Mobilisation of the European Globalisation Adjustment Fund: redundancies in aluminium production in the Netherlands

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The Committee on Budgets adopted the report drafted by Frédéric DAERDEN (S&D, BE) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of EUR **1 494 008** in commitment and payment appropriations to assist the Netherlands in respect of redundancies in the aluminium production sector.

Members recall that the European Union has set up the appropriate legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns and to assist their reintegration into the labour market.

Given that the Netherlands have requested assistance for 616 redundancies in total (478 in *Zalco Aluminium Zeeland Company NV*, 18 redundancies in its supplier *ECL Services Netherlands B.V.* and 120 in *Start*) during the short reference period from 1 to 27 December 2011, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount. Moreover, they agree with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, **the Netherlands are entitled to a financial contribution under that Regulation**.

Members recall that the Netherlands are opposed to the extension of the “crisis derogation” of the current EGF which **threatens the future of the EGF after 2013** and welcome the request for an EGF contribution from the government of this country.

Members note the conditions at the source of the request for the EGF contribution and that the Court in Middelburg has pronounced *Zalco Aluminium Zeeland Company NV* as bankrupt on 13 December 2011. Because of this bankruptcy, it is expected that other workers in upstream or downstream companies will be made redundant. Members note that the redundancies will have a noticeable impact on local communities and the number of open positions compared to the number of unemployed.

They welcome the fact that the Netherlands authorities decided to start the implementation of the coordinated package already well in advance of the decision of the budgetary authority on granting the EGF support and recall the importance of improving the employability of all workers by means of tailored training and the recognition of skills and competences gained throughout the professional career.

Lessons from the implementation of the EGF: Members welcome the fact that the EGF contribution is planned to support solely active labour measures (training and counselling) and will not be used for allowances. They highlight the fact that lessons should be learned from the preparation and implementation of this and other applications addressing mass dismissals.

Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements **to accelerate the mobilisation of the EGF**. They also appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an

EGF application together with the proposal to mobilise the EGF. They hope that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund** (2014–2020).

Members reiterate their usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- the fact that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors and that it can co-finance only active labour market measures which lead to durable, long-term employment;
- assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- the fact that the EGF should not provide an incentive for companies to replace their contractual workforce woth a more precarious and short-term one;
- the fact that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

They also welcome the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01; recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and therefore deserves a dedicated allocation, which will avoid transfers from other budget lines. They regret **the decision of the Council to block the extension of the "crisis derogation"**, allowing to provide financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and allowing the increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. They call on the Council to reintroduce this measure without delay.