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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
Subject:	Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/691 as regards support to workers affected by imminent job displacement in enterprises undergoing restructuring *- Analysis of the final compromise text with a view to an agreement*

I. INTRODUCTION

1. The Commission submitted on 1 April 2025 its proposal for a "Regulation of the European Parliament and of the Council amending Regulation (EU) 2021/691 as regards support to workers affected by imminent job displacement in enterprises undergoing restructuring, having first been announced on 5 March 2025 in the Industrial Action Plan for the European Automotive Sector.

2. The main goal of the proposal was to expand the scope of the European Globalisation Fund (EGF) so that it does not only support displaced workers, but also workers affected by imminent job displacement. Employees in restructuring enterprises would receive packages of measures if they are at risk of losing their job. Under the extended scope, a restructuring enterprise would submit a request to its national authorities, which would apply to the Commission on the basis of that request. The enterprise would co-finance the measures.

3. The Commission proposal suggested two main changes to the EGF Regulation: the extension of the scope and a new mechanism for "full mobilization" of the Fund, which would have allowed the Commission to request full annual EGF budget mobilisation upfront. Only the scope extension was retained, while the proposed changes to the mobilisation procedure were rejected by both co-legislators.

4. The proposed amendment would apply until the expiry of the EGF at the end of 2027.

5. The proposed legal basis is Article 157(3) TFEU, which requires that the European Parliament and the Council act in accordance with the ordinary legislative procedure and after consulting the Economic and Social Committee and the Committee of the Regions.

6. The Economic and Social Committee adopted its opinion in its plenary session on 19 June 2025. The Committee of the Regions adopted its opinion in its plenary session of 2-3 July 2025.

7. The Council reached its General Approach at the meeting of EPSCO ministers on 1 December 2025, and the EP agreed on their mandate in the 15-16 December 2025 Plenary.

8. The position of Member States towards the European Parliament's amendments was explored by the Presidency in two Working Parties in January and February.

9. Several interinstitutional technical meetings took place in January and February 2026, and the provisional political agreement was reached in a single closing trilogue on 25 February 2026, the main elements of which are outlined below.

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II. ELEMENTS OF THE PROVISIONAL AGREEMENT

10. The main elements of the compromise text are the following:

a) Scope and Definitions

The compromise text supports the extension of the scope, namely support to workers affected by imminent job displacement in acquiring the skills necessary for transferring into a different role, in their current or different enterprise, as provided in both co-legislators' mandates.

The definition of a "worker affected by imminent job displacement", retained in the compromise text stems from the Council's mandate, allowing an earlier starting point for the submission of the EGF request.

b) Inclusion of workers from the direct suppliers and downstream producers

The European Parliament's main political request was the inclusion of workers from the direct suppliers and downstream producers through collective applications. The compromise reached allows the inclusion of these workers under strict conditions, among them the agreement of the requesting enterprise, and as part of a single request and application. This option had been explored by the Presidency in the Social Questions Working Party on 30 January. There, a majority of Member States indicated flexibility towards the outline proposed.

c) Timeline for applications under the new scope:

The compromise indicates a clear timeline for the submission of requests from an enterprise, which is important for legal clarity. While the European Parliament and the Commission's preferred options of a much shorter timeframe (four and two weeks respectively), the agreed 14-week period is two weeks longer than the one applying for applications under the current scope and should allow enterprises sufficient time to prepare their requests.

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d) Support from the Commission through templates and guidance

The amendments included in the Council mandate for support through templates and guidance from the Commission were maintained.

e) Ex-ante checks

The amendments included in the Council's mandate on voluntary ex-ante checks were all maintained in the final compromise text. As a result, Member States may choose to carry out ex-ante checks of the applicant enterprises' financial and administrative capacity as well as verify the information provided by the enterprise and whether the targeted package is expected to be carried out in accordance with national law.

f) Ringfencing of the budget for applications under the old scope and the capping for the enterprises under the new scope.

The agreement reached is a recognition that among all workers who could potentially benefit from EGF, those who have already lost their jobs are the most vulnerable. The compromise includes reserving a minimum of 40% of the annual budget until 30 June of each year, for applications under the old scope.

The capping per enterprise was agreed as in the Council mandate, i.e. EUR 4 000 000 per enterprise, per member state and for any financial year.

g) Payment and use of the financial contribution

In order to allow Member States to control the disbursements and thereby minimise the financial risks where they consider it necessary, the final compromise text stipulates that Member States may provide pre-financing payments in instalments, in accordance with the Council's mandate.

Enterprises facing restructuring and preparing collective redundancies need to be able to access any EGF financial support quickly in order to pay and implement the coordinated package of actions. It was therefore necessary to indicate a timeline for the Member States to make these payments towards the enterprise. While the Council mandate did not include a specific timeline, the Commission and the Parliament insisted on a one-week deadline. The Presidency ensured in the negotiations a deadline of two weeks, either for the whole payment or for the first instalment (if instalments are used), counted from the moment the Commission made the funding available to the Member State.

h) Indicators and monitoring

The European Parliament requested the inclusion of additional indicators for the monitoring of the impact of the implementation of the extended scope of the EGF. Given the Council's interest in keeping administrative burden as low as feasible, the Commission suggested a technical solution for their inclusion through updates to the current beneficiary survey and the final report. This solution was retained for the final compromise text, as it does not increase the administrative burden for enterprises and the national authorities.

III. CONCLUSION

11. The Permanent Representatives Committee is thus invited to:

- confirm agreement on the final compromise text as set out in the annex to this note with a view to reaching an agreement at first reading with the European Parliament;
- authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's EMPL Committee that, should the European Parliament adopt its position at first reading on the text of the proposal, in accordance with Article 294 paragraph 3 of the Treaty, in the exact form as set out in the annex to this note, and subject to revision of that text by the lawyer-linguists of both institutions, the Council will, in accordance with Article 294, paragraph 4 of the Treaty, approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.

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REGULATION NO …/…

OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of …

amending Regulation (EU) 2021/691 as regards support to workers affected by imminent job displacement in enterprises undergoing restructuring

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure,

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1 OJ C , , p. .

2 OJ C , , p. .

Whereas:

(1) Regulation (EC) No 1927/2006 of the European Parliament and of the Council[3] established the European Globalisation Adjustment Fund (EGF) for the multiannual financial framework from 1 January 2007 to 31 December 2013. The EGF was established to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation.

(2) The scope of the EGF was broadened in 2009 as part of the European Economic Recovery Plan to include support to workers made redundant as a direct consequence of the global financial and economic crisis.

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[3] Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund (OJ L 406, 30.12.2006, p. 1, ELI: http://data.europa.eu/eli/reg/2006/1927/oj).

(3) Regulation (EU) No 1309/2013 of the European Parliament and of the Council[4] established the EGF for the period of the multiannual financial framework from 1 January 2014 to 31 December 2020. It also extended the scope of the EGF to cover redundances resulting from any new global financial and economic crisis. Furthermore, Regulation (EU) No 1309/2013 was amended to introduce rules allowing the EGF to exceptionally cover collective applications involving small and medium-sized enterprises located in one region and operating in different economic sectors defined at NACE Revision 2 division[5] level, where the applicant Member State demonstrates that small and medium-sized enterprises are the main or the only type of business in that region.

PUBLIC

[4] Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 (OJ L 347, 20.12.2013, p. 855, ELI: http://data.europa.eu/eli/reg/2013/1309/oj).

[5] Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (Text with EEA relevance) (OJ L 393, 30.12.2006, p. 1, ELI: http://data.europa.eu/eli/reg/2006/1893/oj).

(4) Regulation (EU) 2021/691 of the European Parliament and of the Council established the EGF for the period of the multiannual financial framework from 1 January 2021-31 December 2027. In order to make the EGF more responsive to the rapidly changing economic challenges in a globalised economy, the scope of the EGF was broadened again to cover any type of large-scale restructuring event, no matter what the cause. A lower threshold better reflects the realities in lesser populated regions. In the light of the twin digital and green transitions, measures that prepare beneficiaries for the twin transition were considered mandatory elements of every coordinated package of personalised measures offered to beneficiaries. Further, the co-financing rates were aligned with the highest co-financing rate of the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council[6] in the respective Member State. Additionally, a mandatory beneficiary survey was introduced.

[6] Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21, ELI: http://data.europa.eu/eli/reg/2021/1057/oj).

(5) The main Union instrument to assist those workers that have been affected is the ESF+, which is designed to offer assistance in an anticipatory way. The EGF is also designed to offer assistance in response to major restructuring events. However, this set-up does not properly reflect the fact that large-scale restructuring events generally take place over a long time period. Member States can use the ESF+ to upskill and reskill workers, but the ESF+ does not provide support for the upskilling and reskilling of workers in emergency situations such as those in which workers affected by imminent job displacement are. The enterprises where the workers concerned are employed are often in economic difficulty and therefore unable to offer such assistance on their own.

(6) The Union faces increasingly unequal competition from third countries due to the fact that they do not comply with the same level of labour rights or safety and environmental regulations. Union enterprises should be supported in their fight against unfair competition and workers should be protected from its negative consequences.

PUBLIC

(7) The EGF's role continues to be important as a flexible instrument to support workers who lose their jobs in large-scale restructuring events and to help them to find other jobs as quickly as possible. The Union should continue to provide specific, one-off support to facilitate the reintegration into decent and sustainable employment of displaced workers in areas, sectors, territories or labour markets suffering from a shock caused by serious economic disruption. The ***Union*** has to ensure its sustainable prosperity***, strategic autonomy*** and competitiveness while preserving its unique social market economy, ***supporting workers and enterprises to ensure a just*** twin transition, ***preserving jobs in the Union*** and safeguarding its democracy, economic security and geopolitical standing. To safeguard the ***Union***'s future as an economic powerhouse, and progress on its twin digital and green transition, it is vital to support workers affected by imminent job displacement in enterprises undergoing restructuring so that they can acquire the skills that would help them transfer into a different role ***in their current or a different enterprise***.

PUBLIC

(8) A major restructuring event undergone by an enterprise often causes restructuring events in enterprises that constitute its direct suppliers and downstream producers. In these cases, the workers affected by imminent job displacement in such direct suppliers and downstream producers may also be eligible for EGF support, provided that the requesting enterprise agrees to include them in the request submitted to the Member State. The projected collective redundancies effected by the direct suppliers and downstream producers included in the request for EGF support should take place within the same Member State as the projected collective redundancies effected by the requesting enterprise and a clear causal link between them should be established. The requesting enterprise should meet the intervention criteria on its own. The requesting enterprise takes full and sole responsibility for the submission of the request, the provision of all the necessary information to the Member States, the provision of the national co-financing, and the implementation of the co-ordinated package of measures.

PUBLIC

(9) ***The EGF should support workers by developing transferable skills to avoid redundancies and to allow a smooth transition into new employment.*** Therefore it is necessary to amend Regulation (EU) 2021/691 so that the EGF can also offer assistance to workers affected by imminent job displacement in enterprises undergoing restructuring***, as well as, where applicable, their direct suppliers and downstream producers***. As these workers are still in active employment, their employer may request assistance through the relevant Member States' authorities. As the EGF is under shared management, it is the Member States' authorities that can ***apply for*** EGF co-funding upon receipt of a request by an enterprise ▌ provided that the enterprise agrees to provide the national co-funding. Should the financial contribution from the EGF be granted, the Member State concerned should make the funds requested available to the enterprise within two weeks of their receipt. In particular, the enterprise should make available to the Member State all information needed to prepare the final report on the implementation of the relevant financial contribution, not later than six months after the end of the implementation of the assistance. The Commission will prepare a beneficiary survey and the ***requesting*** enterprise should share ▌ access to the survey ***with all*** the workers who participated in the programme ***and, where applicable, with their representatives***.

PUBLIC

(10) ***To enable Member States to mitigate financial risks and liabilities related to implementation of*** the targeted ***package,*** Member States ***could decide to carry out financial and administrative checks which are effective and proportionate, before submitting the application*** to the ***Commission***.

(11) The Commission and the Member States should carry out their responsibilities in a manner which takes into account the administrative costs incurred in the preparation of the application by the enterprises and the national authorities and is proportionate to the estimated financial risks connected to the application.

(12) Restructuring processes should support, inter alia, an enterprise's economic sustainability and long-term employment stability, thus strengthening the Unions competitiveness. Therefore, restructuring plans should anticipate and manage change as early as possible to prevent insolvency and job losses, while involving workers' representatives and, where applicable, trade unions at an early stage. Both the decision by the enterprise to submit a request for EGF support and the design of the coordinated package of personalised measures should be done in consultation with the targeted beneficiaries, their representatives and the social partners as applicable in order to ensure workers' rights to information and consultation are respected in line with Union and national legislation and to ensure the quality and relevance of the measures.

PUBLIC

(13) Applications for financial support involving enterprises undergoing restructuring located in small labour markets or involving only SMEs should be able to be considered to be admissible even if not all eligibility criteria are met. In such cases, the reasons for not meeting all criteria should be duly substantiated in the application.

(14) The support provided to workers affected by imminent job displacement in enterprises undergoing restructuring should ***complement*** existing forms of support available under national measures ***or collective agreements. The reskilling and upskilling of workers should contribute, among others, to quality jobs creation, decent working conditions and the twin digital and green transition***. Short-time work schemes should not be eligible for EGF support as they do not relate to the displacement of jobs, but to their temporary suspension. If the national measures allow it, the requesting enterprise may subcontract the delivery of the coordinated package of personalised measures, or parts thereof.

(15) The co-financing rate for such measures targeted to workers affected by imminent job displacement in enterprises undergoing restructuring should be equal to the co-financing rate for EGF assistance to displaced workers. Enterprises that request EGF support should provide the national co-financing. ***Where the requesting enterprise agrees to include workers of its suppliers and downstream producers in the request for EGF support, it may condition that agreement upon contributions in proportion to the support received by the workers of the suppliers and down-stream producers.***

PUBLIC

(16) The co-financing rate for expenditure incurred by the Member State in relation to applications for EGF support ***and their processing***, including ***administrative and staff costs linked to ex-ante checks, preparatory, management,*** information and publicity***, and control and reporting activities***, should be 100%.

(17) As the workers affected by imminent job displacement are still in active employment, only those active labour market policy measures that help them ***reskill*** or upskill, ***or*** that give guidance or mentoring, including measures aimed at workers that could envisage starting their own business one day, should be eligible. Therefore, neither allowances, nor start-up grants should be eligible.

(18) Workers affected by imminent job displacement receiving EGF assistance should remain eligible ***as part of the group affected by 'imminent job displacement'*** even if their work relationship ends. They should also remain eligible for possible ***new*** applications by the respective Member States in support of displaced workers from the same enterprise.

(19) Given the Commission's increasing tasks in implementing Regulation (EU) 2021/691, the Commission should be able to request technical assistance of up to 1.5% of the total annual maximum amount of the EGF. The higher rate is also justified since the EGF's annual maximum amount was lowered in the context of the multiannual financial framework mid-term revision.

PUBLIC

(20) ***Given the uneven uptake of EGF support by Member States, the Commission should raise awareness of the funding opportunities available and promote its usage. Moreover, the Commission should assist Member States through technical guidance and dissemination of good practices.***

(21) ***Given the scale and frequency of restructuring in recent years, there are concerns that the existing EGF budget could be insufficient to meet all applications related to displaced workers and workers facing imminent displacement. Therefore, in order to ensure a balanced use of the EGF, a minimum of 40% of the annual maximum amount of the EGF should be reserved for applications concerning the cessation of activity of displaced workers or self-employed persons. In addition, any financial contribution to workers affected by imminent job displacement should be capped per enterprise, for a given Member State and for any financial year.***

(22) ***In order to swiftly provide support to the workers affected, taking into account that Regulation EU 2021/691 expires at the end of 2027,*** this Regulation should enter into force as a matter of urgency ▌ on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

PUBLIC

Article 1

Regulation (EU) 2021/691 is amended as follows:

(1) in Article 1, paragraph 2 is replaced by the following:

‘2. In accordance with Article 4, the EGF shall offer support to displaced workers and self-employed persons whose activity has ceased in the course of major restructuring events and to workers affected by imminent job displacement in enterprises undergoing restructuring. ▌ ’;

(2) Article 2 is replaced by the following:

‘Article 2
Mission and objectives

1. The EGF shall support socioeconomic transformations that are the result of globalisation and of technological and environmental changes by helping displaced workers and self-employed persons whose activity has ceased to adapt to structural change. The EGF shall ***also support workers at risk of imminent job displacement. The EGF shall*** constitute an emergency fund ***that operates reactively***. As such, the EGF shall contribute to the implementation of the principles set out in the European Pillar of Social Rights***, promote sustainable employment*** and ▌ enhance social and economic cohesion among regions and Member States.

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2. The objectives of the EGF are to demonstrate solidarity and promote decent and sustainable employment in the Union by offering assistance in the case of major restructuring events, in particular those caused by challenges related to globalisation, such as changes in world trade patterns, trade disputes, significant changes in the trade relations of the Union or the composition of the internal market and financial or economic crises, as well as the transition to a low-carbon economy ***as part of the green and just transition***, or as a consequence of digitisation or automation. The EGF shall support beneficiaries in returning to decent and sustainable employment as soon as possible. Particular emphasis shall be placed on measures that help the most disadvantaged groups. The EGF shall also support workers affected by imminent job displacement in acquiring the skills needed to help them transfer into a different role, ***in their current or different enterprise.'***;

(3) Article 3 is amended as follows:

(a) the following point is inserted

'(1a) 'worker affected by imminent job displacement' means a worker, regardless of the type or duration of their employment relationship, whose employment contract or relationship is expected to be ended by redundancy ***according to the written communication from*** the employer ***to the workers' representatives informing them, during the course*** of the ***consultations with them, inter alia, of the number and categories of workers to be made redundant*** in accordance with Article ***2(3)*** of Directive 98/59/EC; ▌

(b) the following point is added:

'(6) 'enterprise undergoing restructuring' means an enterprise undergoing a process that involves collective redundancies as referred to in Directive 98/59/EC ▌;';

(4) Article ***4*** is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. Member States may apply for financial contributions from the EGF for measures targeting displaced workers ▌ and self-employed persons in accordance with the provisions laid down in this Article. ***Member States shall apply for financial contributions from the EGF in cases of requests from enterprises concerning measures targeting workers affected by imminent job displacement.'***;

(b) in paragraph 2, the following point is added:

'(d) ***the projected collective redundancies of*** at least 200 workers affected by imminent job displacement in ***a single*** enterprise undergoing restructuring in a Member State.***'***;

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(c) paragraph 3 is replaced by the following:

'3. In small labour markets, in duly substantiated cases, in particular with regard to applications involving SMEs, an application for a financial contribution under this Article shall be considered to be admissible even if the criteria laid down in paragraph 2 are not entirely met, provided that the redundancies or projected collective redundancies have a serious impact on employment and the local, regional or national economy. For applications under Article 8, the Member State shall duly substantiate the request, and shall specify which of the criteria laid down in paragraph 2 of this Article are not entirely met. For applications under Article 8a, following a duly substantiated request from the enterprise, including the indication of criteria laid down in paragraph 2 of this Article which are not entirely met, the Member State shall submit the application.';

(d) paragraph 4 is replaced by the following:

'4. In exceptional circumstances, in particular with regard to applications involving SMEs, paragraph 3 shall also apply to labour markets other than small labour markets. The aggregated amount of financial contributions in such cases shall not exceed 15 % of the annual ceiling of the EGF.';

PUBLIC

(5) Article 5 is amended as follows:

(a) in the first paragraph, the first sentence is replaced by the following:

'The applicant Member State shall specify the method used for calculating the number of displaced workers ▌ and self-employed persons ***whose activity has ceased*** for the purpose of Article 4 as at one or more of the following dates:***'***;

(b) the second paragraph is replaced by the following:

'In the cases referred to in the first paragraph, point (a)***, of this Article***, the applicant Member State shall provide the Commission with additional information about the actual number of redundancies effected in accordance with Article 4, before the completion of the Commission's assessment ▌ .***';***

PUBLIC

(6) a new Article 5a is inserted:

'Article 5a
Communication of the number of workers affected by imminent job displacement

For the purpose of Article 4, the applicant Member State shall communicate, as the number of workers affected by imminent job displacement, the number of workers identified in one or more written communications from the employer to the workers' representatives, which are forwarded by the employer to the competent public authority in accordance with the second subparagraph of Article 2(3) of Directive 98/59/EC.';

(7) ***Article 6 is amended as follows:***

(a) in ▌ paragraph ***1***, the following point is added:

'(c) workers affected by imminent job displacement in an enterprise undergoing restructuring***, including, where applicable, in the direct suppliers and downstream producers of such enterprise***. The workers shall remain eligible ***as part of the group affected by 'imminent job displacement'*** even in case of an actual termination of the work relationship. Only those restructuring events***,*** ***including in suppliers and downstream produces,*** shall be eligible that qualify as collective redundancies under Directive 98/59/EC.***';***

PUBLIC

(b) paragraph 3 is added:

'3. The workers affected by imminent job displacement as referred to in point (c) of the first paragraph shall remain eligible regardless of the support measures provided by the Member State and financed exclusively by State resources, provided that these measures are not part of the coordinated package referred to in Article 7.';

(c) paragraph 4 is added:

'4. Workers as referred to in point (c) of the first paragraph shall be considered eligible beneficiaries, if they are identified in the written communication mentioned in article 5(a) or in further such written communications of additional projected collective redundancies, either in the requesting enterprise, or in its direct suppliers or downstream producers, if applicable, provided that the relevant information is communicated by the last day before the date of the completion of the assessment by the Commission.';

PUBLIC

(d) paragraph 5 is added:

'5. Workers of direct suppliers and downstream producers as referred to in point (c) of the first paragraph shall be considered eligible beneficiaries, provided they are part of projected collective redundancies taking place within the same Member State as the projected collective redundancies effected by the requesting enterprise. A clear causal link shall be established between the projected collective redundancies effected by the requesting enterprise and the projected collective redundancies effected by its direct suppliers and downstream producers.';

(8) Article 7 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. A financial contribution from the EGF may be made for active labour market policy measures that form part of a coordinated package, designed to facilitate the reintegration of the targeted beneficiaries, in particular the most disadvantaged among them, into employment or self-employment, or to help workers referred to in Article 6, first paragraph, point(c) ***update or*** acquire the skills they need to transfer either into a different role with their current employer or to a different employer ▌.';

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(b) in paragraph 2, second subparagraph, the following point is added:

'(c) 'For the beneficiaries referred to in Article 6, first paragraph, point (c), the coordinated package may include training and retraining, ***complementing existing forms of support available under national measures or requirements under collective agreements,*** tailored to the individual worker's needs, including on ***skills required for a resource-efficient and sustainable economy,*** information and communication technology and other skills required in the digital age, certification of acquired knowledge and skills, individual job-search assistance services and targeted group activities, occupational guidance, advisory services, mentoring, outplacement assistance, entrepreneurship promotion and cooperation activities. It ***shall*** not include short-time work schemes***, startup grants or allowances***. ▌ ';

(9) Article 8 is amended as follows:

(a) the title is replaced by the following:

'*Article 8*
Applications for EGF assistance to displaced workers and self-employed persons whose activity has ceased;';

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(b) paragraph 6 is replaced by the following:

‘6. Based on the information provided by the applicant Member State, the Commission shall complete its assessment of the application’s compliance with the conditions for providing a financial contribution within ***50*** working days of the receipt of the complete application or, where applicable, of the translation of the application.

Where the Commission is unable to meet that deadline, it shall inform the Member State before that deadline ***explaining the reasons for the delay and setting*** a new date to complete its assessment. That new date shall be no later than 20 working days after the deadline under the first subparagraph ▌.’;

(c) in paragraph 7 point l) is replaced by the following:

‘l) ▌ a statement outlining why the coordinated package does not replace measures that are the responsibility of employers by virtue of national law or collective agreements ▌;’;

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(10) the following Article 8a is inserted:

'Article 8 a

Applications for EGF assistance to workers affected by imminent job displacement

1. Enterprises undergoing restructuring may request the Member State concerned to submit an application for a financial contribution from the EGF, if the intervention criteria set out in Article 4(2), point (d) are met, and if the enterprise wishes to offer EGF-co-financed assistance to those parts of its workforce affected by imminent job displacement, in line with Article 6, first paragraph, point (c) ***for the entire implementation period***. Such a request ***may*** be submitted by the enterprise within ***14*** weeks ***as*** of the date on which it ***forwarded to the competent*** public ***authority the first written communication to the workers' representatives containing, inter alia, the number and categories of workers to be made redundant*** in accordance with ***the second subparagraph of*** Article ***2(3)*** of Directive 98/59/EC.

PUBLIC

2. ***A requesting enterprise may agree to include in its request workers affected by imminent job-displacement in its direct suppliers and downstream producers, who are eligible in accordance with paragraph 1, point (c), of Article 6. Such projected collective redundancies of the direct suppliers and downstream producers included in the request for EGF support shall be located within the same Member State as the projective redundancies effected by the requesting enterprise. The requesting enterprise shall retain all responsibilities in accordance with this Regulation, including the submission of the request, the provision of all the necessary information to the Member States, the provision of the national co-financing, and the implementation of the co-ordinated package of measures. The requesting enterprise may arrange to receive financial contributions from its direct suppliers and downstream producers, in proportion to the support received by their workers.***

3. ***The Commission shall provide non-binding guidelines, check-lists and templates in coordination with Member States. The Member States may decide to make the templates provided by the Commission mandatory for the submission of requests.*** Member States shall ▌ publish ***online*** relevant guidelines and templates ***to support the enterprises prepare their requests***. The information ***to be provided by the enterprise through the*** templates shall cover all the information necessary for a financial contribution application from the EGF**,** as set out in paragraph ***10***.

PUBLIC

4. Member States shall submit the applications based on the requests mentioned in paragraph (1). Without prejudice to the Commission's independent assessment of the application for a financial contribution from the EGF in paragraph 9 of this Article, the Member State may carry out ex ante checks to verify:

a) the applicant enterprise's financial and administrative capacity to implement the contribution from the EGF to the affected workers;

b) the information provided in accordance with paragraph 10, points d), f) and j) of this Article; and

c) whether the targeted package is expected to be carried out in accordance with national law;

d) whether there are financial risks for the Member State, including potentially fraudulent activity and the risk of double funding.

PUBLIC

Where Member States carry out such ex-ante checks, they shall communicate the results, as well as their assessment of the request submitted by the enterprise, when submitting the application to the Commission. The Commission shall take that information into account in its assessment of the application. If the Commission's assessment differs from the results of the checks carried out by the Member State, it shall include explanations in this respect in the summary of the information on which its assessment is based, as referred to in point (a) of Article 15(3).

5. Member States shall treat all requests equally ***and*** in ▌ order of receipt without exerting any discretion regarding the admissibility and eligibility of these requests ▌ and shall submit applications for assistance received from enterprises. Member States shall not introduce any additional requirements or alter the requirements set out in this Regulation.

6. The applicant Member State shall submit to the Commission a financial contribution application from the EGF within ***15 working days*** of the date on which it received ***a complete*** enterprise's request.

7. If requested by the enterprise, the Member State concerned shall provide guidance to the enterprise throughout the application procedure ***taking the size and the administrative capacity of the enterprise into account***.

PUBLIC

8. If requested by the applicant Member State, the Commission shall provide guidance to the Member State throughout the application procedure.

9. Within 10 working days of the date of submission of the application, or, where applicable, within 10 working days of the date on which the Commission is in possession of a translation of the application, whichever is the later, the Commission shall acknowledge receipt of the application and request from the applicant Member State any additional information that it requires in order to assess the application. ***If the requested additional information concerns information that can be provided by the enterprise, the enterprise must prepare that information for the Member State.***

10. Where the Commission requests additional information, the Member State shall reply within 15 working days of the date of the request. The Commission shall extend that deadline by 10 working days at the request of the applicant Member State. Any such requests for extension shall be duly reasoned.

PUBLIC

11. Based on the information provided ***in the application***, the Commission shall complete its assessment of the application's compliance with the conditions for providing a financial contribution within ***50*** working days of the receipt of the complete application or, where applicable, of the translation of the application. ***The Commission shall evaluate the information provided in accordance with paragraph 10. In its evaluation, the Commission shall also assess the adequacy of the consultation process referred to in Article 7(4) of this Regulation and of the coordinated package.***

Where the Commission is unable to meet that deadline, it shall inform the applicant Member State before ***the expiry of the*** deadline, ***explaining the reasons for the delay and*** setting a new date for the completion of its assessment. That new date shall be no later than 20 working days after the deadline under the first subparagraph.

12. An application shall contain the following information:

(a) the identification of the ***enterprises*** concerned***, including, where applicable, affected direct suppliers and downstream producers***;

(b) ▌ the number of ***workers*** affected by ***imminent job*** displacement ***in the requesting enterprise undergoing restructuring,*** in accordance with ***Articles 5a***;

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(c) the number of eligible workers, in accordance with paragraph 1, point (c) of Article 6, and the number of targeted workers among those eligible, to whom the requesting enterprise actually intends to provide measures from the coordinated package. Where these numbers change before the completion of the assessment by the Commission, the changes shall be communicated to the Commission;

(d) where applicable, and as soon as it is available, any written agreement between the requesting enterprise and its direct suppliers and downstream producers;

(e) a brief description of the events that led to the restructuring;

(f) where the application includes workers affected by imminent job displacement in the direct suppliers or downstream producers of the requesting enterprise, a reasoned analysis provided by the requesting enterprise detailing a clear causal link between the projected collective redundancies effected by the direct suppliers and downstream producers and the projected collective redundancies effected by the requesting enterprise;

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(g) a confirmation that the enterprise has complied and continues to comply with its legal obligations***, including those as set out in Article 2 of Directive 98/59/EC and any*** collective agreements governing those projected redundancies and is providing for its workers accordingly***. This confirmation provided by the Member State shall be based on information provided*** by the enterprise ▌;

(h) a description of the procedures followed by the enterprise for consulting, the targeted beneficiaries or their representatives, as applicable, regarding the design of the coordinated package, as well as the description of the procedures for the consultation of the local and regional authorities or other relevant stakeholders as applicable;

(i) an explanation of the extent to which the recommendations set out in the EU Quality Framework for anticipation of change and restructuring have been taken into account and, where applicable, how the coordinated package complements actions funded by other Union or national funds;

(j) an estimated breakdown of the composition of the targeted beneficiaries by gender, age group and educational level, used in the design of the coordinated package;

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(k) a detailed description of the coordinated package and related expenditure, including any measures in support of employment initiatives for disadvantaged, young and older beneficiaries;

(l) the estimated budget for each of the components of the coordinated package in support of the targeted beneficiaries that will be offered by the enterprise;

(m) the dates on which the provision of the coordinated package to the targeted beneficiaries and the activities to implement the EGF, as set out in Article 7, were started or are due to be started;

(n) the estimated budget for any preparatory ***activities***, ***including ex-ante checks, as well as*** management, information and publicity, control and reporting activities by the applicant Member State in relation to such an application;

(o) a ▌ statement outlining why the coordinated package does not replace measures that are the responsibility of employers by virtue of national law or collective agreements;

(p) the confirmation ***from*** the enterprise concerned ***that it*** will co-finance the measures and that it is the only source for the national co-funding ▌ ;

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(r) a confirmation from the Member State that it has not provided any funding for the package of measures contained in the application.

Elements under points a) to f), j) to m), and o) and p) shall be provided to the Member State by the enterprise.';

(11) in Article 11 is amended as follows:

(a) paragraph 1 is replaced by the following:

'1. At the initiative of the Commission, a maximum of 1.5% of the maximum annual amount of the EGF may be used for technical and administrative expenditure for its implementation, such as preparatory, monitoring, control, audit and evaluation activities, as well as data gathering, including in relation to corporate information technology systems, communication activities and those enhancing the EGF's visibility as a fund or for specific projects and other technical assistance measures. Such measures may cover future and previous programming periods.';

(b) ***paragraph 4 is replaced by the following:***

'***4. The Commission's technical assistance shall include the provision of information and guidance to the Member States on using, monitoring and evaluating the EGF as well as dedicated outreach to Member States who historically have no or low uptake of the EGF. The Commission shall also provide information along with clear guidance to the social partners at Union and national level on the use of the EGF. Guidance measures may also include the creation of taskforces in cases of severe economic disruptions in a Member State.';***

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(12) Article 13 is amended as follows:

(a) paragraph 1 is replaced by the following:

‘1. On the basis of the assessment carried out in accordance with Article 8 or Article 8a, in particular taking into account the number of targeted beneficiaries, the proposed measures and the estimated costs, the Commission shall evaluate and determine the amount of a financial contribution from the EGF, if any, that may be made within the limits of the resources available.’;

(b) the following paragraph is inserted:

‘2a. The co-financing rate for expenditure incurred by the Member State for beneficiaries referred to in Article 6, first paragraph, point (c) and relating to measures set out in Article ***7(5)***, shall be 100%.’;

(c) paragraph 3 is replaced by the following:

‘3. Where, on the basis of the assessment carried out in accordance with Article 8 or Article 8a, the Commission concludes that the conditions for a financial contribution under this Regulation are met, it shall immediately ***initiate the procedure*** as set out in Article 15 ▌.’;

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(d) the following paragraph is inserted:

'(4a) A minimum of 40% of the annual maximum amount of the EGF shall be reserved for applications concerning the cessation of activity of displaced workers or self-employed persons as set out in Article 8. Any portion of this amount not used or reserved by 30 June of each year can also be used for applications concerning workers affected by imminent job displacement as set out in Article 8(a). Any financial contribution to workers affected by imminent job displacement as set out in Article 4(2) point (d) shall not exceed EUR 4 000 000 per enterprise, per Member State, for any financing year.';

(13) in Article 14, paragraphs (1) and (2) are replaced by the following:

'1. Expenditure shall be eligible for a financial contribution from the EGF from the dates set out in the application in accordance with Article 8(7), point (j), or Article 8a(10), point (h), on which the Member State or the enterprise concerned starts, or is due to start, providing the coordinated package to the targeted beneficiaries or on which the Member State incurs administrative expenditure to implement the EGF in accordance with Article 7(1) and (5).

2. The Member State or the enterprise shall start implementing the eligible measures set out in Article 7 without undue delay and shall carry out those measures as soon as possible, and in any event within 24 months from the date of entry into force of the financial contribution decision.';

(14) Article 15***, paragraph 3*** is replaced by the following:

''3. A proposal by the Commission for a decision to mobilise the EGF pursuant to paragraph 1 shall include the following:

(a) the assessment carried out in accordance with Article 8(6) and Article 8a(9), together with a summary of the information on which that assessment is based; and

(b) the reasons justifying the amounts proposed in accordance with Article 13(1).';

(15) Article 16 is replaced by the following:

'*Article 16*
Insufficient funds

By way of derogation from the deadlines set out in Articles 8, 8a and 15, in exceptional cases and provided that the remaining commitment appropriations available in the EGF are not sufficient to cover the amount of assistance that is necessary ***according to the Commission proposal***, the Commission may postpone the ***proposal to mobilise the EGF and the subsequent budgetary transfer request*** until commitment appropriations are available in the following year. The annual budgetary ceiling of the EGF shall be respected in all circumstances.***';***

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(16) in Article 17, the following paragraph is added:

‘6. ***Without undue delay, but no later than 2 weeks*** of receipt of the Commission’s pre-financing payment, the Member State concerned shall make available to the enterprise concerned that part of the pre-financing payment that relates to the coordinated package of measures implemented by the enterprise. ***Member States may choose to make the pre-financing payment available in instalments, in which case the first installment shall be made available within undue delay, and within two weeks. The payment modalities shall be set out in the act governing the financial contribution from the Member State to the enterprise. The Member States may, where appropriate, direct the funds to the enterprise via the relevant regional or other public authority, provided that this does not delay the payment.*** The Member State shall retain ***or direct to regional or other public authority*** the part of the pre-financing that relates to measures referred to in Article 7(5).***’;***

(17) in Article 20, the following paragraph is added:

‘3. In cases where an enterprise is implementing a financial contribution from the EGF for workers affected by imminent job displacement, the enterprise shall by the end of the sixth month after the expiry of the implementation period provide the Member State concerned with all relevant information specified in paragraph 1 ▌.’;

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(18) in Article 22, ***paragraphs 4 and 5 are*** replaced by the following:

‘4. A beneficiary survey shall be launched ***by the Commission*** during the sixth month after the end of each implementation period. The beneficiary survey shall be open to participation for at least four weeks. Member States shall distribute the beneficiary survey to the beneficiaries, send out at least one reminder and inform the Commission of the distribution and reminder sent. In cases involving assistance implemented by an enterprise to beneficiaries under Article 6, first paragraph, point (c), that enterprise is responsible for distributing the survey prepared by the Commission among the ***beneficiaries*** that have participated in the measures***, and workers' representatives for information, sending out at least one reminder and informing the Member State of the distribution and reminder sent***. The responses to the beneficiary surveys shall be collated and analysed by the Commission for the use in future evaluations.

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5. Beneficiary surveys shall be used to collect data on the perceived change in the employability of beneficiaries, or, for those who have already found employment, on the quality of the employment found, such as changes in working hours, the type of employment contract or relationship (full time or part time; fixed term or open-ended), the level of responsibility or change of salary level in comparison to previous employment, and the sector in which the person found employment. For cases under Article 6 (c), this shall also include information on a possible new role in the same enterprise, where applicable. That information shall be broken down by gender, age group, education level and level of professional experience.'.

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(19) ANNEX II (2) Common long-term result indicators for beneficiaries:

(a) Percentage of EGF beneficiaries in employment and self-employment six months after the end of the implementation period[*]; for cases under Article 6 (c), this indicator shall be broken down by employment:

1. in a different enterprise,

2. in the same enterprise:

(a) in the same role,

(b) in a different role;'.

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Article 2

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

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

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*

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