Basic information

2014/2055(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the construction of buildings in the Netherlands **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** Netherlands	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	TANG Paul (S&D)	15/07/2014
	Shadow rapporteur FERNANDES José Manuel (PPE) JÄÄTTEENMÄKI Anneli (ALDE) 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

European Commission

Commission DG	Commissioner
Budget	-- --
Employment, Social Affairs and Inclusion	-- --

Key events

Date	Event	Reference	Summary
10/07/2014	Non-legislative basic document published	COM(2014)0455	Summary
17/07/2014	Committee referral announced in Parliament		
11/09/2014	Vote in committee		
12/09/2014	Budgetary report tabled for plenary	A8-0005/2014	Summary
17/09/2014	Decision by Parliament	T8-0020/2014	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	2014/2055(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/8/00795

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE536.185	15/07/2014	
Amendments tabled in committee		PE537.356	04/09/2014	
Budgetary report tabled for plenary, 1st reading		A8-0005/2014	12/09/2014	Summary
Budgetary text adopted by Parliament		T8-0020/2014	17/09/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0455	10/07/2014	Summary

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

Final act	
Decision 2014/0814 OJ L 333 20.11.2014, p. 0015	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the construction of buildings in the Netherlands

2014/2055(BUD) - 12/09/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Paul TANG (S&D, NL) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund,providing **a total amount of EUR 1 625 781** in commitment and payment appropriations in order to assist the Netherlands which is facing redundancies in its construction 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.

They noted that the Netherlands submitted the application for a financial contribution from the EGF, following redundancies in 89 enterprises operating in the NACE Rev.2 division 41 ('Construction of buildings') in the regions of Gelderland and Overijssel (with 475 workers targeted for EGF co-funded measures), during the reference period from 1 March 2013 to 1 December 2013. The committee 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, **the Netherlands is entitled to a financial contribution under that Regulation.**

Redundancies: Members considered that the redundancies were linked to global financial and economic crisis, referring to the observation that the policy of banks to implement more stringent rules for the provision of mortgages and credits reduced the provision of mortgages and credits considerably, while the sharp decline of prices and values on the housing market makes it difficult to sell and buy houses. They also noted that 562 redundancies would further aggravate the unemployment situation in the regions concerned, bearing in mind the substantial rise of redundancies in the construction sector. They welcomed the fact that, in order to provide workers with speedy assistance, the Dutch authorities decided to initiate the implementation of the personalised services to the affected workers on 1 February 2014.

Package of personalised services: Members noted that the coordinated package of personalised services included measures for workers made redundant such as job search assistance and intakes, training and retraining measures, outplacement assistance, and mobility pool.

They also noted that demolition of asbestos was listed amongst the opportunities for training participants for occupations outside the construction sector, and called on the Dutch authorities to ensure that workers participating in this specific training were thoroughly informed of the health and safety risks related to working with asbestos.

The committee went on to stress the importance of future cross-border initiatives such as border desks or alignment of rules in order to enhance the exchange of information and to stimulate the cross-border mobility of workers. It noted that the information provided on the coordinated package of personalised services to be funded from the EGF included information on complementarity with actions funded by the Structural Funds and that the Dutch authorities confirmed that the eligible actions did not receive assistance from other Union financial instruments.

New EGF: Members appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. They noted that the Commission finalised the assessment of the application’s compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application. They stressed that, in accordance with the EGF Regulation, the assistance provided must be limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries, and would not furthermore replace actions, which were the responsibility of companies by virtue of national law or collective agreements.

They also welcomed the adoption of the new EGF Regulation which reflected the agreement reached between the Parliament and the Council to:

- reintroduce the crisis mobilisation criterion;
- **increase Union financial contribution to 60% of the total estimated cost of proposed measures;**
- increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and

- finance incentives for setting up own businesses.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the construction of buildings in the Netherlands

2014/2055(BUD) - 10/07/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist the Netherlands following redundancies in the building construction industry.

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 the Netherlands and stated that:

The Netherlands: EGF/2014/002 NL/Gelderland-Overijssel construction: on 20 February 2014, the Dutch authorities submitted application EGF/2014/002 NL/Gelderland-Overijssel construction for a financial contribution from the EGF, following redundancies in 89 enterprises operating in the NACE Rev.2 division 41 ('Construction of buildings') in the contiguous NUTS level 2 regions of Gelderland and Overijssel in the Netherlands.

The Dutch authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out in Regulation were met. This deadline expires on10 July 2014.

To establish the link between the redundancies and the global financial and economic crisis addressed in Regulation (EC) No 546/2009, the Dutch authorities argue that there are several reasons for the negative trends in production and employment in the construction sector and especially the construction of buildings (utility buildings and houses) - all relating to the financial and economic crisis: the policy of banks to implement more stringent rules for the provision of mortgages and credits which reduced the provision of mortgages and credits considerably; the austerity measures of the government to reduce national debt and budget deficit thus reducing public spending; and the sharp decline of prices and values on the housing market, which makes it difficult to sell and buy houses.

The construction sector is highly dependent on the regional domestic market. The negative economic trend caused by the economic and financial crisis and as a consequence the reduction of the public budget programmes leaves the construction sector in a vulnerable position.

Over the period 2008-2013, total production of new houses declined by 61 014 units in the Netherlands. For Overijssel production of new houses fell by 2625 and in Gelderland by 7941.

Background to the request from the Netherlands: the Dutch 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 level 2.

The application relates to:

- 562 workers made redundant in enterprises operating in the NACE Rev.2 Division 41 (Construction of buildings) in the contiguous regions of Gelderland (NL 22) and Overijssel (NL 21);
- 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 the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is **EUR 1 625 781**.

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 1 625 781**, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for 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 1 625 781.

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 the construction of buildings in the Netherlands

2014/2055(BUD) - 17/09/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 602 votes to 70, with 30 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund,providing **a total amount of EUR 1 625 781** in commitment and payment appropriations in order to assist the Netherlands which is facing redundancies in its construction 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.

It noted that the Netherlands submitted the application for a financial contribution from the EGF, following redundancies in 89 enterprises operating in the NACE Rev.2 division 41 ('Construction of buildings') in the regions of Gelderland and Overijssel (with 475 workers targeted for EGF co-funded measures), during the reference period 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, **the Netherlands is entitled to a financial contribution under that Regulation.**

Redundancies: Parliament considered that the redundancies were linked to global financial and economic crisis, referring to the observation that the policy of banks to implement more stringent rules for the provision of mortgages and credits reduced the provision of mortgages and credits considerably, while the sharp decline of prices and values on the housing market makes it difficult to sell and buy houses. It also noted that 562 redundancies would further aggravate the unemployment situation in the regions concerned, bearing in mind the substantial rise of redundancies in the construction sector. Members welcomed the fact that, in order to provide workers with speedy assistance, the Dutch authorities decided to initiate the implementation of the personalised services to the affected workers on 1 February 2014.

Package of personalised services: Parliament noted that the coordinated package of personalised services included measures for workers made redundant such as job search assistance and intakes, training and retraining measures, outplacement assistance, and mobility pool.

It also noted that demolition of asbestos was listed amongst the opportunities for training participants for occupations outside the construction sector, and called on the Dutch authorities to ensure that workers participating in this specific training were thoroughly informed of the health and safety risks related to working with asbestos.

Parliament went on to stress the importance of future cross-border initiatives such as border desks or alignment of rules in order to enhance the exchange of information and to stimulate the cross-border mobility of workers. It noted that the information provided on the coordinated package of personalised services to be funded from the EGF included information on complementarity with actions funded by the Structural Funds and that the Dutch authorities confirmed that the eligible actions did not receive assistance from other Union financial instruments.

Mobility and employability of workers: Parliament welcomed the idea of creating a mobility pool, which will provide for flexible deployment of workers with the aim to gain work experience and find work through this instrument. 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.

New EGF: Parliament appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants. It noted that the Commission finalised the assessment of the application’s compliance with the conditions for providing a financial contribution within 12 weeks of the receipt of the complete application. It stressed that, in accordance with the EGF Regulation, the assistance provided must be limited to what is necessary to provide solidarity and temporary one-off support for targeted beneficiaries, and would not furthermore replace actions, which were the responsibility of companies by virtue of national law or collective agreements.

Members also welcomed the adoption of the new EGF Regulation which reflected the agreement reached between the Parliament and the Council to:

- reintroduce the crisis mobilisation criterion;
- **increase Union financial contribution to 60% of the total estimated cost of proposed measures;**
- increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the construction of buildings in the Netherlands

2014/2055(BUD) - 22/10/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the building construction industry in the Netherlands.

LEGISLATIVE ACT: Decision 2014/814/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/2014/002 NL /Gelderland-Overijssel construction from the Netherlands).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 1 625 781** in commitment and payment appropriations in the framework of the 2014 general budget of the European Union.

This amount shall assist the Netherlands following redundancies in 89 enterprises operating in the regions of Gelderland and Overijssel in the Netherlands.

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 European Globalisation Adjustment Fund (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 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**.