

EN

EN

EN



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16.12.2008  
COM(2008) 867 final

2008/0267 (COD)

Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

**amending Regulation (EC) No 1927/2006 on establishing the European Globalisation  
Adjustment Fund**

{SEC(2008) 3055}

{SEC(2008) 3056}

## EXPLANATORY MEMORANDUM

### 1. CONTEXT OF THE PROPOSAL

#### • **Grounds for and objectives of the proposal**

The aim of this proposal is to enable the European Globalisation Adjustment Fund ('the EGF') to react more effectively in support of workers made redundant as a result of globalisation, to enlarge its scope temporarily by covering redundancies caused by the impact of the global financial and economic crisis and to bring the operation of the Fund closer into line with its solidarity objective. In order to achieve this objective certain provisions of Regulation (EC) No 1927/2006<sup>1</sup> on establishing the European Globalisation Adjustment Fund need to be amended.

#### • **General context**

The annual report on the operations of the EGF in 2007 was an integral part of the Communication 'Renewed Social Agenda: Opportunities, access and solidarity in 21st century Europe'<sup>2</sup> adopted by the Commission on 2 July 2008. In the Communication 'Solidarity in the face of change: The EGF in 2007 — review and prospects'<sup>3</sup> the Commission announced its intention to amend the EGF Regulation before issuing the next annual report, which is due by mid-2009.

In its European Economic Recovery Plan<sup>4</sup>, published on 26 November 2008, the Commission announced its intention to make the EGF a more effective early intervention instrument as part of Europe's crisis response. The Commission reaffirmed its intention to revise the rules of the EGF so that it can intervene more rapidly in key sectors, i.a. to co-finance training and job placements for those who are made redundant as a result of the economic crisis.

#### • **Existing provisions in the area of the proposal**

The European Social Fund<sup>5</sup> ('the ESF') was established to contribute to the priorities of the Community as regards strengthening economic and social cohesion by improving employment and job opportunities, encouraging a high level of employment and more and better jobs. It supports the European Employment Strategy as well as Member States' policies aiming to achieve full employment and quality and productivity at work, promote social inclusion, including the access of disadvantaged people to employment, and reduce national, regional and local employment disparities. The main difference with the EGF is that the ESF consists of multi-annual programmes in support of strategic, long-term goals — notably anticipation and management of change and restructuring, with activities such as life-long learning. The EGF is a response to a specific, European-scale crisis caused by globalisation. It provides one-off, time-limited individual support, geared directly to redundant workers.

---

<sup>1</sup> OJ L 406, 30.12.2006, p. 1. Regulation as corrected in OJ L 48, 22.2.2008, p. 82 and for the English language in OJ L 202, 31.7.2008, p. 74.

<sup>2</sup> COM(2008) 412, 2.7.2008.

<sup>3</sup> COM(2008) 421, 2.7.2008.

<sup>4</sup> COM(2008) 800, 26.11.2008

<sup>5</sup> Regulation (EC) No 1081/2006 (OJ L 210, 31.7.2006, p. 12).

The amending proposal touches upon certain existing provisions of the EGF Regulation with a view to enhancing its performance in terms of re-integrating into employment workers who are made redundant as a consequence of globalisation. The concepts and provisions contained in this proposal remain within the overarching objective of the EGF of showing solidarity towards workers who are adversely affected by changes in the global economy.

- **Consistency with the other policies and objectives of the Union**

Community support for workers who are made redundant as a consequence of increased competition in global markets clearly underpins the objectives of the Lisbon strategy on growth and job creation. It is fully consistent with the overarching objectives of the European Employment Strategy of achieving full employment and reducing unemployment and inactivity, improving quality and productivity at work, improving the attractiveness of jobs and strengthening social and territorial cohesion. EGF assistance supplements actions co-financed by the Structural Funds, in particular the European Social Fund.

The EGF underpins the Employment Guidelines of the European Employment Strategy, in particular Guidelines 20, 21 and 24. The latter concern improved matching of labour market needs through removing obstacles to mobility for workers across Europe, as well as through better anticipation of skill needs, labour market shortages and bottlenecks. They promote flexibility through better anticipation and positive management of change, notably linked to trade opening, so as to minimise social costs and facilitate adaptation, and offer support for transitions in occupational status, including training, self-employment, business creation and geographical mobility. They also support best use of education and training systems in response to new competence requirements by responding to new occupational needs, key competences and future skill requirements through improving the definition and transparency of qualifications, their effective recognition and the validation of non-formal and informal learning.

It is also fully consistent with the implementation of integrated flexicurity policies, as set out in the Communication "Towards Common Principles of Flexicurity" adopted by the European Council in December 2007 in that it aims to facilitate rapid job transition for redundant workers and therefore contribute to maintaining skilled workers in the labour force.

## **2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT**

- **Consultation of interested parties**

### Consultation methods, main sectors targeted and general profile of respondents

The Commission consulted the Member States' experts and social partners twice: first in July 2008 by way of a questionnaire relating to EGF operations and managements and to possible improvements identified in the EGF annual report, and secondly at a conference held in Brussels on 4 September 2008. The conference agenda covered the issues identified in the annual report as highlighted in the responses to the questionnaire, summarised for ease of reference in an issues paper which was sent to all participants prior to the meeting.

### Summary of responses and how they have been taken into account

The Commission particularly wanted to ascertain the views of the Member States and other stakeholders on the core issues identified in the annual report, in particular as regards: the

usefulness of including globalisation factors other than changes in international trade; the relevance of the EGF co-funding rate; the number and the nature of redundancy cases involving more than 1 000 workers as well as cases involving between 500 and 1 000 workers; the appropriateness of the time periods established in the Regulation (reference periods and implementation periods); and on a number of issues relating to administration of the EGF at EU and national levels. Replies were received from 22 Member States and a few social partner organisations.

All these concerns are addressed in the proposed amendments.

- **Collection and use of expertise**

There was no need for contracted external expertise. However, several external experts participated actively and expressed their views at the stakeholders' conference held in Brussels on 4 September 2008.

- **Impact assessment**

The impact assessment report looked at the problems associated with implementation of the current EGF Regulation as identified in the annual report. The Commission assessed three options — with two variants for the third option — as to their economic and social impacts with a view to extending the coverage of the EGF and enhancing its effectiveness in re-integrating workers made redundant by globalisation into employment.

- Under option 1, "*No change*", the EGF Regulation would continue to apply unchanged. The advantages of this option relate to continuity in terms of the legislative framework and practical aspects of implementation of EGF-funded actions;
- Under option 2, "*No change plus improvements*", a number of operational improvements would be introduced without changes to the EGF Regulation. These improvements would involve: simplifying procedures and application requirements; making use of existing networks to promote the EGF among potential stakeholders and exchange of good experience; clarifying eligibility of the services sector and of measures such as mobility allowances and micro-credits; stepping up awareness raising activities to achieve greater visibility of the EGF.

Under option 3, "*Improvements and operational changes*", the Commission assessed two variants related to the eligibility criterion:

- Under "*variant A: Trade*" of option 3, the eligibility criterion would continue to be changes in world trade patterns, but the EGF Regulation would be amended in the following ways: reduction of the trigger number of redundancies from 1 000 to 500; inclusion of redundancies occurring before the start of the reference period among the redundant workers eligible for EGF support; extension of the time period for implementation of EGF support from 12 to 24 months; clarification of the amount available for technical assistance at the initiative of the Commission and broadening of the scope of technical assistance through the inclusion of forward-looking activities; clarification of the meaning of 'use' of the financial contribution; and increase of the standard rate of EGF support from 50% to 75% of the total costs;

- Under "*variant B: Markets*" of option 3, the EGF Regulation would be amended as described above with one difference: eligibility would be expanded from major changes in world trade patterns to include also major changes in world markets, such as changes in production and product technology, changes in the organisation of production (such as company outsourcing) and the access to, and price of, raw materials and other inputs.

- **Expanding the scope of the EGF**

The global financial crisis is causing and will cause massive redundancies, in a widening range of sectors, as they are affected by reduced availability of credit and reduced purchasing power of citizens. . The Commission wants to take temporary and exceptional action to make the Fund more responsive to these problems. The Commission is therefore proposing to enlarge the scope of the Fund for a fixed period in order to enable it to intervene in response to the global financial and economic crisis. This option had not been included in the Impact Assessment at the time, which related to the more limited widening of the scope to "markets" as discussed above.

Consequently the impact assessment was adapted to include employment aspects of the financial crisis, a description of the limitations of the present Regulation in respect of the new situation and an analysis of possible changes to the EGF Regulation which will enable the Fund to better function as a crisis response instrument.

The proposal is also in line with the rationale underpinning the EGF, namely that the Union should be able to show solidarity with workers who lose their jobs due to economic disturbances caused by global events, such as the current global crisis. The principles of the internal market would continue to exclude purely intra-Community driven adjustment and restructuring from EGF funding.

### **3. LEGAL ELEMENTS OF THE PROPOSAL**

- **Summary of the proposed action**

The proposed action aims to amend the EGF Regulation in order to ensure that the EGF fully meets the stated objective of solidarity with workers who have lost their job as a consequence of major changes brought about by globalisation, including a temporary provision to support workers made redundant as a result of the global financial and economic crisis.

- **Legal basis**

The proposal is based on the third paragraph of Article 159 EC Treaty.

- **Subsidiarity principle**

The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the Community.

The objectives of the proposal cannot be sufficiently achieved by the Member States. They can only be achieved through a modification of the current Regulation.

Community action will better achieve the objectives of the proposal for the following reason:

As stated in the explanatory memorandum<sup>6</sup> to the initial proposal for an EGF Regulation, the Community may take steps, in accordance with the principle of subsidiarity laid down in Article 5 of the Treaty, to promote the objective of solidarity.

In making this proposal, the Commission has based itself on quantitative data that became available as a result of the functioning of the EGF in the first 18 months, including that described in the first annual report on the EGF.

The functioning of this instrument can only be amended by a legislative initiative taken at the level of the Union. The proposal lays down the rules for the functioning of a financial instrument available at Community level.

The proposal therefore complies with the subsidiarity principle.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s):

In accordance with the principle of proportionality, the provisions of this Regulation do not go beyond what is necessary to achieve its objectives. The amendments proposed to Regulation (EC) No 1927/2006 are limited to those necessary to reinforce the impact of the EGF on the re-integration into employment of workers who become redundant as a consequence of changes in a global economy.

It does not impose any additional administrative burden upon Member States compared to the existing EGF Regulation.

- **Choice of instrument**

Proposed instrument: regulation.

Other means would not be adequate for the following reason:

A regulation is the appropriate legal instrument to amend an existing regulation.

#### **4. BUDGETARY IMPLICATION**

Article 28 of the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 17 May 2006<sup>7</sup> on budgetary discipline and sound financial management provides that the EGF may not exceed a maximum annual amount of EUR 500 million.

As announced in the Communication on the European Economic Recovery Plan the Commission will review the budgetary means available for the EGF in the light of the implementation of the revised rules.

---

<sup>6</sup> COM(2006) 91, 1.3.2006.

<sup>7</sup> OJ C 139, 14.6.2006, p. 1.

## 5. ADDITIONAL INFORMATION

### • Detailed explanation of the proposal

The proposed amendment to Article 1 expands the scope of the EGF in response to the global financial and economic crisis and contains the necessary adjustments to provide support on a temporary basis to workers made redundant as a result of this crisis.

The proposed amendments to Article 2 reduce the trigger number of redundancies from 1 000 to 500, clarify the situation of cases submitted under the intervention criteria of Article 2(c) and introduce a definition of the event constituting redundancy that results from case-law<sup>8</sup>.

The proposed amendment to point (a) of Article 5(2) aims to ensure equitable and non-discriminatory treatment of those workers whose redundancy occurred before or after the 4-month reference period of Article 2(a) or 2(c) but can be clearly linked to the same redundancy event.

The proposed amendments to Article 8 clarify the basis for calculating the amount available for technical assistance and the range of activities that can be funded under Article 13.

The proposed amendment to Article 10 increases the intervention rate from 50% to 75%, thus better reflecting the emergency nature of the contribution to support the redundant workers.

The proposed amendment to Article 13 increases the implementation period of an EGF contribution from 12 to 24 months.

The proposed amendment to Article 20 provides that, on the basis of the mid-term evaluation provided for in Article 17, paragraph 1(a), the European Parliament and the Council may review this Regulation, including the temporary derogation provided for in Article 1, paragraph 1a, on the basis of a proposal from the Commission.

---

<sup>8</sup> Case C-188/03 *Junk* [2005] ECR I-885.



Proposal for a

**REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**  
**amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular the third paragraph of Article 159 thereof,

Having regard to the proposal from the Commission<sup>9</sup>,

Having regard to the opinion of the European Economic and Social Committee<sup>10</sup>,

Having regard to the opinion of the Committee of the Regions<sup>11</sup>,

Acting in accordance with the procedure laid down in Article 251 of the Treaty<sup>12</sup>,

Whereas:

- (1) Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006<sup>13</sup> has established the European Globalisation Adjustment Fund ('the EGF') to enable the Community to provide support and show solidarity to workers made redundant as a result of major structural changes in world trade patterns due to globalisation.
- (2) The Commission has presented the first annual report to the European Parliament and to the Council in accordance with Article 16 of Regulation (EC) No 1927/2006. In its report, contained in the Communication of 2 July 2008<sup>14</sup>, the Commission concluded that it was appropriate to reinforce the impact of the EGF on the creation of jobs and training opportunities for Europe's workers.
- (3) The Commission Communication on "New skills for new jobs: Anticipating and matching labour market and skills needs"<sup>15</sup> and the 'Common Principles of Flexicurity' adopted by the European Council on 14 December 2007 emphasise the objectives of fostering the continuous adaptability and employability of workers through better

---

<sup>9</sup> OJ C , , p. .

<sup>10</sup> OJ C , , p. .

<sup>11</sup> OJ C , , p. .

<sup>12</sup> OJ C , , p. .

<sup>13</sup> OJ L 48, 22.2.2008, p. 82

<sup>14</sup> COM(2008) 421.

<sup>15</sup> COM(2008) 868.

learning opportunities at all levels and through skills development strategies responsive to the needs of the economy.

- (4) The Commission adopted on 26 November 2008 a Communication on a European Economic Recovery Plan<sup>16</sup> based on the fundamental principles of solidarity and social justice. As part of its crisis response the rules of the EGF need to be revised in order to broaden its scope temporarily and to enable it to react more effectively in response to the crisis.
- (5) In order to ensure that the intervention criteria are applied transparently, a definition of the event constituting redundancy should be introduced. Seeking to give more flexibility to the Member States to present applications and to meet better the solidarity objective, the redundancy threshold should be lowered.
- (6) In conformity with the objective of fair and non-discriminatory treatment all workers whose redundancy can be clearly linked to the same redundancy event should be entitled to benefit from the package of personalised services presented for an EGF contribution.
- (7) Technical assistance at the initiative of the Commission should be used in order to facilitate the implementation of the EGF.
- (8) In order to bring the co-financing rate for EGF support more in line with the intervention rates under the European Social Fund, the co-financing rate for EGF support should be increased.
- (9) In order to improve the quality of the actions and leave sufficient time for the measures to be effective in reintegrating into employment of the most vulnerable workers, the period during which the eligible actions must be carried out should be extended and clarified.
- (10) It is appropriate to review the functioning of the EGF, including the temporary derogation to support workers made redundant as a result of the global financial and economic crisis.
- (11) Regulation (EC) No 1927/2006 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

#### *Article 1*

Regulation (EC) No 1927/2006 is amended as follows:

1. In Article 1 a new paragraph 1a is inserted:

"1a. By way of derogation from paragraph 1, the EGF shall also provide support to workers made redundant as a result of the global financial and economic crisis, provided applications comply with the criteria set out in Article 2(a), (b) or (c).

---

<sup>16</sup> COM (2008) 800.

This derogation shall apply to all applications submitted before 31 December 2010."

2. Article 2 is replaced by the following:

*Article 2*

Intervention criteria

A financial contribution from the EGF shall be provided where major structural changes in world trade patterns lead to a serious economic disruption, notably a substantial increase of imports into the European Union, or a rapid decline of the EU market share in a given sector or a delocalisation to third countries, which results in:

- (a) at least 500 redundancies over a period of 4 months in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers, or
- (b) at least 500 redundancies over a period of 9 months, particularly in small or medium-sized enterprises, in a NACE 2 division in one region or two contiguous regions at NUTS II level, or
- (c) in small labour markets or in exceptional circumstances, where duly substantiated by the Member State concerned, an application for a contribution from the EGF may be considered admissible even if the conditions laid down in points (a) or (b) are not entirely met, when redundancies have a serious impact on employment and the local economy. The Member State shall specify that its application does not entirely meet the intervention criteria set out in point (a) or point (b). The aggregated amount of contributions in exceptional circumstances may not exceed 15% of the EGF each year.

For the purposes of calculating the number of redundancies provided for in points (a), (b) and (c) of the first paragraph, a redundancy may be counted from the moment of either the employer's individual notice to terminate the contract of employment of the redundant worker, or the de facto termination of a contract of employment before its expiry for reasons not related to the individual worker concerned. In each case, either of the two options must be chosen and specified in the application.'

3. Article 5 is amended as follows:

In paragraph 2 point (a) is replaced by the following:

- '(a) a reasoned analysis of the link between the redundancies and major structural changes in world trade patterns or the financial and economic crisis, a demonstration of the number of redundancies, and an explanation of the unforeseen nature of those redundancies. Redundancies which occurred before or after the period provided for in Article 2(a) or in Article 2(c) in case an application under the latter derogates from the criteria set out in Article 2 (a), may be covered by the co-financed measures, provided that the redundancies occurred after the general announcement of the projected redundancies and a clear functional link can be established with the event which triggered the redundancies during the reference period;'

4. Article 8 is replaced by the following:

*Article 8*

Technical assistance at the initiative of the Commission

1. At the initiative of the Commission, subject to a ceiling of 0.35% of the maximum amount for the EGF that year, the EGF may be used to finance preparation, monitoring, information, creation of a knowledge base relevant to the implementation of the EGF, administrative and technical support, audit, control and evaluation activities necessary to implement this Regulation.
2. Subject to the ceiling set out in paragraph 1, the budgetary authority shall make available an amount for technical assistance at the start of each year on the basis of a proposal by the Commission.
3. The tasks set out in paragraph 1 shall be executed in accordance with the Financial Regulation, as well as the implementing rules applicable to this form of implementation of the budget.'

5. In Article 10 paragraph 1 is replaced by the following:

- '1. The Commission shall, on the basis of the assessment carried out in accordance with Article 5(5), particularly taking into account the number of workers to be supported, the proposed actions and the estimated costs, evaluate and propose as quickly as possible the amount of financial contribution, if any, that may be made within the limits of the resources available. The amount may not exceed 75% of the total of the estimated cost referred to in Article 5(2)(d).'

6. In Article 13 paragraph 2 is replaced by the following:

- '2. The Member State(s) shall carry out all eligible actions included in the coordinated package of personalised services within 24 months of the date of application pursuant to Article 5.'

7. In Article 20 a new subparagraph is inserted after the first subparagraph:

"On the basis of a proposal from the Commission, the European Parliament and the Council may review this Regulation, including the temporary derogation provided for in Article 1, paragraph 1a."

*Article 2*

This Regulation shall enter into force on the twentieth 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*  
*The President*

*For the Council*  
*The President*

## LEGISLATIVE FINANCIAL STATEMENT

### 1. NAME OF THE PROPOSAL:

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

### 2. ABM/ABB FRAMEWORK

Policy Area(s) concerned and associated Activity/Activities:

Competitiveness for Growth and Employment

### 3. BUDGET LINES

#### 3.1. Budget lines (operational lines and related technical and administrative assistance lines (ex- B..A lines)) including headings:

40.0243 Reserve for the European Globalisation Adjustment Fund  
04.0501 European Globalisation Adjustment Fund (EGF)  
04.010414 European Global Adjustment Fund (EGF) — Expenditure on administrative management

The Interinstitutional Agreement on budgetary discipline and sound financial management of 17 May 2006 in its Point 28 lays down the procedure to enter the EGF appropriations in the budget and limits the maximum annual amount available for the EGF to EUR 500 million.

#### 3.2. Duration of the action and of the financial impact:

To be reviewed by 31 December 2013 (Art. 20 of Regulation 1927/2006)

#### 3.3. Budgetary characteristics:

Budget line	Type of expenditure		New	EFTA contribution	Contributions from applicant countries	Heading in financial perspective
04.0501	Non-comp	Non-diff	NO	NO	NO	1.1
04.010414	Non-comp	Non-diff	NO	NO	NO	1.1

## 4. SUMMARY OF RESOURCES

### 4.1. Financial resources

#### 4.1.1. Summary of commitment appropriations (CA) and payment appropriations (PA)

EUR million (to 3 decimal places)

Expenditure type	Section No		2009	2010	2011	2012	2013	2014	Total
------------------	------------	--	------	------	------	------	------	------	-------

#### Operational expenditure

Commitment appropriations (CA)	8.1.	a	pm	pm	pm	pm	pm	pm	pm
Payment appropriations (PA)		b	pm	pm	pm	pm	pm	pm	pm

#### Administrative expenditure within reference amount

Technical & administrative assistance (NDA)	8.2.4.	c	pm	pm	pm	pm	pm	pm	pm
---	--------	---	----	----	----	----	----	----	----

#### TOTAL REFERENCE AMOUNT

Commitment appropriations		a+c	pm	pm	pm	pm	pm	pm	pm
Payment appropriations		b+c	pm	pm	pm	pm	pm	pm	pm

#### Administrative expenditure not included in reference amount

Human resources and associated expenditure (NDA)	8.2.5.	d	0.732	0.854	0.976	0.876	0.976	0.976	0.732
Administrative costs, other than human resources and associated costs, not included in reference amount (NDA)	8.2.6.	e	pm	pm	pm	pm	pm	pm	pm

#### Total indicative financial cost of operation

TOTAL CA including cost of human resources		a+c +d +e	pm	pm	pm	pm	pm	pm	pm
TOTAL PA including cost of human resources		b+c +d +e	pm	pm	pm	pm	pm	pm	pm

#### Co-financing details

If the proposal involves co-financing by Member States, or other bodies (please specify which), an estimate of the level of this co-financing should be indicated in

the table below (additional lines may be added if different bodies are foreseen for the provision of the co-financing):

EUR million (to 3 decimal places)

Co-financing body		2009	2010	2011	2012	2013	2014	Total
.....	f							
TOTAL CA including co-financing	a+c +d +e +f	pm	pm	pm	pm	pm	pm	pm

4.1.2. *Compatibility with financial programming*

- Proposal is compatible with existing financial programming.
- Proposal will entail reprogramming of the relevant heading in the financial perspective.
- Proposal may require application of the provisions of the Interinstitutional Agreement<sup>17</sup> (i.e. flexibility instrument or revision of the financial perspective).

4.1.3. *Financial impact on revenue*

- Proposal has no financial implications on revenue
- Proposal has financial impact – the effect on revenue is as follows:

EUR million (to one decimal place)

		Prior to action [Year n-1]	Situation following action					
Budget line	Revenue		[Year n]	[n+1]	[n+2]	[n+3 ]	[n+4]	[n+5] <sub>18</sub>
	a) Revenue in absolute terms							
	b) Change in revenue	Δ						

<sup>17</sup> See points 19 and 24 of the Interinstitutional Agreement.

<sup>18</sup> Additional columns should be added if necessary i.e. if the duration of the action exceeds 6 years.



**4.2. Human resources FTE (including officials, temporary and external staff) – see detail under point 8.2.1.**

<b>Annual requirements</b>	2009	2010	2011	2012	2013	2014
Total number of human resources	6	7	8	8	8	8

**5. CHARACTERISTICS AND OBJECTIVES**

**5.1. Need to be met in the short or long term**

See explanatory memorandum.

**5.2. Value-added of Community involvement and coherence of the proposal with other financial instruments and possible synergy**

See explanatory memorandum.

**5.3. Objectives, expected results and related indicators of the proposal in the context of the ABM framework**

See explanatory memorandum.

**5.4. Method of implementation (indicative)**

***Centralised management***

directly by the Commission

indirectly by delegation to:

executive agencies

bodies set up by the Communities as referred to in Art. 185 of the Financial Regulation

national public-sector bodies/bodies with public-service mission

***Shared or decentralised management***

with Member States

with third countries

***Joint management with international organisations (please specify)***

Relevant comments:

## **6. MONITORING AND EVALUATION**

Article 16 of the EGF Regulation requires the Commission to present each year to the European Parliament and the Council a quantitative and qualitative report on the activities carried out under the EGF Regulation in the previous year. This report contains inter alia the Commission's observations on its monitoring activities during the year in question.

Under Article 17 of the EGF Regulation, the Commission has to carry out by 31 December 2011, in close cooperation with Member States, a mid-term evaluation of the effectiveness and sustainability of the results obtained under the EGF. By 31 December 2014, the Commission is required to carry out, with the assistance of external experts, an ex-post evaluation in order to measure the impact of the EGF and its added value.

## **7. ANTI-FRAUD MEASURES**

The measures laid down for shared management apply to the EGF. In addition, under Article 18 of the EGF Regulation, Member States must take responsibility in the first instance for the financial control of the actions, including the prevention, detection and correction of irregularities.

## 8. DETAILS OF RESOURCES

### 8.1. Objectives of the proposal in terms of their financial cost

Commitment appropriations in EUR million (to 3 decimal places)

(Headings of Objectives, actions and outputs should be provided)	Type of output	Av. cost	Year n		Year n+1		Year n+2		Year n+3		Year n+4		Year n+5 and later		TOTAL	
			No outputs	Total cost	No outputs	Total cost	No outputs	Total cost	No outputs	Total cost	No outputs	Total cost	No outputs	Total cost	No outputs	Total cost
OPERATIONAL OBJECTIVE No 1 <sup>19</sup> .....																
<b>Action 1</b> .....																
- Output 1																
- Output 2																
<b>Action 2</b> .....																
- Output 1																
Sub-total Objective 1																
OPERATIONAL OBJECTIVE No 2 <sup>1</sup> .....																

<sup>19</sup> As described under Section 5.3.

<b>Action 1.....</b>																
- Output 1																
Sub-total Objective 2																
<b>OPERATIONAL OBJECTIVE No n 1</b>																
Sub-total Objective n																
<b>TOTAL COST</b>																

## 8.2. Administrative expenditure

### 8.2.1. Number and type of human resources

Types of post		Staff to be assigned to management of the action using existing and/or additional resources ( <b>number of posts/FTEs</b> )					
		2009	2010	2011	2012	2013	2014
Officials or temporary staff <sup>20</sup> (XX 01 01)	A*/AD	4	5	6	6	6	6
	B*, C*/AST	2	2	2	2	2	2
Staff financed <sup>21</sup> by Art. XX 01 02							
Other staff <sup>22</sup> financed by Art. XX 01 04/05							
<b>TOTAL</b>		6	7	8	8	8	8

### 8.2.2. Description of tasks deriving from the action

Assessing applications, following them through the adoption procedures, preparing annual reports, reviewing the legislation, monitoring and auditing implementation, providing advice and guidance to potential and actual applicants, etc.

### 8.2.3. Sources of human resources (statutory)

- Posts currently allocated to the management of the programme to be replaced or extended
- Posts pre-allocated within the APS/PDB exercise for year n
- Posts to be requested in the next APS/PDB procedure
- Posts to be redeployed using existing resources within the managing service (internal redeployment)
- Posts required for year n although not foreseen in the APS/PDB exercise of the year in question

<sup>20</sup> Cost of which is NOT covered by the reference amount.

<sup>21</sup> Cost of which is NOT covered by the reference amount.

<sup>22</sup> Cost of which is included within the reference amount.

8.2.4. *Other administrative expenditure included in reference amount (XX 01 04/05 – Expenditure on administrative management)*

EUR million (to 3 decimal places)

Budget line (number and heading)	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
<b>1 Technical and administrative assistance (including related staff costs)</b>							
Executive agencies <sup>23</sup>							
Other technical and administrative assistance							
- <i>intra muros</i>							
- <i>extra muros</i>							
<b>Total technical and administrative assistance</b>							

8.2.5. *Financial cost of human resources and associated costs not included in the reference amount*

EUR million (to 3 decimal places)

Type of human resources	2009	2010	2011	2012	2013	2014
Officials and temporary staff (XX 01 01)	0.732	0.854	0.976	0.876	0.976	0.976
Staff financed by Art. XX 01 02 (auxiliary, END, contract staff, etc.)  (specify budget line)	0	0	0	0	0	0
<b>Total cost of human resources and associated costs (NOT in reference amount)</b>	0.732	0.854	0.976	0.876	0.976	0.976

<sup>23</sup> Reference should be made to the specific legislative financial statement for the Executive Agency(ies) concerned.

Calculation – *Officials and temporary agents*

*6 to 8 statutory posts @ EUR 122 000 p.a.*

Calculation – *Staff financed under Art. XX 01 02*

8.2.6. *Other administrative expenditure not included in reference amount*

EUR million (to 3 decimal places)

	Year n	Year n+1	Year n+2	Year n+3	Year n+4	Year n+5 and later	TOTAL
XX 01 02 11 01 – Missions							
XX 01 02 11 02 – Meetings & conferences							
XX 01 02 11 03 – Committees <sup>24</sup>							
XX 01 02 11 04 – Studies & consultations							
XX 01 02 11 05 - Information systems							
<b>2 Total other management expenditure (XX 01 02 11)</b>							
<b>3 Other expenditure of an administrative nature</b> (specify including reference to budget line)							
<b>Total administrative expenditure, other than human resources and associated costs (NOT included in reference amount)</b>							

<sup>24</sup> Specify the type of committee and the group to which it belongs.

Calculation - *Other administrative expenditure not included in reference amount*