

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

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**PURPOSE:** to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the construction sector in Lithuania.

**PROPOSED ACT:** Decision of the European Parliament and of the Council.

**CONTENT:** [Regulation EC N° 1927/2006](#) established the European Globalisation Adjustment Fund (EGF) to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market. This Regulation has been last amended by [Regulation \(EC\) N° 546/2009](#) which temporarily broadens the scope for application of EGF and modifies the eligibility criteria. The amended Regulation is applicable for applications received from 1 May 2009. The [Interinstitutional Agreement of 17 May 2006](#) allows the mobilisation of the EGF within the annual ceiling of EUR 500 million. The Commission has carried out a thorough examination of the application submitted by Lithuania and it has made the following decision:

**Lithuania: Case EGF/2009/017 LT/Construction of buildings:** Lithuania submitted the application to the Commission on 23 September 2009. It was based upon the specific intervention criteria Article 2(b) of Regulation (EC) No 1927/2006 which requires at least 500 redundancies to occur within a nine-month period of reference in a NACE 2 division in one region or two contiguous regions at NUTS II level, and was submitted within the deadline of 10 weeks referred to in

Article 5 of that Regulation. The application concerns 1 612 redundancies in 128 enterprises in the construction sector.

**IMPACT ASSESSMENT:** none.

**FINANCIAL IMPLICATIONS:** the total annual budget available for the EGF is EUR 500 million. An amount of EUR 7 119 592 has already been mobilised for prior applications in 2010 leaving an amount of EUR 492 880 408 available. On the basis of the application for support from the Fund submitted by Lithuania, the contribution from EGF to the coordinated package of personalised services to be funded is of **EUR 1 118 893**, representing 65% of the total cost.

Considering the maximum possible amount of a contribution from the Fund, the Commission proposes to deploy the EGF for this amount, to be allocated under heading 1a of the financial framework.

By presenting this proposal to deploy the Fund, the Commission initiates the simplified dialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, in view of securing the agreement of the two arms of the budgetary authority on the need to use the Fund and the amount required. The Commission invites the first of the two arms of the Budgetary Authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions.