Basic information

2010/2133(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery sector (Linak) in Denmark **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Denmark	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	08/09/2010
	Shadow rapporteur 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
Justice and Home Affairs (JHA)	3034	2010-10-07

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2010)0417	Summary

02/08/2010	Non-legislative basic document published		
07/09/2010	Committee referral announced in Parliament		
29/09/2010	Vote in committee		Summary
01/10/2010	Budgetary report tabled for plenary	A7-0257/2010	
07/10/2010	Decision by Parliament	T7-0347/2010	Summary
07/10/2010	Results of vote in Parliament		
07/10/2010	Draft budget approved by Council		
07/10/2010	End of procedure in Parliament		
04/11/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2133(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/7/03560

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE448.801	10/09/2010	
Amendments tabled in committee		PE448.957	21/09/2010	
Budgetary report tabled for plenary, 1st reading		A7-0257/2010	01/10/2010	
Budgetary text adopted by Parliament		T7-0347/2010	07/10/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0417	02/08/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0661(01)
OJ L 286 04.11.2010, p. 0017 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery sector (Linak) in Denmark

2010/2133(BUD) - 20/10/2010 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the mechanical and electronic machinery sector (Linak).

LEGISLATIVE ACT: Decision 2010/661/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 (application EGF/2009/031 DK/Linak from Denmark).

CONTENT: 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 (EGF) shall be mobilised to provide the sum of **EUR 1 213 508** in commitment and payment appropriations.

This amount is to assist Denmark in respect of redundancies within the enterprise Linak A/S.

Noting that the application from Denmark fulfils the eligibility criteria set up by the EGF Regulation (Regulation (EC) No 1927/2006), the European Parliament and the Council have decided to mobilise the requested amount.

To recall, the European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.

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 machinery sector (Linak) in Denmark

2010/2133(BUD) - 07/10/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 555 votes to 64 with 11 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 1 213 508** in commitment and payment appropriations **to assist Denmark in respect of redundancies in the mechanical and electronic machinery 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 Denmark has requested assistance in respect of cases concerning 198 redundancies in the enterprise Linak operating in the electronic and mechanic sector in the NUTS II region of Syddanmark, and that the application fulfils the eligibility criteria set up by the EGF Regulation, Parliament asks the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF.

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;
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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.

Parliament welcomes the fact that, in the context of mobilising the EGF, **an alternative source of payment appropriations to unused ESF funds has been proposed by the Commission**, following the frequent reminders by the European Parliament that the EGF was created as a separate specific instrument with its own objectives and deadlines and that appropriate budget lines for transfers must therefore be identified.

It also notes that, in order to mobilise the EGF for this case, payment appropriations will be transferred from a budget line dedicated to the support of SMEs and innovation; (even if it regrets the severe shortcomings of the Commission when implementing programmes on competitiveness and innovation, particularly during an economic crisis which should significantly increase the need for such support).

Lastly, 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 Parliament's requests.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery sector (Linak) in Denmark

2010/2133(BUD) - 02/08/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund in respect of redundancies in the mechanical and electronic machinery sector (Linak).

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

CONTENT: Regulation (EC) No 1927/2006 establishing the European Globalisation Adjustment Fund was set up 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 the application made by Denmark to mobilise the EGF. The main elements of the assessment are as follows:

Denmark: EGF/2009/031 DK/Linak: on 8 September 2009, Denmark submitted application EGF/2009/031 DK/Linak for a financial contribution from the EGF, following 198 redundancies in Linak A/S in Denmark. The application was supplemented by additional information up to 30 March 2010.

In order to establish the link between the redundancies and the global financial and economic crisis Denmark argues that the redundancies in Linak A /S are a direct consequence of the abrupt deterioration of demand for mechanical and electronic machinery as a result of the economic crisis and associated recession.

Denmark 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 nine-month period.

The redundancies at Linak coincide with another series of redundancies requesting assistance from the EGF (**EGF/2009/051 DK/Danfoss Group** – see BUD/2010/2134). Denmark argues that the coincidence of the two redundancy events poses an unusual and difficult situation on the workers and the region concerned, and that this merits the consideration of the current case (Linak A/S) as an exceptional circumstance.

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

The proposed contribution from the EGF to the coordinated package of personalised services is **€1 231 508**, representing 65 % of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATION: considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of 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 **€1 213 508**, 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.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, 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.