Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

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The Committee on Budgets adopted the report by Nadezhda NEYNSKY (EPP, BG) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund of an amount of **EUR 2 305 357** in commitment and payment appropriations to assist Germany in respect of redundancies in the solar module production sector.

Members recalled that the European Union set up 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 Germany submitted application EGF/2013/003 DE/First Solar for a financial contribution from the EGF, following 959 redundancies in the enterprise First Solar Manufacturing GmbH with 875 workers targeted for EFG co-funded measures, during the reference period from 15 November 2012 to 15 March 2013, Members called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Germany is entitled to a financial contribution under that Regulation**.

They considered that the redundancies in First Solar Manufacturing GmbH involved in solar energy production are linked to major structural changes in world trade patterns, referring to the building up of huge overcapacities in solar modules in China coupled with worldwide decline in demand. These redundancies lead to an immediate increase of the rate of unemployment by 4%, while the area concerned (Land of Brandenburg) is already suffering from an above-average rate of unemployment.

Moreover, Members welcome the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2013, **well ahead of the final decision** on granting the EGF support for the proposed coordinated package.

Targeted measures: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 875 redundant workers into employment such as training courses leading to qualifications, training management, workshops and peer groups, support services and international job search, in-depth business creation advice, job search, **activation grant**, etc.

They noted that more than half of the EGF support will be spent on allowances - 875 workers are said to receive during their active participation in the measures a subsistence allowance (estimated cost **EUR 2 714 per worker over 9 months**).

Members recalled that the EGF support should primarily be allocated to job search and training programs instead of contributing directly to financial allowances. **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.

Improving the future EGF: Members requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF. They appreciated the

improved procedure put in place by the Commission, following Parliament's request for the accelerated 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 stressed that in this context that the new EGF regulation for 2014-2020 period will introduce a cap on financial allowances, which shall not constitute more than 35% of the cost of the package. They hoped that **further improvements in the procedure will be integrated in the new EGF Regulation for 2014-2020** and that greater efficiency, transparency and visibility of the EGF will be achieved.

Members welcomed the agreement reached in the Council on reintroducing in the EGF Regulation, for the period 2014-2020, the **crisis mobilisation criterion**, 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.

In the process, Members reiterated their classic position when dealing with this type of request, notably to ensure that the EGF supports the reintegration of individual redundant workers into stable employment.