Mobilisation of the European Globalisation Adjustment Fund: technical assistance by the Commission

2011/2130(BUD) - 22/06/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to finance technical assistance at the initiative of the Commission.

CONTENT: Point 28 of the Interinstitutional Agreementof 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

According to Article 8(1) of Regulation (EC) No 1927/2006, 0.35% of the annual maximum amount of the EGF can be made available each year for technical assistance at the initiative of the Commission. It is in the context of this margin that the Commission is proposing to mobilise the EGF for a technical assistance as outlined below.

Technical assistance to be funded and break-down of its estimated costs: the Commission intends to mobilise an amount of **EUR 610 000** to finance the following tasks:

- **Monitoring**: the Commission will collect the data on applications received and paid, and the measures proposed and implemented, and it will update and print the Statistical Portrait of the EGF with information up to the end of 2011. The cost is estimated at **EUR 20 000**.
- **Information**: the EGF web site will be regularly updated and expanded, each new element also being translated into all EU languages. Press folders will be printed, and the annual report of the EGF will be produced, translated, printed and distributed. General awareness of the EGF and its visibility will be enhanced, inter alia by the production of a video based on several EGF cases being implemented. The EGF will be covered in various Commission publications and audio-visual activities. Costs for all these items are estimated at **EUR 250 000**.
- **Creation of a knowledge base**: the Commission will set up standardised procedures for EGF applications and their processing, which will allow applications to be simplified, their processing to be speeded up and reports to be more easily extracted for varying needs. The cost is estimated at **EUR 70 000**.
- **Administrative and technical support**: the Expert Group of Contact Persons of the EGF, with 27 members, one from each Member State, will be holding two meetings, budgeted at EUR 35 000 per meeting. The two meetings are together estimated at **EUR 70 000**.
- **Exchange of best practices**: in addition, the Commission will be organising the exchange of successful practices among the Member States, enabling participants with experience of EGF implementation to network with each other. The first of these meetings will be devoted to exchanges of information and experiences on the timing and funding of EGF applications. This networking activity is estimated at **EUR 200 000**.

Financing: the total annual budget available for the EGF is EUR 500 million. Article 8(1) of Regulation (EC) No 1927/2006 states that 0.35% of this amount (i.e. EUR 1 750 000) can be made available each year for technical assistance at the initiative of the Commission. Currently, the full amount for 2011 remains available; nothing has yet been allocated to technical assistance. The proposed contribution for

technical assistance at the initiative of the Commission in 2011 is EUR 610 000. Following the mobilisation of this amount, the amount of EUR 1 140 000 potentially remains available in case of further need at a later stage in the year.

Source of payment appropriations: an amount of EUR 7 302 277 remains available on the EGF Budget line 04.0501 after adoption by both arms of the Budgetary Authority of three Decisions totalling an amount of EUR 10 371 321, and taking into account the four cases currently discussed by the Budgetary Authority for a total amount of EUR 29 935 352. This available amount will be used to cover the amount of EUR 610 000 needed for technical assistance. The Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.

Procedure: by presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, 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 2011 budget specific commitment appropriations.