Basic information

2010/2214(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft maintenance, repair and overhaul services in Ireland **Subject** 3.40.05 Aeronautical industry, aerospace industry 3.40.18 Services sector 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)	29/09/2010
	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
Agriculture and Fisheries	3042	2010-10-26

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary

21/09/2010	Non-legislative basic document published	COM(2010)0489	Summary
23/09/2010	Committee referral announced in Parliament		
26/10/2010	Vote in committee		Summary
26/10/2010	Draft budget approved by Council		
28/10/2010	Budgetary report tabled for plenary	A7-0297/2010	
11/11/2010	Decision by Parliament	T7-0391/2010	Summary
11/11/2010	Results of vote in Parliament		
11/11/2010	End of procedure in Parliament		
04/12/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2214(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/7/03878

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE450.561	04/10/2010	
Budgetary report tabled for plenary, 1st reading		A7-0297/2010	28/10/2010	
Budgetary text adopted by Parliament		T7-0391/2010	11/11/2010	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2010)0489	21/09/2010	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2010/0739
OJ L 318 04.12.2010, p. 0036 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in aircraft maintenance, repair and overhaul services in Ireland

2010/2214(BUD) - 24/11/2010 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in aircraft maintenance, repair and overhaul services in Ireland (enterprise SR Technics Ireland Ltd).

NON-LEGISLATIVE ACT: Decision 2010/739/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 (application EGF/2009/021 IE/SR Technics from Ireland).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise **EUR 7 445 863** 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 Ireland in respect of redundancies in aircraft maintenance, repair and overhaul services.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF), the Parliament and the Council have decided to respond by providing the aforementioned amount.

To recall, 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. 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 aircraft maintenance, repair and overhaul services in Ireland

2010/2214(BUD) - 11/11/2010 - Budgetary text adopted by Parliament

The European Parliament adopted by 459 votes to 54, with 8 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 in respect of redundancies in **aircraft maintenance, repair and overhaul services in Ireland** (enterprise SR Technics Ireland Ltd) for an amount of **€7 445 863** in commitment and payment appropriations.

The 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 Ireland has requested assistance in respect of cases concerning 850 redundancies in the enterprise SR Technics Ireland Ltd operating in the air transport sector in the NUTS III region Dublin, and that 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 for the requested amounts.

In addition, Parliament recalls the institutions' commitment to ensuring 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 and the financial and economic crisis.

Parliament also 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;
- the information provided on the coordinated package of personalised services to be funded from the EGF includes detailed information on the complementarity with actions funded by the Structural Funds (Members reiterate their call to present a comparative evaluation of these data in its annual reports as well);
- 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 aircraft maintenance, repair and overhaul services in Ireland

2010/2214(BUD) - 21/09/2010 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in aircraft maintenance, repair and overhaul services in Ireland (enterprise SR Technics Ireland Ltd).

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

CONTENT: the European Globalisation Adjustment Fund (EGF) was established by Council Regulation No 1927/2006 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 European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The Commission services have carried out a thorough examination of the application submitted by Ireland to mobilise the EGF. The main elements of the assessment are as follows:

Ireland: **application EGF/2009/021 IE/SR Technics**: on 9 October 2009, Ireland submitted application EGF/2009/021 IE/SR Technics for a financial contribution from the EGF, following redundancies in the enterprise SR Technics Ireland Ltd in Ireland (hereafter 'SR Technics'). The application was supplemented by additional information up to 18 May 2010.

Ireland argues that the redundancies in SR Technics can be directly linked to the reduction in air transport activity as a result of the global financial and economic crisis. Ireland argues that the redundancies in SR Technics can be directly linked to the reduction in air transport activity as a result of the global financial and economic crisis. It has provided statistics from Eurostat that show a decline in turnover in the air transport sector between 2008 and 20093 of over 9% (EU-27). For the Euro zone the decline was even greater; during the same period turnover declined by 15.9 %. The decline in air transport turnover placed enormous cost pressures on airlines, as well as reducing the actual volume of maintenance, repair and overhaul (MRO) activities worldwide.

SR Technics lost two significant contracts in this way; one with Aer Lingus and one with Gulf Air.

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 and in its suppliers and downstream producers. It cites 800 redundancies in SR Technics during the four-month reference period from 3 April 2009 to 2 August 2009.

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.

On the basis of the application from Ireland, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 7 445 863, 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 **EUR 7 445 863** 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 Interinstitutional 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.