## Basic information

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|---|---|
| **2010/0002(BUD)**<br><br>BUD - Budgetary procedure | Procedure completed |
| Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania<br><br>**Subject**<br><br>3.40.07 Building industry<br>4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)<br>8.70.60 Previous annual budgets<br><br>**Geographical area**<br><br>Lithuania | |

## Key players

### European Parliament

| Committee responsible | Rapporteur | Appointed |
|---|---|---|
| BUDG Budgets | BÖGE Reimer (PPE) | 27/01/2010 |
| | Shadow rapporteur<br><br>GARDIAZABAL RUBIAL Eider (S&D)<br><br>PICKART ALVARO Alexander Nuno (ALDE) | |

| Committee for opinion | Rapporteur for opinion | Appointed |
|---|---|---|
| EMPL Employment and Social Affairs | The committee decided not to give an opinion. | |

### Council of the European Union

| Council configuration | Meetings | Date |
|---|---|---|
| Employment, Social Policy, Health and Consumer Affairs | 3000 | 2010-03-08 |

### European Commission

| Commission DG | Commissioner |
|---|---|
| Budget | LEWANDOWSKI Janusz |

## Key events

| Date | Event | Reference | Summary |
|---|---|---|---|

| | | | |
|---|---|---|---|
| 22/01/2010 | Non-legislative basic document published | COM(2010)0009 | Summary |
| 08/02/2010 | Committee referral announced in Parliament | | |
| 23/02/2010 | Vote in committee | | Summary |
| 25/02/2010 | Budgetary report tabled for plenary | A7-0019/2010 | |
| 08/03/2010 | Draft budget approved by Council | | |
| 09/03/2010 | Decision by Parliament | T7-0044/2010 | Summary |
| 09/03/2010 | Results of vote in Parliament | | |
| 09/03/2010 | End of procedure in Parliament | | |
| 08/04/2010 | Final act published in Official Journal | | |

## Technical information

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| **Procedure reference** | 2010/0002(BUD) |
| **Procedure type** | BUD - Budgetary procedure |
| **Procedure subtype** | Mobilisation of funds |
| **Other legal basis** | Rules of Procedure EP 165 |
| **Stage reached in procedure** | Procedure completed |
| **Committee dossier** | BUDG/7/02161 |

## Documentation gateway

**European Parliament**

| Document type | Committee | Reference | Date | Summary |
|---|---|---|---|---|
| Committee draft report | | PE438.421 | 18/02/2010 | |
| Budgetary report tabled for plenary, 1st reading | | A7-0019/2010 | 25/02/2010 | |
| Budgetary text adopted by Parliament | | T7-0044/2010 | 09/03/2010 | Summary |

**European Commission**

| Document type | Reference | Date | Summary |
|---|---|---|---|
| Document attached to the procedure | SEC(2010)0021 | 18/01/2010 | Summary |
| Non-legislative basic document | COM(2010)0009 | 22/01/2010 | Summary |

## Additional information

| Source | Document | Date |
|---|---|---|

| | | |
|---|---|---|
| European Commission | EUR-Lex | |

| Final act |
|---|
| Budget 2010/0200<br>OJ L 088 08.04.2010, p. 0013 Summary |

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

2010/0002(BUD) - 09/03/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 557 votes to 43 with 14 abstentions a resolution approving the attached proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF).

The Fund will be mobilised for a total amount of **EUR 1 118 893** in commitment and payment appropriations **to assist Lithuania in respect of redundancies in the construction sector**.

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

Given that Lithuania requested assistance from the EGF in respect of cases concerning redundancies in 128 enterprises operating in the construction sector and this application fulfils the eligibility criteria set up by the EGF Regulation, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Parliament recalls the institutions' commitment to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation. It stresses that the European Union should use all its means to face the consequences of the global economic and financial crisis and that in this context, the EGF can play a crucial role in the reintegration of the workers made redundant into the labour market.

In addition, Parliament recalls that:

- the EGF should support the reintegration of the individual redundant workers into employment and that assistance from the EGF shall not replace actions which are the responsibility of companies by virtue of national law or collective agreements, nor measures restructuring companies or sectors;
- in the context of mobilising the EGF, the Commission should not systematically transfer payment appropriations from the ESF, since the EGF was created as a separate specific instrument with its own objectives and deadlines;
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and other various instruments created by the IIA of 17 May 2006, within the process of the 2007-2013 multiannual financial framework mid-term review.

Lastly, Parliament calls on the Commission to include, in proposals for the mobilisation of the EGF, as well as in its annual reports, precise information on the complementary funding received from the European Social Fund (ESF) and other Structural Funds.

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

2010/0002(BUD) - 22/01/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the construction sector in Lithuania.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Regulation EC N° 1927/2006 established the European Globalisation Adjustment Fund (EGF) to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market. This Regulation has been last amended by Regulation (EC) N° 546/2009 which temporarily broadens the scope for application of EGF and modifies the eligibility criteria. The amended Regulation is applicable for applications received from 1 May 2009. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million. The Commission has carried out a thorough examination of the application submitted by Lithuania and it has made the following decision:

**Lithuania: Case EGF/2009/017 LT/Construction of buildings**: Lithuania submitted the application to the Commission on 23 September 2009. It was based upon the specific intervention criteria Article 2(b) of Regulation (EC) No 1927/2006 which requires at least 500 redundancies to occur within a

nine-month period of reference in a NACE 2 division in one region or two contiguous regions at NUTS II level, and was submitted within the deadline of 10 weeks referred to in

Article 5 of that Regulation. The application concerns 1 612 redundancies in 128 enterprises in the construction sector.

IMPACT ASSESSMENT: none.

FINANCIAL IMPLICATIONS: the total annual budget available for the EGF is EUR 500 million. An amount of EUR 7 119 592 has already been mobilised for prior applications in 2010 leaving an amount of EUR 492 880 408 available. On the basis of the application for support from the Fund submitted by Lithuania, the contribution from EGF to the coordinated package of personalised services to be funded is of **EUR 1 118 893**, representing 65% of the total cost.

Considering the maximum possible amount of a contribution from the Fund, the Commission proposes to deploy the EGF for this amount, to be allocated under heading 1a of the financial framework.

By presenting this proposal to deploy the Fund, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, in view of securing the agreement of the two arms of the budgetary authority on the need to use the Fund and the amount required. The Commission invites the first of the two arms of the Budgetary Authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions.

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

2010/0002(BUD) - 09/03/2010 - Final act

PURPOSE: to mobilise the European Globalisation Fund (EGF) in respect of redundancies in the Lithuanian construction industry.

LEGISLATIVE ACT: Decision 2010/200/EU of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management.

CONTENT: by this decision, the European Parliament and the Council have decided that for the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of **EUR 1 118 893** in commitment and payment appropriations.

Given that this application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006 (EGF), Parliament and Council have agreed that the abovementioned amount should be granted to Lithuania to meet its request.

To recall, the European Globalisation Adjustment Fund (EGF) aims to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market. The Interinstitutional Agreement of 17 May 2006 on budgetary discipline allows for the mobilisation of the Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million. It should also be noted that the scope of the Fund's application was extended as of 1 May 2009 to include assistance to workers made redundant as a result of the global economic and financial crisis.

# Mobilisation of the European Globalisation Adjustment Fund: redundancies in buildings construction industry in Lithuania

2010/0002(BUD) - 18/01/2010 - Document attached to the procedure

In this document, the Commission gives a detailed analysis of the reasons for which it is proposing the mobilisation of the European Globalisation Adjustment Fund in favour of Lithuania.

The Lithuanian application relates to 1 612 redundancies in the buildings construction industry during the reference period of nine months between 16 October 2008 and 15 July 2009. In order to establish the link between the redundancies and the financial and economic crisis, Lithuania argues that the global economic and financial crisis has had a serious impact on construction demand and activity in Lithuania, as well as severely reducing the industry's access to financial credits. As a result, the volume of construction activity in Lithuania has decreased. The slow-down in construction activity in Lithuania in the first quarter of 2009 was the worst in any of the EU-27 Member States.

These steep drops in construction activity are consistent with trends seen elsewhere in the EU, where the industry has suffered declines of 2.9 % in 2008 and 11.5% in the first quarter of 2009 compared with the corresponding periods of the previous year.

The Commission's assessment leads it to conclude that it will approve application EGF/2009/017 LT/Construction of buildings submitted by Lithuania, relating to the 1612 redundancies in the buildings construction industry, as evidence of a direct and demonstrable link has been provided that these redundancies result from the global economic and financial crisis. A co-ordinated package of eligible personalised services has been proposed. It is proposed to deploy **EUR 1 118 893** from the EGF for application EGF/2009/017 LT/Construction of buildings.