Basic information

2013/2263(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany **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** Germany FR	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	NEYNSKY Nadezhda (PPE)	17/10/2013

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
Competitiveness (Internal Market, Industry, Research and Space)	3276	2013-12-03

Key events

Date	Event	Reference	Summary
16/10/2013	Non-legislative basic document published	COM(2013)0706	Summary
22/10/2013	Committee referral announced in Parliament		
27/11/2013	Vote in committee		
28/11/2013	Budgetary report tabled for plenary	A7-0408/2013	Summary
03/12/2013	Draft budget approved by Council		

10/12/2013	Decision by Parliament	T7-0530/2013	Summary
10/12/2013	Results of vote in Parliament		
10/12/2013	End of procedure in Parliament		
21/12/2013	Final act published in Official Journal		

Technical information

Procedure reference	2013/2263(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/7/14320

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE521.773	25/10/2013	
Amendments tabled in committee		PE523.112	15/11/2013	
Budgetary report tabled for plenary, 1st reading		A7-0408/2013	28/11/2013	Summary
Budgetary text adopted by Parliament		T7-0530/2013	10/12/2013	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2013)0706	16/10/2013	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2013/0789
OJ L 349 21.12.2013, p. 0097 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2013/2263(BUD) - 16/10/2013 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the solar module producing in Germany.

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

Germany: EGF/2013/003 DE/First Solar: On 12 April 2013, Germany submitted application EGF/2013/003 DE/First Solar for a financial contribution from the EGF, following redundancies in First Solar Manufacturing GmbH in Germany. The application was supplemented by additional information up to 14 August 2013.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Germany states that First Solar, a US company with two sites in Frankfurt (Oder) in Germany, decided in 2011 to close the plants due to the lack of economic viability. The plants closed in 2013, with the redundancies spread over the period between 1 January and 1 June.

First Solar Manufacturing GmbH is only one of many European solar enterprises that have become insolvent. Chinese and Taiwanese companies were able to grow revenue faster than German and US companies. Between 2005 and 2011, the revenue share of China increased from 11 % to 45 %, while that of Germany fell from 64 % to 21%. China has built up huge overcapacities in solar modules, which neither its own consumers nor the world market can absorb; this coupled with the worldwide decline in demand has led to a collapse in prices.

Germany submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers and downstream producers. The application cites 959 redundancies in First Solar Manufacturing GmbH from 15 November 2012 to 15 March 2013.

On the basis of the application from Denmark, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 2 305 357**, representing 50% 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.

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 2013 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 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2013/2263(BUD) - 28/11/2013 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Nadezhda NEYNSKY (EPP, BG) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund of an amount of **EUR 2 305 357** in commitment and payment appropriations to assist Germany in respect of redundancies in the solar module production sector.

Members recalled that the European Union 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 Germany submitted application EGF/2013/003 DE/First Solar for a financial contribution from the EGF, following 959 redundancies in the enterprise First Solar Manufacturing GmbH with 875 workers targeted for EFG co-funded measures, during the reference period from 15 November 2012 to 15 March 2013, Members called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Germany is entitled to a financial contribution under that Regulation**.

They considered that the redundancies in First Solar Manufacturing GmbH involved in solar energy production are linked to major structural changes in world trade patterns, referring to the building up of huge overcapacities in solar modules in China coupled with worldwide decline in demand. These redundancies lead to an immediate increase of the rate of unemployment by 4%, while the area concerned (Land of Brandenburg) is already suffering from an above-average rate of unemployment.

Moreover, Members welcome the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2013, **well ahead of the final decision** on granting the EGF support for the proposed coordinated package.

Targeted measures: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 875 redundant workers into employment such as training courses leading to qualifications, training management, workshops and peer groups, support services and international job search, in-depth business creation advice, job search, **activation grant**, etc.

They noted that more than half of the EGF support will be spent on allowances - 875 workers are said to receive during their active participation in the measures a subsistence allowance (estimated cost **EUR 2 714 per worker over 9 months**).

Members recalled that the EGF support should primarily be allocated to job search and training programs instead of contributing directly to financial allowances. **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.

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 stressed that in this context that the new EGF regulation for 2014-2020 period will introduce a cap on financial allowances, which shall not constitute more than 35% of the cost of the package. They hoped that **further improvements in the procedure will be integrated in the new EGF Regulation for 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, notably to ensure that the EGF supports the reintegration of individual redundant workers into stable employment.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2013/2263(BUD) - 11/12/2013 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the solar module producing in Germany.

NON-LEGISLATIVE ACT: Decision 2013/789/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/2013/003 DE/First Solar from Germany).

CONTENT: with this Decision, Parliament and Council decided to mobilise the European Globalisation Adjustment Fund in the sum of **EUR 2 305 357** in commitment and payment appropriations in the context of the 2013 budget.

This amount is intended to assist Germany following redundancies in First Solar Manufacturing GmbH.

Acknowledging that the conditions for a financial contribution Regulation (EC) No 1927/2006 have been met by Germany, 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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the solar module producing in Germany

2013/2263(BUD) - 10/12/2013 - Budgetary text adopted by Parliament

The European Parliament adopted by 560 votes to 68, with 19 abstentions, a resolution approving the proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund of an amount of **EUR 2 305 357** in commitment and payment appropriations to assist Germany in respect of redundancies in the solar module production sector.

Parliament recalled that the European Union 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 Germany submitted application EGF/2013/003 DE/First Solar for a financial contribution from the EGF, following 959 redundancies in the enterprise First Solar Manufacturing GmbH with 875 workers targeted for EFG co-funded measures, during the reference period from 15 November 2012 to 15 March 2013, Parliament called on the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF for the requested amount, agreeing with the Commission that the conditions set out in Article 2(a) of the EGF Regulation have been met. **Therefore, Germany is entitled to a financial contribution under that Regulation**.

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Moreover, they welcomed the fact that, in order to provide workers with speedy assistance, the German authorities decided to initiate the implementation of the personalised services to the affected workers on 1 January 2013, **well ahead of the final decision** on granting the EGF support for the proposed coordinated package.

Targeted measures: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 875 redundant workers into employment such as training courses leading to qualifications, training management, workshops and peer groups, support services and international job search, in-depth business creation advice, job search, **activation grant**, etc.

It welcomed the fact that the social partners adopted a social plan for the redundancies in First Solar Manufacturing GmbH and that a transfer company will design and manage the coordinated package of personalised services.

Members noted that more than half of the EGF support will be spent on allowances - 875 workers are said to receive during their active participation in the measures a subsistence allowance (estimated cost **EUR 2 714 per worker over 9 months**). They recalled that the EGF support should primarily be allocated to job search and training programs instead of contributing directly to financial allowances. **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.

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 stressed that in this context that the new EGF regulation for 2014-2020 period will introduce a cap on financial allowances, which shall not constitute more than 35% of the cost of the package. It hoped that **further improvements in the procedure will be integrated in the new EGF Regulation for 2014-2020** and that greater efficiency, transparency and visibility of the EGF will be achieved.

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