

Basic information	
2010/2134(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery sector (Danfoss) 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
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">BUDG</div> Budgets		MATERA Barbara (PPE)	08/09/2010
			Shadow rapporteur	
			PICKART ALVARO Alexander Nuno (ALDE)	
	Committee for opinion		Rapporteur for opinion	Appointed
	<div style="border: 1px solid red; display: inline-block; padding: 2px;">EMPL</div> 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)0416	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	A7-0258/2010	
07/10/2010	Decision by Parliament	T7-0346/2010	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	2010/2134(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/7/03562

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE448.800	10/09/2010	
Amendments tabled in committee		PE448.961	21/09/2010	
Budgetary report tabled for plenary, 1st reading		A7-0258/2010	01/10/2010	
Budgetary text adopted by Parliament		T7-0346/2010	07/10/2010	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2010)0416 	02/08/2010	Summary	

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

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

2010/2134(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 in Denmark (Danfoss Group).

LEGISLATIVE ACT: Decision 2010/659/EC 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 (application EGF/2009/015 DK/Danfoss Group from Denmark).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise **EUR 8 893 336** in commitment and payment appropriations from the European Globalisation and Adjustment Fund in the framework of the 2010 budget.

The Fund will be mobilised to assist Denmark in respect of redundancies in the mechanical and electronic machinery sector (Danfoss).

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, the Parliament and the Council have decided to respond by providing the aforementioned amount.

To recall, the European Globalisation Adjustment Fund (EGF) 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. 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 machinery sector (Danfoss) in Denmark

2010/2134(BUD) - 07/10/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 531 votes to 63 with 10 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 8 893 336** in commitment and payment appropriations **to assist Denmark in respect of redundancies in the mechanical and electronic machinery sector (Danfoss).**

Parliament recalls that the European Union set up the appropriate 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.

Noting that Denmark has requested assistance in respect of cases concerning 1 443 redundancies in in three enterprises of the Danfoss Group operating in the NACE 2 Revision Divisions 27 and 28 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.

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.

Members welcome 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.

Members also note 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 they regret 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, Members welcome 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 (Danfoss) in Denmark

2010/2134(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 (Danfoss Group).

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/2009/015 DK/Danfoss Group: on 8 September 2009, Denmark submitted application EGF/2009/015 DK/Danfoss Group for a financial contribution from the EGF, following 1 443 redundancies in the Danfoss Group 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 Danfoss A/S, Sauer Danfoss ApS and Danfoss Drives 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 four-month period in an enterprise and in its suppliers and downstream producers. The application cites 588 redundancies in 3 enterprises of the Danfoss Group during the four-month reference period from 1 March 2009 to 30 June 2009.

The redundancies at Danfoss coincide with another series of redundancies requesting assistance from the EGF ([EGF/2009/031 DK/Linak](#) – see [BUD /2010/2133](#)).

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 **€8 893 336**, 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 **€8 893 336**, 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 dialogue 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 dialogue 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.