Basic information

2011/2045(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery production in Poland **Subject** 3.40.08 Mechanical engineering, machine-tool industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Poland	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	16/02/2011
	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
General Affairs	3079	2011-03-21

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
		COM(2011)0062	Summary

15/02/2011	Non-legislative basic document published		
17/02/2011	Committee referral announced in Parliament		
16/03/2011	Vote in committee		Summary
17/03/2011	Budgetary report tabled for plenary	A7-0059/2011	
21/03/2011	Draft budget approved by Council		
05/04/2011	Decision by Parliament	T7-0120/2011	Summary
05/04/2011	Results of vote in Parliament		
05/04/2011	End of procedure in Parliament		
15/04/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2045(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/7/05389

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE458.790	23/02/2011	
Amendments tabled in committee		PE460.748	04/03/2011	
Budgetary report tabled for plenary, 1st reading		A7-0059/2011	17/03/2011	
Budgetary text adopted by Parliament		T7-0120/2011	05/04/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0062	15/02/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2011/0249
OJ L 101 15.04.2011, p. 0045 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery production in Poland

2011/2045(BUD) - 05/04/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 514 votes to 50, with 16 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF).

This Fund shall be mobilised for an amount of **EUR 453 570** in commitment and payment appropriations in respect of **redundancies in the machinery and equipment industry in Poland**.

Parliament recalls that the European Union has 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. Given that Poland has requested assistance in respect of cases concerning 594 redundancies (of which 200 targeted for assistance) in three enterprises operating in the NACE Revision 2 Division 28 (Manufacture of machinery and equipment) in the NUTS II region of Podkarpackie in Poland, 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.

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.

It also recalls that:

- assistance from the EGF must 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 information on the complementarity with actions funded by the Structural Funds.

Parliament welcomes the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives.

Lastly, Members call for an evaluation on the long-term integration of these workers into the labour market as a direct result of the EGF-funded measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in machinery production in Poland

2011/2045(BUD) - 05/04/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the manufacture of machinery and equipment sector in Poland.

LEGISLATIVE ACT: Decision 2011/249/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/2010/013 PL/Podkarpackie — manufacture of machinery).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise the amount of **EUR 453 570** in commitment and payment appropriations from the European Globalisation Adjustment Fund in the framework of the 2011 budget.

This amount will assist Poland in respect of redundancies in three enterprises operating in the NACE Revision 2 Division 28 ("Manufacture of machinery and equipment") in the NUTS II region of Podkarpackie (PL32).

Noting that the application from Poland 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 production in Poland

2011/2045(BUD) - 15/02/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the manufacture of machinery and equipment sector in Poland.

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 Poland to mobilise the EGF. The main elements of the assessment are as follows:

Poland:application EGF/2010/013 PL/Podkarpackie machinery from Poland: on 27 April 2010, Poland submitted application EGF/2010/013 PL /Podkarpackie for a financial contribution from the EGF, following redundancies in three enterprises operating in the NACE Revision 2 Division 28 ('Manufacture of machinery and equipment') in the NUTS II region of Podkarpackie (PL32) in Poland.The application was supplemented by additional information up to 4 August 2010.

In order to establish the link between the redundancies and the global financial and economic crisis, Poland argues that the machinery production sector is particularly vulnerable to changes in the global economy due to the high share of international trade in global production and thus the direct competition of producers from other countries on the global market. In 2008 the share of exports in the value of sold production from the Polish machine building sector amounted to 45.6 %.

Decreased demand in the EU-15 countries (receiving 77.8% of Polish exports in 2008) strongly contributed to the drop in the value of goods sold abroad, as 8 out of the 10 biggest recipients of Polish machines are EU Member States. The value of export of machinery and equipment from Poland to the EU Member States decreased by over 10% between 2008 and 2009, while machinery production in total dropped by approximately 8%.

Poland submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level. The application cites 594 redundancies in three enterprises classified in the NACE Revision 2 Division 28 ('Manufacture of machinery and equipment') in the NUTS II region of Podkarpackie (PL32) during the nine-month reference period from 1 June 2009 to 1 March 2010.

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 Poland, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 453 570**, 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 453 570** 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.