Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of wooden products in Spain

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PURPOSE: to mobilise the European Globalisation Fund in respect of redundancies in the manufacturing of wooden products in Spain.

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

CONTENT: Regulation (EC) No 1927/2006 of the European Parliament and of the Council established the European Globalisation Adjustment Fund which aims 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.

The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

The Commission examined Spain's request to mobilise the EGF:

Spain: **EGF/2009/020 ES/Castilla-La Mancha**: Spain submitted an application EGF/2009/020 ES /Castilla-La Mancha to mobilise the EGF, in respect of redundancies in 36 enterprises operating in NACE Revision 2 division 16 ('Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials') in a single NUTS II region, Castilla-La Mancha (ES42) on 9 October 2009 and supplemented it by additional information up to 22 February 2010. The application meets the conditions for deploying the EGF as set out in Article 2(b) of Regulation (EC) No 1927/2006 which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 division in one region or two contiguous regions at NUTS II level in a Member State. The application cites 585 redundancies in 36 enterprises in Spain during the nine-month reference period from 1 November 2008 to 31 July 2009.

On the basis of the application from Spain and the Commission's conclusions, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 950 000**.

IMPACT ASSESSMENT: no impact assessment was carried out.

BUDGETARY IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 10 (1) of the Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of EUR 1 950 000 to be allocated under heading 1a of the financial framework.

The proposed amount of financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12 (6) of the Regulation (EC) No 1927/2006.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF 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. In case of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.