Basic information

2011/2279(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Italy **Subject** 3.40.07 Building industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets **Geographical area** Italy	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	07/11/2011
	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
Transport, Telecommunications and Energy	3134	2011-12-12

European Commission

Commission DG	Commissioner
Budget	-- --
Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary

31/10/2011	Non-legislative basic document published	COM(2011)0480	Summary
15/11/2011	Committee referral announced in Parliament		
05/12/2011	Vote in committee		
07/12/2011	Budgetary report tabled for plenary	A7-0438/2011	Summary
12/12/2011	Draft budget approved by Council		
13/12/2011	Decision by Parliament	T7-0550/2011	Summary
13/12/2011	Results of vote in Parliament		
13/12/2011	End of procedure in Parliament		
07/01/2012	Final act published in Official Journal		

Technical information

Procedure reference	2011/2279(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/7/07646

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE475.861	07/11/2011	
Amendments tabled in committee		PE476.072	23/11/2011	
Budgetary report tabled for plenary, 1st reading		A7-0438/2011	07/12/2011	Summary
Budgetary text adopted by Parliament		T7-0550/2011	13/12/2011	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2011)0480	31/10/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2012/0007
OJ L 004 07.01.2012, p. 0015

Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Italy

2011/2279(BUD) - 07/12/2011 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report drafted by Barbara MATERA (EPP, IT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 3 918 850** in commitment and payment appropriations in respect of redundancies in the construction of buildings sector in Italy.

Members recall 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 Italy has requested assistance in respect of a case concerning 643 redundancies, of which 528 targeted for assistance, in 323 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Trentino-Alto Adige/Südtirol in Italy, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount.

They appreciate, in this sense, the improved procedure put in place by the Commission, following the Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF.

Members recall the institutions' commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF.

They:

- reiterate 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;
- emphasise the role that the EGF can play in the long-term reintegration of workers made redundant into the labour market, in particular the most vulnerable and least qualified workers;
- deplore that the EGF might provide an incentive for companies to replace their contractual workforce with a more flexible and short-term one;
- note that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the compatibility and complementarity with actions funded by the Structural Funds.

In parallel, Members note 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. They remind that the EGF was created as a separate specific instrument with its own objectives and deadlines and that therefore deserves a dedicated allocation.

They welcome the foreseen reinforcement of the EGF budget line 04 05 01 by EUR 50 million through Amending Budget 3/2011, which will be used to cover the amount needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Italy

2011/2279(BUD) - 13/12/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 610 votes to 72, with 21 abstentions, a resolution approving the Decision annexed to this resolution on the mobilisation of the European Globalisation Adjustment Fund.

An amount of **EUR 3 918 850** in commitment and payment appropriations shall be mobilised in respect of redundancies in the construction of buildings sector in Italy.

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 Italy has requested assistance in respect of a case concerning 643 redundancies,

of which 528 targeted for assistance, in 323 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Trentino-Alto Adige/Südtirol in Italy, Parliament requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF for the requested amount.

It appreciates, in this sense, the improved procedure put in place by the Commission, following the Parliament's request for accelerating the release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF.

Parliament recalls the institutions' commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF.

Parliament:

- reiterates 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;
- deplores that the EGF might provide an incentive for companies to replace their contractual workforce with a more flexible and short-term one;
- notes that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on the compatibility and complementarity with actions funded by the Structural Funds.

In parallel, Parliament notes 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. It reminds that the EGF was created as a separate specific instrument with its own objectives and deadlines and that therefore deserves a dedicated allocation.

It welcomes the foreseen reinforcement of the EGF budget line 04 05 01 by EUR 50 million through Amending Budget 3/2011, which will be used to cover the amount needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Italy

2011/2279(BUD) - 13/12/2011 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the construction of buildings sector in Italy.

NON-LEGISLATIVE ACT: Decision 2012/7/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/2011/002 IT/Trentino-Alto Adige/Südtirol Construction of buildings from Italy).

CONTENT: the European Parliament and the Council have decided to mobilise an amount of **EUR 3 918 850** in commitment and payment appropriations in respect of redundancies in the construction of buildings sector in Italy.

More specifically, this amount shall assist Italy in respect of redundancies in 323 enterprises operating in the NACE Revision 2 Division 41 (Construction of buildings) in the NUTS II region of Trentino-Alto Adige/Südtirol (ITD1 and ITD2).

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006, the European Parliament and the Council have decided to grant the above-mentioned 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 construction of buildings in Italy

2011/2279(BUD) - 31/10/2011 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the **construction of buildings sector in Italy**.

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

Italy: EGF/2011/002 IT/Trentino-Alto Adige/Südtirol: on 7 February 2011, Italy submitted application EGF/2011/002 IT/Trentino-Alto Adige/Südtirol Construction of buildings for a financial contribution from the EGF, following redundancies in 323 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Trentino-AltoAdige/Südtirol (ITD1 and ITD2) in Italy. The application was supplemented by additional information up to 6 July 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Italy argues that the construction sector has been severely affected by the crisis. Loans to the construction sector or to individuals have been drastically reduced and the demand for new houses decreased due to declining consumer confidence and the lack of cash.

The Commission recognised in its Economic Recovery Plan that the construction industry in the EU has seen demand plummet as a result of the crisis. Available data confirms the significant downturn in the construction sector, which fell in the EU-27 for seven consecutive quarters compared with the same period of previous year, mainly due to the decrease in private investment in the residential sector. The construction output in Italy has been following the same trend.

Italy 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 in a Member State. The application cites 643 redundancies in 323 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Trentino-Alto Adige/Südtirol (ITD1 and ITD2) during the nine-month reference period from 1 March 2010 to 1 December 2010.

On the basis of the application from Italy, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is **EUR 3 918 850**, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

FINANCIAL IMPLICATIONS: 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 referred to above, 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 Regulation (EC) No 1927/2006.

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 2011 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Amending budget 3/2011 increased EGF budget line 04.0501 by EUR 50 000 000 in payment appropriations. Appropriations from this budget line will be used to cover the amount of EUR 3 918 850 needed for the present application.