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

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

CONTENT: Point 28 of the Interinstitutional Agreement of 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, the proportion corresponding to 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 1 120 000** 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 2012. The cost is estimated at **EUR 20 000**.
- **Information**: the web site on the EGF, which the Commission has set up within its Employment, Social Affairs and Inclusion area will be regularly updated and expanded, with each new element also being translated into all EU languages. Information 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 or recently closed. The EGF will be covered in various Commission publications and audio-visual activities. Costs for all these items are estimated at **EUR 200 000**.
- **Creation of a knowledge base**: the Commission is continuing its work with a view to setting up standardised procedures for EGF applications and their processing, which will allow future 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 60 000**.
- It will create and rationalise a database containing the facts and figures of EGF cases, including workers, measures and outcomes. The cost is estimated at **EUR 60 000**. The Commission will also be gathering data on the timelines of redundancies in the Member States, particularly under the Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies; this is estimated at **EUR 60 000**.
- **Administrative and technical support**: the Expert Group of Contact Persons of the EGF, with one member from each Member State, will be holding two meetings, together estimated at **EUR 70 000**. In addition, the Commission will be organising networking and the exchange of successful practices among the Member States, enabling participants with experience of EGF implementation to learn from and advise each other. This networking activity will include two seminars. The total cost is estimated at **EUR 250 000**.

- **Evaluation**: the Commission will start to prepare the final evaluation of the EGF by means of a contract with an external consultant evaluating EGF cases as and when they are closed during the next two years, and focusing on management systems, participants in the measures, and outcomes. The cost for the first year of this preparatory evaluation is estimated at **EUR 400 000**, which will cover some 32 cases, to be evaluated as soon as final reports are received by the Commission.

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 2012 remains available; nothing has yet been allocated to technical assistance.

The proposed contribution for technical assistance at the initiative of the Commission in 2012 is EUR 1 120 000. Following the mobilisation of this amount, the amount of EUR 630 000 potentially remains available in case of further need at a later stage in the year.

Considering the maximum possible amount of a contribution from the EGF in accordance with Article 8 (1) of Regulation (EC) No 1927/2006 as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.

Source of payment appropriations: appropriations from the EGF budget line will be used to cover the amount of EUR 1 120 000 needed for technical assistance.

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 2012 budget specific commitment appropriations.