Basic information

2010/2067(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in crystal production in Ireland **Subject** 3.40.12 Luxury products industry, cosmetics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Ireland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	10/05/2010

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	3019	2010-06-07

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
06/05/2010	Non-legislative basic document published	COM(2010)0196	Summary
19/05/2010	Committee referral announced in Parliament		
02/06/2010	Vote in committee		Summary
03/06/2010	Budgetary report tabled for plenary	A7-0181/2010	

07/06/2010	Draft budget approved by Council		
15/06/2010	Decision by Parliament	T7-0198/2010	Summary
15/06/2010	Results of vote in Parliament		
15/06/2010	End of procedure in Parliament		
19/06/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2067(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/7/02905

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE441.290	17/05/2010	
Budgetary report tabled for plenary, 1st reading		A7-0181/2010	03/06/2010	
Budgetary text adopted by Parliament		T7-0198/2010	15/06/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0196	06/05/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0339
OJ L 154 19.06.2010, p. 0026 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in crystal production in Ireland

2010/2067(BUD) - 16/06/2010 - Final act

PURPOSE: to mobilise the European Globalisation Fund in respect of redundancies in the Irish crystal production sector.

LEGISLATIVE ACT: Decision 2010/339/EU of the European Parliament and of the Council on 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 to mobilise the European Globalisation Adjustment Fund for a total amount of **EUR 2 570 853** in commitment and payment appropriations in respect of redundancies in the Irish crystal production sector.

Given that Ireland's application fulfils the eligibility criteria set up by the EGF Regulation (Regulation (EC) No 1927/2006), Parliament and the Council have decided to mobilise the above-mentioned amount.

To recall, the European Globalisation Adjustment Fund was established to provide additional support to 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 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million. It should also be noted that the scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in crystal production in Ireland

2010/2067(BUD) - 15/06/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 573 votes to 48, with 25 abstentions, a resolution approving the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for a total amount of **EUR 2 570 853** in commitment and payment appropriations in respect of redundancies in the Irish crystal production 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.

Noting that Ireland has requested assistance in respect of cases concerning redundancies in Waterford Crystal and in three of its suppliers (Thomas Fennell Engineering Ltd, RPS Engineering Services, Abbey Electric) operating in the crystal sector and that 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.

It also 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.

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.

In addition, Parliament welcomes the new format of the Commission's proposal, presenting in its explanatory memorandum, clear and detailed information on the application, analysing the eligibility criteria and explaining the reasons which lead to its approval, which is in line with the Parliament's requests.

Lastly, Members note that the information provided on the co-ordinated package of personalised services to be funded from the EGF includes detailed information on the complementarity with actions funded by the Structural Funds. However, they call on the Commission to present a comparative evaluation of these data in its annual reports as well.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in crystal production in Ireland

2010/2067(BUD) - 06/05/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Fund in respect of redundancies in the Irish crystal production sector.

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

CONTENT: Regulation (EC) No 1927/2006 of the European Parliament and of the Council established the European Globalisation Adjustment Fund which 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 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million.

The Commission examined Ireland's request to mobilise the EGF:

Ireland: **EGF/2009/012 IE/Waterford Crystal, Ireland**: Ireland submitted an application to mobilise the EGF, in respect of redundancies in the enterprise Waterford Crystal and three of its suppliers or downstream producers, on 7 August 2009 and supplemented it by additional information up to 3 November 2009.

Ireland submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers. The application cites 538 redundancies in Waterford Crystal and three of its suppliers during the four-month reference period from 30 January 2009 to 29 May 2009

On the basis of the application from Ireland and the Commission's conclusions, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 2 570 853**.

IMPACT ASSESSMENT: no impact assessment was carried out.

BUDGETARY IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 10 (1) of the Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of EUR 2 570 853 to be allocated under heading 1a of the financial framework.

The proposed amount of financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12 (6) of the Regulation (EC) No 1927/2006.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF 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. In case of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Alternative sources of payment appropriations: the practice followed until now has been of sourcing the necessary payment appropriations from the ESF budget because of the policy "proximity", and given that the annual requirement for the EGF in payment appropriations thus far have been in the range of 1% of the ESF payment endowment. However, the European Parliament contests that practice arguing that it takes away budgetary means to an instrument (ESF) which is a priority for the European Parliament, and calling on the Commission to use alternative sources. At this early stage of the budget year, such alternative sources are difficult to identify.

Nevertheless, with a view to meet this request for future EGF cases, the Commission is willing to look into the possibility of finding alternative sourcing of payment appropriations whenever this is possible and reasonable and where there is no risk of delay to the processing of the request for transfer.