

Basic information

2012/2280(BUD)

BUD - Budgetary procedure

Mobilisation of the European Globalisation Adjustment Fund:
redundancies in metal products manufacturing in Spain

Subject

3.40.02 Iron and steel industry, metallurgical industry
4.15.05 Industrial restructuring, job losses, redundancies, relocations,
Globalisation Adjustment Fund (EGF)
8.70.60 Previous annual budgets

Geographical area



Spain

Procedure completed



Key players

European Parliament	Committee responsible		Rapporteur	Appointed
	BUDG Budgets		GARRIGA POLLEDO Salvador (PPE)	24/10/2012
			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.	
	REGI Regional Development		The committee decided not to give an opinion.	
Council of the European Union	Council configuration		Meetings	Date
	Justice and Home Affairs (JHA)		3207	2012-12-06
European Commission	Commission DG		Commissioner	
	Budget		LEWANDOWSKI Janusz	

Key events

Date	Event	Reference	Summary
19/10/2012	Non-legislative basic document published	COM(2012)0620 	Summary
19/11/2012	Committee referral announced in Parliament		
06/12/2012	Draft budget approved by Council		
10/12/2012	Vote in committee		
11/12/2012	Budgetary report tabled for plenary	A7-0415/2012	Summary
12/12/2012	Decision by Parliament	T7-0489/2012	Summary
12/12/2012	Results of vote in Parliament		
12/12/2012	End of procedure in Parliament		
12/01/2013	Final act published in Official Journal		

Technical information	
Procedure reference	2012/2280(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/7/11080

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		PE498.141	29/10/2012	
Amendments tabled in committee		PE500.378	08/11/2012	
Budgetary report tabled for plenary, 1st reading		A7-0415/2012	11/12/2012	Summary
Budgetary text adopted by Parliament		T7-0489/2012	12/12/2012	Summary
European Commission				
Document type	Reference	Date	Summary	
Non-legislative basic document	COM(2012)0620 	19/10/2012	Summary	
Document attached to the procedure	SWD(2012)0352 	19/10/2012		

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act	
Decision 2013/0016 OJ L 008 12.01.2013, p. 0015	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in metal products manufacturing in Spain

2012/2280(BUD) - 19/10/2012 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in metal products manufacturing 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: EGF/2011/018 ES/País Vasco Productos metálicos: on 28 December 2011, Spain submitted application EGF/2011/018 ES/*País Vasco Productos metálicos* for a financial contribution from the EGF, following redundancies in 423 enterprises operating in the NACE Revision 2 Division 25 (Manufacture of fabricated metal products, except machinery and equipment)³ in the NUTS II region of País Vasco (ES21) in Spain. The application was supplemented by additional information up to 5 September 2012.

In order to establish the link between the redundancies and the global financial and economic crisis, Spain argues that the metal products sector is a key provider of inputs to a wide range of manufacturing activities, in particular the shipbuilding, construction and automotive sectors. All of these were significantly impacted across the European Union by the economic crisis. In addition the arguments presented in previous EGF applications related to these sectors remain valid, in particular those put forward by the Commission in the context of [another EGF application from Spain](#) related to the same sector.

Spain is among the Member States most seriously affected by the global financial and economic crisis. Manufacturing in turn has been among the most affected sectors and the situation continues to deteriorate. In Spain the production of the metal sector as a whole decreased by 24.6 % and the production of metal products by 23.3 % in 2009 compared with the previous year.

The decrease of production in the sector of metal products had consequences for employment. Spain thus lost more than 180 000 jobs in the metal sector in 2009 and a further 60 000 jobs in 2010, which represented approximately 15 % of total employment of the sector.

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 1 106 redundancies in 423 enterprises operating in the NACE Revision 2 Division 25 ('Manufacture of fabricated metal products, except machinery and equipment') in the NUTS II region of País Vasco (ES21) during the nine-month reference period from 22 January 2011 to 22 October 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 is **EUR 1 299 545**, 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 of EUR 1 299 545, 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 trilogue 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 trilogue 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.

Source of payment appropriations: the amount of payment appropriations initially entered on the budget line 04 05 01 in 2012 will be fully consumed after the adoption by the two arms of the budgetary authority of the proposals submitted to date for mobilising the EGF and therefore insufficient to cover the amount needed for Spain's application. **An increase in the payment appropriations of the EGF budget line will be requested** either through a transfer, in case a source of available appropriations can be identified, or an Amending budget. Appropriations from this budget line will be used to cover the amount of EUR 1 299 545 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in metal products manufacturing in Spain

2012/2280(BUD) - 11/12/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report drafted by Salvador GARRIGA POLLEDO (EPP, ES) on the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 299 545** in commitment and payment appropriations to assist Spain in respect of redundancies in metal products manufacturing.

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 Spain has requested assistance for 1 106 redundancies, 500 of which are targeted for assistance, in 423 enterprises operating in the NACE Revision 2 Division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS II region of the Basque Country (ES21) in Spain, Members request the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount. Moreover, they agree with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Spain is therefore entitled to a financial contribution under this Regulation.**

Members welcome the fact that in order to provide workers with immediate assistance, the Spanish authorities decided to start the implementation of the measures on 19 March 2012, ahead of the final decision about granting EGF support for the proposed coordinated package.

They emphasise the key importance of adapted training and recognition of skills and competences gained throughout the professional career. They stress that it is essential that the training on offer in the coordinated package is adapted and is adequate to the needs and level of the dismissed workers, taking into account their social and economic background.

Lessons learnt from the implementation of the EGF: Members highlight the fact that lessons should be learned from the implementation of the EGF and request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements to **accelerate the mobilisation of the EGF.** They also appreciate the improved procedure put in place by the Commission, following 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. They hope that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020)** and that the EGF's effectiveness, transparency and visibility will be strengthened as a result.

Members reiterate their usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- 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 and it should co-finance only **active labour market measures which lead to durable, long-term employment**;
- the fact 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;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

Training and reskilling of workers in the sector: Members regret that information about the training measures in the Commission proposal does not describe in which sectors the workers are likely to find employment and if the package will be adapted to the future economic prospects in the region. They also regret that the measures supporting entrepreneurship do not provide for financial support for workers to set up own business, yet several financial incentives are offered for workers following training measures.

Financing of the EGF: Members also welcome the fact that following their requests, the 2012 budget shows payment appropriations of EUR 50 000 000 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 deserves a dedicated allocation, which will avoid transfers to the extent possible from other budget lines.

Lastly, Members deplore the decision of the Council to block the extension of the "crisis derogation", which allows for the provision of financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes in global trade patterns, and allows for an increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. They call on the Council to reintroduce this measure without delay.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in metal products manufacturing in Spain

2012/2280(BUD) - 12/12/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 591 votes to 68, with 20 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 1 299 545** in commitment and payment appropriations to assist Spain in respect of redundancies in metal products manufacturing.

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 Spain has requested assistance for 1 106 redundancies, 500 of which are targeted for assistance, in 423 enterprises operating in the NACE Revision 2 Division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS II region of the Basque Country (ES21) in Spain, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount. Moreover, it agrees with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Spain is therefore entitled to a financial contribution under this Regulation.**

Parliament welcomes the fact that in order to provide workers with immediate assistance, the Spanish authorities decided to start the implementation of the measures on 19 March 2012, ahead of the final decision about granting EGF support for the proposed coordinated package.

It emphasises the key importance of adapted training and recognition of skills and competences gained throughout the professional career. It stresses that it is essential that the training on offer in the coordinated package is adapted and is adequate to the needs and level of the dismissed workers, taking into account their social and economic background.

Lessons learnt from the implementation of the EGF: Parliament highlights the fact that lessons should be learned from the implementation of the EGF and requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements to **accelerate the mobilisation of the EGF**. It also appreciates the improved procedure put in place by the Commission, following 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. It hopes that **further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014–2020)** and that the EGF's effectiveness, transparency and visibility will be strengthened as a result.

Parliament reiterates its usual position in respect of a dossier of this type:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;
- 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 and it should co-finance only active labour market measures which lead to **durable, long-term employment**;
- the fact 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;
- the need for a comparative evaluation of those data in the annual report on the Funds;
- the need to ensure that no duplication of Union-funded services can occur.

Training and reskilling of workers in the sector: Parliament regrets that information about the training measures in the Commission proposal does not describe in which sectors the workers are likely to find employment and if the package will be adapted to the future economic prospects in the region. It also regrets that the measures supporting entrepreneurship do not provide for financial support for workers to set up own business, yet several financial incentives are offered for workers following training measures.

Financing of the EGF: Parliament also welcomes the fact that following its requests, the 2012 budget shows payment appropriations of EUR 50 000 000 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 deserves a dedicated allocation, which will avoid transfers to the extent possible from other budget lines.

Lastly, Parliament deplores the decision of the Council to block the extension of the "crisis derogation", which allows for the provision of financial assistance to workers made redundant as a result of the current financial and economic crisis in addition to those losing their job because of changes

in global trade patterns, and allows for an increase in the rate of Union co-financing to 65% of the programme costs, for applications submitted after the 31 December 2011 deadline. It calls on the Council to reintroduce this measure without delay.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in metal products manufacturing in Spain

2012/2280(BUD) - 12/12/2012 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in metal products manufacturing in Spain.

NON-LEGISLATIVE ACT: Decision 2013/16/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/2011/018 ES/País Vasco Productos metálicos from Spain).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the amount of **EUR 1 299 545** in commitment and payment appropriations from the European Globalisation Adjustment Fund in the framework of the 2012 budget.

This amount will assist Spain in respect of redundancies in metal products manufacturing in Spain.

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 ([EGF](#)), the abovementioned amount has been granted to Spain to meet its request.

To recall, the European Globalisation Adjustment Fund (EGF) aims 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 for the mobilisation of the Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million.