

Basic information	
2013/2192(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of building materials 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
	BUDG Budgets		PLENKOVIĆ Andrej (PPE)
			Shadow rapporteur PICKART ALVARO Alexander Nuno (ALDE)
	Committee for opinion		Rapporteur for 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	3268	2013-10-22
European Commission	Commission DG	Commissioner	
	Budget	LEWANDOWSKI Janusz	

Key events

Date	Event	Reference	Summary
16/09/2013	Non-legislative basic document published	COM(2013)0635 	Summary
08/10/2013	Committee referral announced in Parliament		
17/10/2013	Vote in committee		
22/10/2013	Budgetary report tabled for plenary	A7-0341/2013	Summary
22/10/2013	Draft budget approved by Council		
19/11/2013	Decision by Parliament	T7-0459/2013	Summary
19/11/2013	Results of vote in Parliament		
19/11/2013	End of procedure in Parliament		
04/12/2013	Final act published in Official Journal		

Technical information	
Procedure reference	2013/2192(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/7/13816

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Amendments tabled in committee		PE519.794	01/10/2013	
Committee draft report		PE519.537	02/10/2013	
Budgetary report tabled for plenary, 1st reading		A7-0341/2013	22/10/2013	Summary
Budgetary text adopted by Parliament		T7-0459/2013	19/11/2013	Summary
European Commission				
Document type	Reference		Date	Summary
Non-legislative basic document	COM(2013)0635 		16/09/2013	Summary

Additional information		
Source	Document	Date

European Commission	EUR-Lex	
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Final act		
Decision 2013/0708 OJ L 323 04.12.2013, p. 0033		Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of building materials in Spain

2013/2192(BUD) - 16/09/2013 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the manufacturing of building materials 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/2013/004 ES/Comunidad Valenciana: on 22 May 2013, Spain submitted application EGF/2013/004 ES/Comunidad Valenciana building materials for a financial contribution from the EGF, following redundancies in 140 enterprises operating in the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS II region of *Comunidad Valenciana* (ES52) in Spain.

The application was supplemented by additional information up to 17 July 2013.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Spain argues that at worldwide level, production of other non-metallic mineral products in 2011 (3 055.6 million tonnes) doubled since 2001. In 2001, China was the largest producer (661 million tonnes) and the EU the second largest (329 million tonnes). Ten years later both positions were unchanged. However, whereas Chinese production increased by 312 % during the decade, EU production fell by 12 %.

The Commission considers that the redundancies in the 140 enterprises involved in manufacturing activities in NACE 2 rev 2 Division 23 ('manufacture of other non-metallic mineral products') in the NUTS II region of Comunidad Valenciana (ES52) can be linked, as required by Article 2 of Regulation (EC) No 1927/2006, to major structural changes in world trade patterns, which have led to an increase in imports into the EU of other non-metallic mineral products and to a reduction in the EU share of production of other non-metallic mineral products at worldwide level.

To date, the sector covering the manufacture of other non-metallic mineral products has been the subject of four EGF applications, three of which were submitted by Spain following redundancies in the NUTS II region of *Comunidad Valenciana*.

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 630 redundancies in 140 enterprises operating in the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS II region of Comunidad Valenciana (ES52) during the nine-month reference period 14 June 2012 to 14 March 2013.

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 the EGF) is **EUR 840 000**, representing 50 % 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 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.

By presenting this proposal to mobilise the EGF, the Commission initiates the simplified dialogue 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 dialogue 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 840 000 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacturing of building materials in Spain

2013/2192(BUD) - 22/10/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Andrej PLENKOVIĆ (EPP, HR) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of **EUR 840 000** in commitment and payment appropriations to assist Spain hit by redundancies in the building materials sector.

Members recalled 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 submitted the application for EGF financial contribution following 630 redundancies in 140 enterprises operating in the NUTS II region of Comunidad Valenciana with 300 workers targeted for EFG co-funded measures, during the reference period from 14 June 2012 to 14 March 2013, Members requested the institutions involved to make the necessary efforts to improve procedural arrangements to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met. Therefore, **Spain is entitled to a financial contribution** under that Regulation.

Members noted that Comunidad Valenciana has been severely affected by the crisis with unemployment rate reaching 29.19% in the first quarter of 2013. They welcomed the fact that the region avails itself yet again of EGF aid to address high unemployment and recalled that Comunidad Valenciana region has already applied for the EGF support on four instances for the textile, ceramic and natural stone as well as construction sector. They also welcomed the fact that, in order to provide workers with speedy assistance, the Spanish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 August 2013, **well ahead of the final decision on granting the EGF support**.

Targeted measures: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 300 redundant workers into employment such as profiling, occupational guidance, counselling, training, intensive job-search assistance, support towards entrepreneurship, etc. The coordinated package foresees financial incentives for job-search (lump sum of EUR 300), mobility allowance (up to EUR 400), outplacement incentive (up to EUR 700). The overall amount of financial incentives is limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support towards entrepreneurship** which is welcomed by the Members.

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 expect the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the **actual business environment**. Moreover, they welcomed the fact that the coordinated package includes vocational training focusing on sectors where opportunities exist or are likely to arise as well as contains up-skilling designed to the future needs of manufacturers in the sector concerned by redundancies.

Improving the future EGF: Members requested the institutions involved to make the necessary efforts to improve procedural 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 will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and that greater efficiency, transparency and visibility of the EGF will 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.

In the process, Members reiterated their classic position when dealing with this type of request:

- it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment;
- EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment;

- 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 manufacturing of building materials in Spain

2013/2192(BUD) - 19/11/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 603 votes to 71, with 17 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund (EGF) for an amount of **EUR 840 000** in commitment and payment appropriations to assist Spain hit by redundancies in the building materials sector.

Parliament recalled 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 submitted the application for EGF financial contribution following 630 redundancies in 140 enterprises operating in the NUTS II region of *Comunidad Valenciana* with 300 workers targeted for EGF co-funded measures, during the reference period from 14 June 2012 to 14 March 2013, Parliament requested the institutions involved to make the necessary efforts to improve procedural arrangements to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(b) of the EGF Regulation are met. Therefore, **Spain is entitled to a financial contribution** under that Regulation.

Parliament noted that *Comunidad Valenciana* has been severely affected by the crisis with unemployment rate reaching 29.19% in the first quarter of 2013. It welcomed the fact that the region avails itself yet again of EGF aid to address high unemployment and recalled that *Comunidad Valenciana* region has already applied for the EGF support on four instances for the textile, ceramic and natural stone as well as construction sector. It also welcomed the fact that, in order to provide workers with speedy assistance, the Spanish authorities decided to initiate the implementation of the personalised services to the affected workers on 22 August 2013, **well ahead of the final decision on granting the EGF support**.

Targeted measures: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 300 redundant workers into employment such as profiling, occupational guidance, counselling, training, intensive job-search assistance, support towards entrepreneurship, etc. The coordinated package foresees financial incentives for job-search (lump sum of EUR 300), mobility allowance (up to EUR 400), outplacement incentive (up to EUR 700). The overall amount of financial incentives is limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support towards entrepreneurship** which is welcomed by Parliament.

Members 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 expect the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the **actual business environment**. Moreover, they welcomed the fact that the coordinated package includes vocational training focusing on sectors where opportunities exist or are likely to arise as well as contains up-skilling designed to the future needs of manufacturers in the sector concerned by redundancies.

In parallel, Parliament welcomed the fact that the social partners, and in particular the trade unions at local level, were consulted on the design of the measures of the coordinated EGF package, and that a policy of equality of women and men as well as the principle non-discrimination will be applied during the various stages of the implementation of and in access to the EGF.

Improving the future EGF: Parliament requested the institutions involved to make the necessary efforts to improve procedural 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 will be integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and that greater efficiency, transparency and visibility of the EGF will 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.

In the process, Parliament reiterated its classic position when dealing with this type of request:

- it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment;
- EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment;
- 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 manufacturing of building materials in Spain

2013/2192(BUD) - 20/11/2013 - Final act

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

NON LEGISLATIVE ACT: Decision 2013/708/EU of the European Parliament and of the Council on 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/2013/004 ES/Comunidad Valenciana building materials from Spain)

CONTENT: with this Decision, Parliament and Council decided to mobilise the European Globalisation Adjustment Fund in the sum of **EUR 840 000** in commitment and payment appropriations in the context of the 2013 budget.

This amount is intended to assist Spain following redundancies in 140 enterprises operating in the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS II region of Comunidad Valenciana.

Acknowledging that the conditions for a financial contribution [Regulation \(EC\) No 1927/2006](#) have been met by Spain, Parliament and Council decided to respond by granting the sum applied for.

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 EGF within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.