Basic information

2013/2138(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy **Subject** 3.40.06 Electronics, electrotechnical industries, ICT, robotics 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	GARRIGA POLLEDO Salvador (PPE)	02/07/2013
	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
Agriculture and Fisheries	3257	2013-09-23

European Commission

Commission DG	Commissioner
Budget	ANDOR László

Key events

Date	Event	Reference	Summary
28/06/2013	Non-legislative basic document published	COM(2013)0470	Summary
04/07/2013	Committee referral announced in Parliament		
18/09/2013	Vote in committee		
23/09/2013	Budgetary report tabled for plenary	A7-0294/2013	Summary
23/09/2013	Draft budget approved by Council		
23/09/2013	End of procedure in Parliament		
08/10/2013	Decision by Parliament	T7-0392/2013	Summary
08/10/2013	Results of vote in Parliament		
26/10/2013	Final act published in Official Journal		

Technical information

Procedure reference	2013/2138(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/7/13223

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE514.825	03/07/2013	
Amendments tabled in committee		PE516.668	30/08/2013	
Budgetary report tabled for plenary, 1st reading		A7-0294/2013	23/09/2013	Summary
Budgetary text adopted by Parliament		T7-0392/2013	08/10/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0470	28/06/2013	Summary

Additional information

Source	Document	Date

European Commission	EUR-Lex	

Final act	
Decision 2013/0526 OJ L 284 26.10.2013, p. 0022	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy

2013/2138(BUD) - 28/06/2013 - Non-legislative basic document

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

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/2011/025 IT: on 30 December 2011, Italy submitted application EGF/2011/025 IT/Lombardia for a financial contribution from the EGF, following redundancies in two enterprises operating in the NACE Revision 2 Division 26 ('Manufacture of computer, electronic and optical products') in the NUTS II region of Lombardia (ITC4) in Italy. The application was supplemented by additional information up to 12 March 2013.

In order to establish the link between the redundancies and the global financial and economic crisis, Italy argues that the decreased ICT demand and investment by both consumers and enterprises caused by the crisis contributed significantly to the slow-down in the Italian ICT and electronic components sector (Nace 26) from 2009 onwards. the Italian ICT sector has been suffering from strong competition from low-cost countries over the past decade, and the need to reorganise the sector because of the rapid emergence of new technologies, such as cloud computing, various types of e-services, social networks, etc., has been recognised as a challenge for some years. All these developments have led to the downsizing of ICT personnel in Italian enterprises in the years from 2009 onwards.

The strong decline of the ICT sector in Italy as a result of the crisis hit also the two enterprises which are the object of this proposal: Anovo Italia S.p.A. (Varese province) and Jabil CM S.r.l. (Milano province). Their already difficult situation was further exacerbated, and their conversion and re-organisation efforts undertaken in the past years failed, leading eventually to their closure and the dismissal of the workers.

In its assessment on the application EGF/2011/016 IT Agile (Nace 62), the Commission has already stated the impact of the economic and financial crisis on the enterprises operating in the ICT sector. These arguments continue to be valid.

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 529 redundancies in 2 enterprises operating in the NACE Revision 2 Division 26 in the NUTS II region of Lombardia (ITC4) during the nine-month reference period from 20 March 2011 to 20 December 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 Italy, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is **EUR 1 164 930**, representing 65 % of the total cost.

IMPACT ASSESSMENT: not applicable.

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 1 164 930, 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 2013 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Appropriations allocated to the EGF budget line in the 2013 budget will be used to cover the amount of EUR 1 164 930 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy

2013/2138(BUD) - 23/09/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Salvador GARRIGA POLLEDO (EPP, ES) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total amount of **EUR 1 164 930** in commitment and payment appropriations to assist Italy hit by redundancies in the ITC sector.

Members recalled 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 submitted an application for a financial contribution from the EGF, following

529 redundancies in Lombardy, with 480 workers targeted for EFG co-funded measures, Members requested the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF to cover the amount requested. They agreed with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Italy is entitled to a financial contribution under that Regulation**.

Members noted that Lombardy, Italy's most prosperous region producing one fifth of Italy's GDP, needed to tackle major structural challenges aggravated by the economic and financial crisis. They also recalled that the Commission had already recognised the impact of the economic and financial crisis on the ICT sector and that the EGF has supported workers dismissed in this sector in the cases of EGF/2011/016 IT/Agile and EGF/2010 /012 NL/Noord Holland. They noted that the Italian ICT sector had been suffering from strong competition from low-cost countries over the past decade and that there was a need to reorganise the sector.

Targeted measures: Members welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 1 March 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package. They noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 480 workers into employment, such as interview techniques, profiling of skills, advice and support towards self-employment, tutoring, etc. They noted, however, that training and re-training measures are not included in the coordinated package of personalised services. They recalled the importance of **improving the employability of all workers** by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

They stressed that the Italian authorities confirm that the eligible actions do not receive assistance from other EU financial instruments.

Improving the future EGF: Members called on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. They appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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 hoped that **further improvements in the procedure would be integrated in the new EGF Regulation (2014-2020)** and that greater efficiency, transparency and visibility of the EGF would be achieved.

Members welcomed the agreement reached in the Council on reintroducing in the EGF regulation, for the period 2014-2020, **the crisis mobilisation criterion,** 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.

Members reiterated their position as regards the processing of an application of this kind:

- the fact that assistance from the EGF should permit the workers concerned to obtain stable employment;
- the fact that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.
- the fact 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy

2013/2138(BUD) - 08/10/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 584 votes to 64, with 7 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for a total amount of **EUR 1 164 930** in commitment and payment appropriations to assist Italy hit by redundancies in the information and communications technology (ITC) sector.

Parliament recalled 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. Given that Italy submitted an application for a financial contribution from the EGF, following 529 redundancies in Lombardy, with 480 workers targeted for EFG co-funded measures, Parliament requested the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF to cover the amount requested. It agreed with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met and that, therefore, **Italy is entitled to a financial contribution under that Regulation**.

Parliament noted that Lombardia, Italy's most prosperous region, producing 20% of Italy's GDP, needs to tackle major structural challenges aggravated by the economic and financial crisis.

It called on the Italian authorities to use the EGF support to its full potential and to **encourage the maximum number of workers to participate in the measures**.

It recalled that early EGF interventions in Italy suffered from a relatively low rate of budget implementation, mainly due to low participation rates and that this sector had been assisted in the cases of EGF/2011/016 IT/Agile and EGF/2010/012 NL/Noord Holland. Overall, Parliament noted that the Italian ICT sector had been suffering from strong competition from low-cost countries over the past decade and that there was a need to reorganise the sector.

Targeted measures: Parliament welcomed the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 1 March 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package. It noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 480 workers into employment, such as interview techniques, profiling of skills, advice and support towards self-employment, tutoring, etc. after consultation of the social partners (CGIL, CISL, UIL, CISAL). It noted, however, that training and re-training measures are not included in the coordinated package of personalised services. It recalled the importance of **improving the employability of all workers** by means of adapted training and the recognition of skills and competences gained throughout a worker's professional career.

It stressed that the Italian authorities confirm that the eligible actions do not receive assistance from other EU financial instruments.

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Improving the future EGF: Parliament called on the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to **accelerate the mobilisation of the EGF**. It appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated 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 hoped that **further improvements in the procedure would be integrated in the new EGF Regulation (2014-2020)** and that greater efficiency, transparency and visibility of the EGF would be achieved.

Parliament welcomed the agreement reached in the Council on reintroducing in the EGF regulation, for the period 2014-2020, **the crisis mobilisation criterion,** 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.

Parliament reiterated its position as regards the processing of an application of this kind:

- the fact that assistance from the EGF should permit the workers concerned to obtain stable employment;
- the fact that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment;
- the fact 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the ICT sector in Italy

2013/2138(BUD) - 09/10/2013 - Final act

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

NON-LEGISLATIVE ACT: Decision 2013/526/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/2011/025 IT/Lombardia from Italy).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 1 164 930** in commitment and payment appropriations in the framework general budget of the European Union 2013.

This amount shall assist Italy following redundancies in two enterprises operating in the region of Lombardia.

Given that this application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006, Parliament and Council have decided to grant the abovementioned amount.

To recall, the EGF seeks 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.