemination of press materials.

The communication and visibility materials developed in relation to the EGF in general and to a case in particular should be royalty-free, and the Union be granted non-exclusive and irrevocable licence to use them. These materials will be made available upon request to Union institutions, bodies and agencies.

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 local to international, but it should in any case attract media coverage.

The costs of the information activities and publicity material can be covered from the budget co-funded by the EGF as part of the administrative expenditure. Questions **8.2.** and **8.5.** provide further information about the relevant budget.

See question **8.4.** for the consequences of insufficient compliance with communication requirements.

## 10.2. Question: Is it sufficient to inform about the EGF assistance at the location where EGF funded measures take place?

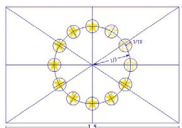
**Answer:** No. Putting up a sign with the European flag and the statement 'Co-funded by the EUROPEAN UNION'<sup>3</sup>, if all the workers use the same location, is essential, but more is expected, depending on the circumstances. The workers should, if possible, be individually informed. All information such as literature, brochures or posters should contain the European flag and the statement. Mentioning the EGF support 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.

## 10.3. Question: Is it possible to carry out an evaluation (study of the effect of the funded measures) with EGF funds in accordance with Article 7(5)?

**Answer:** Yes, this is possible and welcomed by the Commission. A budget for the study must be included in the application, and the results must be included in the final report sent to the Commission.

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<sup>3</sup> Only the European flag can be used to highlight the support from the Union.



The European flag has to be prominently featured on all communication materials (such as printed or digital products, websites and their mobile views) relating to the implementation of a case, used for the public or for participants.

The statement "Co-funded by the EUROPEAN UNION" shall always be spelled out in full and placed next to the flag. It cannot be modified or merged with any other graphic elements or texts.

Only the fonts: Arial, Auto, Calibri, Garamond, Trebuchet, Tahoma, Verdana, Ubuntu can be used for the statement. Italic, underlined variations or font effects shall not be used.

No text will interfere with the European flag in any way. The font size used has to be proportionate to the size of the flag. The colour of the font has to be reflex blue, black or white depending on the background.

The European flag cannot not be modified or merged with any other graphic element or text. If other logos are displayed in addition, they will not be bigger than the flag.

Please check the [Guidelines on the correct use of the EU emblem \(flag\) in the context of EU programmes](#).

These two visual elements ([flag + funding statement](#)) can be downloaded [here](#).

**10.4. Question: According to Article 7(5), management and control activities can be funded through the EGF package. Do you have any concrete examples of such measures?**

**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 bodies where activities are taking place.

Control is checking whether the management system 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 bodies implementing the activities.

## **11. MANAGEMENT, AUDITING AND EVALUATION**

**11.1. Question: Should the EGF management and control system be the same as for the Structural Funds?**

**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 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 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 common, the results of an ESF+ systems audit may be used for EGF purposes also.

Even if the ESF+ system is used, it would 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 its EGF application.

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

**Answer:** Yes. The Member States should make sure that their auditing arrangements are appropriate and transparent. The Commission can advise upon request.

**11.3. Question: What is the purpose of the beneficiary survey in accordance with Article 22(4)?**

**Answer:** The beneficiary survey is intended to collect data either on the perceived change in the employability of beneficiaries, or for those who already found employment, on the quality of employment found, such as change in working hours, type of employment contract (full time/part time; fixed term/open-ended), level of responsibility or change of salary level in comparison to previous employment, and sector.

The beneficiary surveys will help towards a clearer understanding of the value added by EGF interventions, and therefore be a key tool for the further development of the Fund.

The information shall be broken down by gender, age group, education level and level of professional experience.

#### 11.4. Question: What is the role of the Member States in the beneficiary survey?

**Answer:** The beneficiary survey will be carried out in the sixth month after the end of the implementation period of each case, to collect data and facilitate future evaluations. The survey should be open to participants for at least 4 weeks.

The Member States encourage the participation of the beneficiaries by sending the invitation to participate and at least one reminder. When the Member States inform of the possibility to receive support from the EGF, the beneficiaries should also be informed that there will be a survey at the end of the implementation period. Member States must report to the Commission on the efforts made to reach out to beneficiaries.

To ensure comparability between cases, the Commission designs the template for the beneficiary survey, in close cooperation with Member States, and provides translation into all EU languages. The Commission also establishes how and when the survey will be carried out.

#### 11.5. Question: What is the role of the Member States in the EGF evaluation?

**Answer:** The EGF Regulation provides for a mid-term evaluation by 30 June 2025 and an ex-post evaluation by 31 December 2029. Both evaluations have to include relevant statistics on the financial contributions, broken down by sector and Member State. The Commission will also collect and analyse the indicators, that the Member States have to provide along with the final report, and the results of the beneficiary surveys and use them for evaluation purposes.

The evaluations are carried out by the Commission, with the assistance of external experts, in close co-operation with the Member States. The quality of the final reports has a direct impact on the output of the experts.

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. Other relevant information may be requested from the Member States and their representatives may be invited to participate in technical meetings organised by the Commission.

#### 11.6. Question: What is the meaning of complementarity?

**Answer:** Complementarity can be read as 'avoiding double-funding' and as 'combination of available resources'.

To avoid double-funding one and the same measure cannot be funded by two or more EU Funds. To this purpose, the EGF expenditure has to be separately identifiable in the information system of the Member State.

However, it is possible that a mix of resources finances the package of measures, i.e. some of the measures in the package might be co-financed by the ESF+ while others are financed only with national resources or co-financed by the EGF.

The application must describe the package of measures that will be offered to the displaced workers and identify the sources of (co-)financing as appropriate.

Moreover, in line with the EU Quality Framework for anticipation of change and restructuring, Article 20(1)(a) of the EGF Regulation requires indicating, whenever possible, the complementarity of the EGF measures with those funded by other Union or national programmes.

## 12. REPORTING AND CLOSURE

### 12.1. Question: When does the final report have to be sent to the Commission?

**Answer:** The final report (Article 20 of the EGF Regulation) must be sent to the Commission at the latest seven months after the end of the implementation period. The deadline for submitting the final report is indicated in the Commission's Financing 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 change the date by which the final report is due.

### 12.2. Question: What information must be included in the final report and what are the formal requirements?

**Answer:** Article 20 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 20 along with the audit opinion referred to in article 23(3), and be approved by an official empowered to send 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 submitted via [SFC2021](#) at the latest by the date established by the EGF Regulation and referred to in the Financing Decision of the case.

### 12.3. Question: What are the rules for the statement justifying the expenditure funded by the EGF (Article 20(1)(e))?

**Answer:** As laid down in Article 20(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 available as part of the final report template in [SFC2021](#).

By validating the statement, the designated authority 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 Financing 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" complies with the criteria for eligibility of expenditure set out in the EGF Regulation and has actually been paid.

### 12.4. Question: Are there consequences if the audit opinion does not come along with the final report?

**Answer:** The audit opinion is an integral part of the final report and must be received along with it. Delays of months or year in providing the audit opinion will cast doubts on the effectiveness of the control arrangements set up to ensure the correct and efficient use of the EU funds in accordance with the principle of sound financial management.



The existence of a well-functioning control system is one of the elements considered by the Commission when assessing an application. Doubts about the control system in place may put in difficulties the positive assessment of a new application.

#### **12.5. Question: What information needs to be kept available after the winding-up of the case?**

**Answer:** Article 23(8) 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 three years following the winding-up of the EGF financial contribution. Member States may keep such documentation in electronic form.

Do not confuse the winding-up letter with the forthcoming closure letter. The forthcoming closure letter is sent shortly after the final report is received and is a supporting document for the reimbursement of the unspent contribution.

#### **12.6. Question: How does the Commission close an EGF case?**

**Answer:** When it has received the final report and the statement justifying the expenditure the Commission requires the Member State to reimburse the unspent funding declared by the Member State in its statement justifying the expenditure. The forthcoming closure letter serves to this purpose.

The Commission may also ask the Member State to provide further information and clarification on the report and statement. Once in possession of all necessary information, which includes the opinion of an independent audit body, 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 date of the winding-up letter is the start of the three-year period during which all supporting documents must be kept.

