Basic information

2012/2023(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in construction of buildings in Spain **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** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	MATERA Barbara (PPE)	15/02/2012
	Shadow rapporteur PICKART ALVARO Alexander Nuno (ALDE)	

Committee for opinion	Rapporteur for opinion	Appointed
ECON Economic and Monetary Affairs	The committee decided not to give an opinion.	
EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
REGI Regional Development	The committee decided not to give an opinion.	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3158	2012-03-26

European Commission

Commission DG	Commissioner
Budget	-- --

Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary
15/02/2012	Non-legislative basic document published	COM(2012)0053	Summary
13/03/2012	Committee referral announced in Parliament		
21/03/2012	Vote in committee		
22/03/2012	Budgetary report tabled for plenary	A7-0066/2012	Summary
26/03/2012	Draft budget approved by Council		
29/03/2012	Decision by Parliament	T7-0110/2012	Summary
29/03/2012	Results of vote in Parliament		
29/03/2012	End of procedure in Parliament		
17/05/2012	Final act published in Official Journal		

Technical information

Procedure reference	2012/2023(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/7/08869

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE483.606	28/02/2012	
Amendments tabled in committee		PE485.867	13/03/2012	
Budgetary report tabled for plenary, 1st reading		A7-0066/2012	22/03/2012	Summary
Budgetary text adopted by Parliament		T7-0110/2012	29/03/2012	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2012)0053	15/02/2012	Summary

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

Final act	
Decision 2012/0261 OJ L 130 17.05.2012, p. 0021	Summary

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

2012/2023(BUD) - 15/02/2012 - Non-legislative basic document

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

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

Spain: application EGF/2011/006 ES/Comunidad Valenciana - Construction of buildings: on 1 July 2011, Spain submitted application EGF/2011/006 ES/Comunidad Valenciana Construction of buildings for a financial contribution from the EGF, following redundancies in 513 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Comunidad Valenciana (ES52) in Spain. The application was supplemented by additional information up to 25 November 2011.

In order to establish the link between the redundancies and the global financial and economic crisis, Spain argues that the construction sector has been severely affected by the crisis. Loans to the construction sector and to individuals have been drastically reduced and the demand for new houses decreased due to declining consumer confidence and the lack of cash. In 2010 and the first quarter of 2011 the downturn in the Spanish construction sector was further exacerbated. Other indicators, such the number of building permits or the number of buildings started, give further evidence of the decline in demand for buildings (houses) in Spain. The number of building permits granted in Spain decreased by 75.6% in 2009 and 82.8% in 2010 compared with 2007, the last pre-crisis year. The number of buildings started decreased by 52.2% in 2009 compared with 2008 and by 76.7% compared with 2007.

Spain 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 1 138 redundancies in 513 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Comunidad Valenciana (ES52) during the nine-month reference period from 25 July 2010 to 25 April 2011.

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 Spain, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 1 642 030, 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 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.

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 2012 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006. Appropriations from the EGF budget line will be used to cover the amount of EUR 1 642 030 needed for the present application.

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

2012/2023(BUD) - 22/03/2012 - 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 on mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 642 030** in commitment and payment appropriations to assist Spain with regard to redundancies in the construction industry.

The report recalls that the European Union has set up 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 Spain has requested assistance for 1138 redundancies, all targeted for assistance, in 513 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Comunidad Valenciana (ES52) in Spain, Members call on 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. In this respect, they appreciate the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants and hope that further improvements in the procedure will be integrated in the new Regulation on EGF and that greater efficiency, transparency and visibility of the Fund will be achieved.

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:

- recall 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;
- note that 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 and reiterate their call to the Commission to present a comparative evaluation of those data in its annual reports as well.

Members welcome the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 million on the EGF budget line 04 05 01. They recall that the EGF was created as a separate specific instrument with its own objectives and deadlines and, therefore, it deserves a dedicated allocation, which will avoid there being transfers from other budget lines. Members regret the decision of the Council to block the extension of the "crisis derogation", allowing the increase in the rate of Union co-financing to 65 % of the programme costs, for applications submitted after the 31 December 2011 deadline, and call on the Council to reintroduce this measure without delay.

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

2012/2023(BUD) - 29/03/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 567 votes to 73, with 18 abstentions, a resolution approving the proposal for a decision annexed to this resolution on the mobilisation of the European Globalisation Adjustment Fund.

The Funds shall be mobilised for an amount of **EUR 1 642 030** in commitment and payment appropriations to assist **Spain with regard to redundancies in the construction industry**.

Parliament recalls that the European Union has set up 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 Spain has requested assistance for 1138 redundancies, all targeted for assistance, in 513 enterprises operating in the NACE Revision 2 Division 41

('Construction of buildings') in the NUTS II region of Comunidad Valenciana (ES52) in Spain, Parliament calls on 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. In this respect, it appreciates the improved procedure put in place by the Commission, following Parliament's request for accelerating the release of grants and hope that further improvements in the procedure will be integrated in the new Regulation on EGF and that greater efficiency, transparency and visibility of the Fund will be achieved.

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

It:

- 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;
- notes that 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 and reiterate their call to the Commission to present a comparative evaluation of those data in its annual reports as well.

Parliament welcomes the fact that following repeated requests from Parliament, the 2012 budget shows payment appropriations of EUR 50 million on the EGF budget line 04 05 01. It recalls that the EGF was created as a separate specific instrument with its own objectives and deadlines and, therefore, it deserves a dedicated allocation, which will avoid there being transfers from other budget lines.

Moreover, Members welcome the fact that the package of coordinated measures includes an 'Equal opportunities supervisor' scheme aimed at ensuring that no personal or family constraints prevent the workers targeted from benefiting from the measures.

Lastly, Parliament regrets the **decision of the Council to block the extension of the "crisis derogation", allowing the increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline**, and calls on the Council to reintroduce this measure without delay.

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

2012/2023(BUD) - 19/04/2012 - Final act

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

NON-LEGISLATIVE ACT: Decision 2012/261/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/2011/006 ES/Comunidad Valenciana Construction of buildings from Spain).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise the amount of **EUR 1 642 030** in commitment and payment appropriations from the European Globalisation Adjustment Fund in the framework of the 2012 budget.

This amount shall assist Spain in respect of 1 138 redundancies in 513 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II region of Comunidad Valenciana (ES52).

Given that the request for intervention from Spain fulfils the conditions laid down in accordance with 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 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.

It should 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.