Basic information

2014/2054(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain **Subject** 3.40.18 Services sector 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	Appointed
BUDG Budgets	JÄÄTTEENMÄKI Anneli (ALDE)	10/07/2014
	Shadow rapporteur FERNANDES José Manuel (PPE) GERINGER DE OEDENBERG Lidia Joanna (S&D) NÍ RIADA Liadh (GUE/NGL) ZANNI Marco (EFDD)	

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
Transport, Telecommunications and Energy	3335	2014-10-08

Commission DG	Commissioner

European Commission	Budget	-- --
	Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary
10/07/2014	Non-legislative basic document published	COM(2014)0456	Summary
17/07/2014	Committee referral announced in Parliament		
11/09/2014	Vote in committee		
12/09/2014	Budgetary report tabled for plenary	A8-0006/2014	Summary
17/09/2014	Decision by Parliament	T8-0019/2014	Summary
17/09/2014	Results of vote in Parliament		
08/10/2014	Draft budget approved by Council		
08/10/2014	End of procedure in Parliament		
20/11/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2054(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/8/00775

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE536.184	15/07/2014	
Amendments tabled in committee		PE537.362	04/09/2014	
Budgetary report tabled for plenary, 1st reading		A8-0006/2014	12/09/2014	Summary
Budgetary text adopted by Parliament		T8-0019/2014	17/09/2014	Summary

European Commission

Document type	Reference	Date	Summary

Non-legislative basic document	COM(2014)0456	10/07/2014	Summary

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

Final act	
Decision 2014/0815 OJ L 333 20.11.2014, p. 0017	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain

2014/2054(BUD) - 17/09/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 597 votes to 74, with 26 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, providing **a total amount of EUR 960 000** in commitment and payment appropriations in order to assist Spain which is facing redundancies in its catering sector.

The resolution recalled that the 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 or are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

Spain submitted an application for a financial contribution from the EGF, following 904 redundancies in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS level 2 region of Aragón (ES24) from 1 March 2013 to 1 December 2013. Parliament asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(b) of the EGF Regulation are met and that, therefore, **Spain is entitled to a financial contribution under that Regulation.**

Redundancies: Parliament considered that the redundancies are linked to global financial and economic crisis, a decline in average income and a decrease in household consumption in Spain resulted in an overall shrinking demand for food and beverage services. It noted that out of the 904 eligible beneficiaries, only 280 are expected to participate in the proposed actions, which they feel to be low. It also noted that 904 redundancies will further aggravate the difficult unemployment situation in Aragon where the unemployment rate has increased rapidly, **rising to 18.4 % in December 2013**.

Parliament welcomed the fact that the Spanish authorities began providing the personalised services to the targeted beneficiaries on 21 February 2014.

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for workers made redundant such as guidance, counselling and job search, training and re-training, reintegration into employment and incentives. It recalled that 20 participants can receive an employment incentive for self-employment of EUR 400 up to a period of 3 months. Parliament considered that this amount is too small and the period through which it is provided is too short to provide real incentives for starting up self-employment.

Members felt that these allowances **remain well below the maximum limit of 35 % of the total costs** for the coordinated package of personalised services, and stressed that the Spanish authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments.

Parliament also highlighted the fact that the coordinated package of personalised services has been drawn up in consultation with the trade unions and employers' organisations in Aragón.

New EGF: Parliament appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It stressed that, in accordance with Article 9 of the EGF Regulation, it shall be ensured that the EGF assistance is **limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries**. It will not, furthermore, replace actions that are the responsibility of companies by virtue of national law or collective agreements. Members recalled the importance of raising a better awareness about the EGF contribution and more visibility of the role of the Union in it.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain

2014/2054(BUD) - 22/10/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the food and beverages sector in Spain.

NON-LEGISLATIVE ACT: Decision 2014/815/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/2014/003 ES /Aragón food and beverage* from Spain).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 960 000** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist Spain following redundancies in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS 2 level region of Aragón (ES24).

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EU) No 1309/2013 (MFF Regulation 2014-2020), the European Parliament and Council have decided to grant the abovementioned amount.

To recall, the EGF was established to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, or as a result of a new global financial and economic crisis and to assist them with their reintegration into the labour market.

Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 provides that the EGF shall not exceed a maximum annual amount of **EUR 150 million**.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain

2014/2054(BUD) - 10/07/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain following redundancies in the food and beverage services.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of **EUR 150 million** (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

In this context, the Commission examined the request for mobilisation of the EGF with a view to assisting Spain and stated that:

Spain: EGF/2014/003 ES/Aragsn food and beverage: the Spanish authorities submitted application EGF/2014/003 ES/Aragsn food and beverage for a financial contribution from the EGF, following redundancies and cessation of activities within the meaning of Article 3 of the EGF Regulation in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS level 2 region of Aragsn (ES24).

The Spanish authorities submitted application EGF/2014/003 ES/Aragsn food and beverage within **12 weeks** of the date on which the intervention criteria were met. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 11 July 2014.

In order to establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, the global financial and economic crisis severely affected the Spanish economy and led the Spanish government to take measures such as increasing tax revenues (in particular VAT whose standard rate increased from 16% to 18% in 2010 and further to 21% in 2012) streamlining public expenditure and decreasing public sector employees' salaries. There was also a decrease in the average income in the private sector in an attempt to increase the competitiveness of the Spanish economy. An immediate effect of the reductions in income was a decrease in consumption. During the period 2009-2012 household consumption in Spain fell for three out of the four years compared with the same period of the respective previous year. Household consumption at EU-27 level also declined but to a lesser extent. Expenditure on food services has been declining since the beginning of the financial and economic crisis; during the period from 2009 to 2012 it decreased by 12.1%.The fact that the food and beverage service activities sector is suffering the consequences of the financial and economic crisis, with resulting redundancies, has an adverse impact on the regional economy.

Background to the request from Spain: the Spanish authorities submitted the application under the intervention criterion of Article 4(1)(b) of the EGF Regulation, which requires at least 500 redundancies over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Rev. 2 division level and located in one region or two contiguous regions defined at NUTS 2 level.

The application relates to 904 workers made redundant in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS 2 level region of Aragsn (ES24).

The reference period of nine months runs from 1 March 2013 to 1 December 2013.

These criteria comply with the Regulation.

On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 960 000**.

BUDGETARY IMPLICATION: having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 960 000, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution in response to the application.

The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in 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.

At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 960 000.

It will also adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in food and beverage services in Spain

2014/2054(BUD) - 12/09/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Anneli JÄÄTTEENMÄKI (ADLE, FI) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, providing **a total amount of EUR 960 000** in commitment and payment appropriations in order to assist Spain which is facing redundancies in its catering sector.

Members recalled that the 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 or are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

Spain submitted an application for a financial contribution from the EGF, following 904 redundancies in 661 enterprises operating in the NACE Rev. 2 Division 56 (Food and beverage service activities) in the NUTS level 2 region of Aragón (ES24) from 1 March 2013 to 1 December 2013. Members asked the institutions to speed up mobilisation of the Fund for the amount requested, agreeing with the Commission that the conditions set out in Article 4(1)(b) of the EGF Regulation are met and that, therefore, **Spain is entitled to a financial contribution under that Regulation.**

Redundancies: Members considered that the redundancies are linked to global financial and economic crisis, a decline in average income and a decrease in household consumption in Spain resulted in an overall shrinking demand for food and beverage services. They noted that out of the 904 eligible beneficiaries, only 280 are expected to participate in the proposed actions, which they feel to be low. They also noted that 904 redundancies will further aggravate the difficult unemployment situation in Aragon where the unemployment rate has increased rapidly, **rising to 18.4 % in December 2013**.

Members welcomed the fact that the Spanish authorities began providing the personalised services to the targeted beneficiaries on 21 February 2014.

Package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes measures for workers made redundant such as guidance, counselling and job search, training and re-training, reintegration into employment and incentives. They recalled that 20 participants can receive an employment incentive for self-employment of EUR 400 up to a period of 3 months. Members considered that this amount is too small and the period through which it is provided is too short to provide real incentives for starting up self-employment.

They felt that these allowances **remain well below the maximum limit of 35 % of the total costs** for the coordinated package of personalised services, and stressed that the Spanish authorities confirmed that the eligible actions do not receive assistance from other Union financial instruments.

New EGF: the committee appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It stressed that, in accordance with Article 9 of the EGF Regulation, it shall be ensured that the EGF assistance is **limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries**. It will not, furthermore, replace actions that are the responsibility of companies by virtue of national law or collective agreements. Members recalled the importance of raising a better awareness about the EGF contribution and more visibility of the role of the Union in it.