Basic information

2014/2013(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the textiles industry in Spain **Subject** 3.40.10 Textile and clothing industry, leathers 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	DAERDEN Frédéric (S&D)	28/01/2014
	Shadow rapporteur GARRIGA POLLEDO Salvador (PPE) PICKART ALVARO Alexander Nuno (ALDE) TRÜPEL Helga (Verts/ALE) ASHWORTH Richard (ECR) PAKSAS Rolandas (EFD)	

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
Employment, Social Policy, Health and Consumer Affairs	3301	2014-03-10

European Commission

Commission DG	Commissioner
Budget	-- --

Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary
28/01/2014	Non-legislative basic document published	COM(2014)0045	Summary
25/02/2014	Committee referral announced in Parliament		
04/03/2014	Vote in committee		
05/03/2014	Budgetary report tabled for plenary	A7-0158/2014	Summary
10/03/2014	Draft budget approved by Council		
11/03/2014	Decision by Parliament	T7-0184/2014	Summary
11/03/2014	Results of vote in Parliament		
11/03/2014	End of procedure in Parliament		
26/03/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2013(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/7/15122

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE528.102	30/01/2014	
Amendments tabled in committee		PE529.802	19/02/2014	
Budgetary report tabled for plenary, 1st reading		A7-0158/2014	05/03/2014	Summary
Budgetary text adopted by Parliament		T7-0184/2014	11/03/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0045	28/01/2014	Summary

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

Final act	
Decision 2014/0167 OJ L 090 26.03.2014, p. 0018	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the textiles industry in Spain

2014/2013(BUD) - 05/03/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Frédéric DAERDEN (S&D, BE) on the 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 in respect of redundancies in the textiles industry.

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 Spain submitted the application for a financial contribution from the EGF, following 560 redundancies in 198 enterprises operating in Comunidad Valenciana with 300 workers targeted for EFG co-funded measures, Members requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF agreeing with the Commission that the conditions set out in Article 2 (b) of the EGF regulation (1927/2006) are met. Therefore, **Spain is entitled to a financial contribution under this regulation**.

Members noted that Comunidad Valenciana has been severely affected by globalisation with unemployment reaching 29.19% in the first quarter of 2013. They welcomed the fact that the region avails itself yet again of EGF aid to alleviate high unemployment by addressing for the second time lay-offs in textile sector.

They noted that to date, the manufacture of textiles sector has been the subject of 11 EGF applications, all of them based on trade related globalisation while Comunidad Valenciana region submitted already six EGF applications.

Members 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 1 January 2014, 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 300 redundant workers into employment such as profiling, occupational guidance, counselling, trainings. The coordinated package provides financial incentives for job-search (lump sum of EUR 300), mobility allowance, outplacement incentive (up to EUR 350) as well as contribution for carers of dependent persons. The overall amount of financial incentives is relatively limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support of entrepreneurship**.

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 underlined that further improvements in the procedure have been integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and **welcomed the agreement** reached between the European Parliament and the Council regarding the new EGF Regulation, for the period 2014-2020, to **reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures**, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

The report stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Members reiterated that:

- 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 textiles industry in Spain

2014/2013(BUD) - 11/03/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 70, with 11 abstentions, a resolution approving the 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 in respect of redundancies in the textiles industry.

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 Spain submitted the application for a financial contribution from the EGF, following 560 redundancies in 198 enterprises operating in Comunidad Valenciana with 300 workers targeted for EFG co-funded measures, Parliament requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF agreeing with the Commission that the conditions set out in Article 2 (b) of the EGF regulation (1927/2006) are met. Therefore, **Spain is entitled to a financial contribution under this regulation**.

Members noted that Comunidad Valenciana has been severely affected by globalisation with unemployment reaching 29.19% in the first quarter of 2013. They welcomed the fact that the region avails itself yet again of EGF aid to alleviate high unemployment by addressing for the second time lay-offs in textile sector.

They noted that to date, the manufacture of textiles sector has been the subject of 11 EGF applications, all of them based on trade related globalisation while Comunidad Valenciana region submitted already six EGF applications.

Parliament 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 1 January 2014, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Parliament also welcomed the fact that the social partners, including trade unions (UGT-PV, CCOO-PV), were consulted during the preparation of EGF application and agreed on contributing 10% of the total national co-funding of total costs of the applied measures, 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.

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, trainings. The coordinated package provides financial incentives for job-search (lump sum of EUR 300), mobility allowance, outplacement incentive (up to EUR 350) as well as contribution for carers of dependent persons. The overall amount of financial incentives is relatively limited leaving the majority of the contribution to be spent on **training, counselling, job search assistance and support of entrepreneurship**.

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 underlined that further improvements in the procedure have been integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and **welcomed the agreement** reached between the European Parliament and the Council regarding the new EGF Regulation, for the period 2014-2020, to **reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60% of the total estimated cost of proposed measures**, to increase efficiency for the treatment of EGF applications in the Commission and by the European Parliament and the Council by shortening time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses.

The resolution stressed that, in accordance with Article 6 of the EGF Regulation, it shall be ensured that the EGF supports the reintegration of individual redundant workers into stable employment.

Lastly, Parliament reiterated that:

- 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 textiles industry in Spain

2014/2013(BUD) - 28/01/2014 - Non-legislative basic document

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

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/2013/008 ES/Comunidad Valenciana textiles**: on 8 October 2013, Spain submitted application EGF/2013/008 ES/Comunidad Valenciana textiles for a financial contribution from the EGF, following redundancies in 198 enterprises operating in the NACE Revision 2 Division 13 (Manufacture of textiles)3 in the NUTS II region of Comunidad Valenciana (ES52) in Spain. The application was supplemented by additional information up to 5 November 2013.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Spain argues that since the closure of the World Trade Organization's (WTO) ten-year, transitional Agreement on Textiles and Clothing (ATC) at the end of 2004, the European Union market for textiles has been open to far more global competition, particularly from China and other Far Eastern countries. Over the period 2004-2012, the EU trade balance in textiles has deteriorated substantially. There was a 17 % increase in imports of textiles into EU over the period whilst the export of textiles from the EU to the rest of the world decreased by 3 %. The trade balance for textiles of the EU decreased from a surplus of EUR 1 107 million in 2004 to a deficit of EUR 3 067 million in 2012.

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 560 redundancies in 198 enterprises operating in the NACE Revision 2 Division 13 (Manufacture of textiles) in the NUTS II region of Comunidad Valenciana (ES52) during the nine-month reference period from 1 November 2012 to 1 August 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 Commission conclusions, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 840 000**.

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 840 000, 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, as required by Article 12(6) of Regulation (EC) No 1927/2006.

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 2014 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations: appropriations allocated to the EGF budget line in the 2014 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 textiles industry in Spain

2014/2013(BUD) - 11/03/2014 - Final act

PURPOSE: mobilisation of the European Globalisation Adjustment Fund (EGF) to assist Spain in respect of redundancies in the textiles industry.

NON-LEGISLATIVE ACT : Decision 2014/167/EU of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2013/008 ES /Comunidad Valenciana textiles 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 2014 budget.

This amount is intended to assist Spain following redundancies in in 198 enterprises operating in the NACE Revision 2 Division 13 (Manufacture of textiles) in the NUTS II region of Comunidad Valenciana (ES52).

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.

Regulation (EU, Euratom) No 1311/2013, which lays down the multiannual financial framework for the years 2014-2020, allows the mobilisation of the EGF within the annual ceiling of EUR 150 million.