Mobilisation of the European Globalisation Adjustment Fund: redundancies in the construction of buildings in the Netherlands

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The Committee on Budgets adopted the report by Paul TANG (S&D, NL) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund,providing **a total amount of EUR 1 625 781** in commitment and payment appropriations in order to assist the Netherlands which is facing redundancies in its construction sector.

Members recalled that the Union has 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 or are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

They noted that the Netherlands submitted the application for a financial contribution from the EGF, following redundancies in 89 enterprises operating in the NACE Rev.2 division 41 ('Construction of buildings') in the regions of Gelderland and Overijssel (with 475 workers targeted for EGF co-funded measures), during the reference period from 1 March 2013 to 1 December 2013. The committee asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(b) of the EGF Regulation are met and that, therefore, **the Netherlands is entitled to a financial contribution under that Regulation.**

Redundancies: Members considered that the redundancies were linked to global financial and economic crisis, referring to the observation that the policy of banks to implement more stringent rules for the provision of mortgages and credits reduced the provision of mortgages and credits considerably, while the sharp decline of prices and values on the housing market makes it difficult to sell and buy houses. They also noted that 562 redundancies would further aggravate the unemployment situation in the regions concerned, bearing in mind the substantial rise of redundancies in the construction sector. They welcomed the fact that, in order to provide workers with speedy assistance, the Dutch authorities decided to initiate the implementation of the personalised services to the affected workers on 1 February 2014.

Package of personalised services: Members noted that the coordinated package of personalised services included measures for workers made redundant such as job search assistance and intakes, training and retraining measures, outplacement assistance, and mobility pool.

They also noted that demolition of asbestos was listed amongst the opportunities for training participants for occupations outside the construction sector, and called on the Dutch authorities to ensure that workers participating in this specific training were thoroughly informed of the health and safety risks related to working with asbestos.

The committee went on to stress the importance of future cross-border initiatives such as border desks or alignment of rules in order to enhance the exchange of information and to stimulate the cross-border mobility of workers. It noted that the information provided on the coordinated package of personalised services to be funded from the EGF included information on complementarity with actions funded by the Structural Funds and that the Dutch authorities confirmed that the eligible actions did not receive assistance from other Union financial instruments.

New EGF: Members appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. They noted that the Commission finalised the assessment of the application's compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application. They stressed that, in accordance with the EGF Regulation, the assistance provided must be limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries, and would not furthermore replace actions, which were the responsibility of companies by virtue of national law or collective agreements.

They also welcomed the adoption of the new EGF Regulation which reflected the agreement reached between the Parliament and the Council to:

- reintroduce the crisis mobilisation criterion;
- **increase Union financial contribution to 60% of the total estimated cost of proposed measures;**
- increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.