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

2012/2280(BUD) - 11/12/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report drafted by Salvador GARRIGA POLLEDO (EPP, ES) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 299 545** in commitment and payment appropriations to assist Spain in respect of redundancies in metal products manufacturing.

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 Spain has requested assistance for 1 106 redundancies, 500 of which are targeted for assistance, in 423 enterprises operating in the NACE Revision 2 Division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS II region of the Basque Country (ES21) in Spain, Members request the institutions involved to make the necessary efforts 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(b) of the EGF Regulation are met and that, therefore, **Spain is therefore entitled to a financial contribution under this Regulation**.

Members welcome the fact that in order to provide workers with immediate assistance, the Spanish authorities decided to start the implementation of the measures on 19 March 2012 , ahead of the final decision about granting EGF support for the proposed coordinated package.

They emphasise the key importance of adapted training and recognition of skills and competences gained throughout the professional career. They stress that it is essential that the training on offer in the coordinated package is adapted and is adequate to the needs and level of the dismissed workers, taking into account their social and economic background.

**Lessons learnt from the implementation of the EGF:** Members highlight the fact that lessons should be learned from the implementation of the EGF and 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)** and that the EGF’s effectiveness, transparency and visibility will be strengthened as a result.

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;

- 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 it should co-finance only **active labour market measures which lead to durable, long-term employment**;
- 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.

**Training and reskilling of workers in the sector:** Members regret that information about the training measures in the Commission proposal does not describe in which sectors the workers are likely to find employment and if the package will be adapted to the future economic prospects in the region. They also regret that the measures supporting entrepreneurship do not provide for financial support for workers to set up own business, yet several financial incentives are offered for workers following training measures.

**Financing of the EGF:** Members also welcome the fact that following their requests, the 2012 budget shows payment appropriations of EUR 50 000 000 on the EGF budget line 04 05 01. They recall 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 to the extent possible from other budget lines.

Lastly, Members deplore the decision of the Council to block the extension of the "crisis derogation", which allows for the provision of 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 allows for an 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.