Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of powered two-wheelers in Italy

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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 2 658 495** in commitment and payment appropriations to assist Italy in respect of redundancies in the manufacturing of powered two-wheelers.

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 Italy has requested assistance for 512 redundancies, 502 of which are targeted for assistance in ten enterprises operating in division 30 of NACE Revision 2 (Manufacture of other transport equipment) in the NUTS II region of Emilia-Romagna (ITH5) in Italy, 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, **Italy is therefore entitled to a financial contribution under this Regulation**.

Members recall the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to start the implementation of the measures on 1 March 2012, ahead of the final decision about granting EGF support for the proposed coordinated package.

They also recall the importance of improving the employability of all workers by means of adapted training and recognition of skills and competences gained throughout workers' professional careers; expects the training on offer in the coordinated package to be adapted not only to the level and needs of the dismissed workers, but also to the current business environment.

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;
- the fact that assistance from the EGF **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 with 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.

Insufficient budgetary resources: Members regret the fact that the payment appropriations of EUR 50 000 000 on the EGF budget line (line 04 05 01) in the 2012 budget has proved to be insufficient to cover all needed payments. They also regret that the Commission has proposed to cover this payment through a transfer of payment appropriations from European Progress Microfinance Facility (line 04 04 15) **instead of asking for fresh money through Draft Amending Budget No 6/2012**, as it justifiably did for other requests for EGF mobilisation, and part of this application.

Members 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, as has happened in the past, which could be detrimental to the achievement of the policy objectives of the EGF.

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.