Basic information

2014/2064(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal products sector in Spain **Subject** 3.40.02 Iron and steel industry, metallurgical 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	Appointed
BUDG Budgets	ŠULIN Patricija (PPE)	18/08/2014
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) 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

Council configuration	Meetings	Date
Employment, Social Policy, Health and Consumer Affairs	3339	2014-10-16

European Commission

Commission DG	Commissioner

	Budget	DOMINIK Jacek

Key events

Date	Event	Reference	Summary
12/08/2014	Non-legislative basic document published	COM(2014)0515	Summary
15/09/2014	Committee referral announced in Parliament		
07/10/2014	Vote in committee		
09/10/2014	Budgetary report tabled for plenary	A8-0013/2014	Summary
16/10/2014	Draft budget approved by Council		
21/10/2014	Decision by Parliament	T8-0030/2014	Summary
21/10/2014	Results of vote in Parliament		
21/10/2014	End of procedure in Parliament		
20/11/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2064(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/8/00996

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE537.331	04/09/2014	
Amendments tabled in committee		PE539.609	02/10/2014	
Budgetary report tabled for plenary, 1st reading		A8-0013/2014	09/10/2014	Summary
Budgetary text adopted by Parliament		T8-0030/2014	21/10/2014	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2014)0515	12/08/2014	Summary

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

Final act	
Decision 2014/0816 OJ L 333 20.11.2014, p. 0019	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal products sector in Spain

2014/2064(BUD) - 21/10/2014 - Budgetary text adopted by Parliament

The European Parliament adopted by 589 votes to 72, with 10 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, to the amount of **EUR 1 019 184** in commitment and payment appropriations in order to assist Spain following redundancies in the metal products sector.

Parliament recalled that the 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.

Spanish application: Spain submitted its application for a financial contribution from the EGF, following 633 redundancies in 142 enterprises operating in the manufacture of fabricated metal products in Spain with 300 workers targeted for EGF co-funded measures, during the reference period from 1 April 2013 to 31 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. Therefore, **Spain is entitled to a financial contribution under that Regulation.** Parliament also welcomed the speedy evaluation by the Commission of less than five months. It 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 20 June 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Nature of the redundancies: Parliament stressed that the 633 redundancies will further aggravate the unemployment situation in Comunidad Valenciana which is particularly fragile, since the metal sector represents 25.4% of the jobs in the industrial sector in the region. It stressed that employment in the region has been seriously affected by the impact of the crisis on traditional sectors such as ceramics, footwear and construction, as well as textiles, which are very important for the region's economy.

It welcomed the fact that the personalised services for redundant workers will be co-funded by the Generalitat Valenciana (the autonomous government of Comunidad Valenciana) and in particular from the SERVEF (public labour offices of the autonomous government) with 30% of the total budget and by the employers' association Federación Empresarial Metalúrgica Valenciana-FEMEVAL and the trade unions UGT-PV and CCOO-PV with 10% of the total budget.

Coordinated package of personalised services: Parliament stated that the coordinated package of personalised services to be co-funded shall include measures for workers made redundant such as occupational guidance, job placement, trainings (including, on-the-job training), incentive for setting up a business, job-search allowance, contribution to commuting expenses and employment incentive.

It expected 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**. It noted the amount of EUR 3 000 to be granted to an expected 20 beneficiaries, to incentivise their return to the labour market by setting up their own business. Parliament also noted that the estimated cost of the welcome and information sessions, as a first measure in the list of proposed actions, has elevated by 50% compared to an application from the same region from the previous year.

In parallel, Parliament noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds. It stressed that Spanish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments. At the same time, Parliament reiterated its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.

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 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**; and will not furthermore replace actions which are the responsibility of companies by virtue of national law or collective agreements.

Parliament welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council 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 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.

Lastly, it recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the metal products sector in Spain

2014/2064(BUD) - 12/08/2014 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain following redundancies in the metal products sector.

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/2014/004 ES/Comunidad Valenciana metal: the Spanish authorities submitted application EGF/2014/004 ES/Comunidad Valenciana metal for a financial contribution from the EGF, following redundancies and cessation of activities within the meaning of Article 3 of the EGF Regulation in 142 enterprises operating in the NACE Revision 2 division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS level 2 region of Comunidad Valenciana (ES52).

The Spanish authorities submitted the application within **12 weeks** of the date on which the intervention criteria set out in Regulation 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 12 August 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 Spanish authorities argue that the metal products sector is a key provider of inputs to a wide range of manufacturing activities, in particular the shipbuilding, construction and automotive sectors.

All of these were significantly impacted across the European Union by the economic crisis.

In addition the arguments presented in previous EGF applications related to these sectors remain valid8, in particular those put forward in the context of two EGF applications from Spain related to the same sector (see EGF/2011/019 and EGF 2011/018).

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 workers being made redundant 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 in a Member State.

The application relates to workers made redundant or ceasing their activities in 142 enterprises operating in the NACE Rev. 2 division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS 2 level region of Comunidad Valenciana (ES52).

The reference period of nine months is from 1 April 2013 to 31 December 2013.

All the 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 1 019 184**.

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 1 019 184**, 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 this amount.

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 metal products sector in Spain

2014/2064(BUD) - 22/10/2014 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the metal products sector in Spain.

NON-LEGISLATIVE ACT: Decision 2014/816/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/2014/004 ES /Comunidad Valenciana metal* from Spain).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of **EUR 1 019 184** 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 142 enterprises operating in the NACE Revision 2 division 25 (Manufacture of fabricated metal products, except machinery and equipment) in the NUTS 2 level region of *Comunidad Valenciana* (ES52).

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 the metal products sector in Spain

2014/2064(BUD) - 09/10/2014 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Patricija ŠULIN (EPP, SI) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, to the amount of **EUR 1 019 184** in commitment and payment appropriations in order to assist Spain following redundancies in the metal products sector.

Members recalled that the 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.

Spanish application: Spain submitted its application for a financial contribution from the EGF, following 633 redundancies in 142 enterprises operating in the manufacture of fabricated metal products in Spain with 300 workers targeted for EGF co-funded measures, during the reference period from 1 April 2013 to 31 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. Therefore, **Spain is entitled to a financial contribution under that Regulation.**

Members also welcomed the speedy evaluation by the Commission of less than five months.

They 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 20 June 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package.

Coordinated package of personalised services: Members stated that the coordinated package of personalised services to be co-funded shall include measures for workers made redundant such as occupational guidance, job placement, trainings (including, on-the-job training), incentive for setting up a business, job-search allowance, contribution to commuting expenses and employment incentive.

They expected 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**.

Members noted the amount of EUR 3 000 to be granted to an expected 20 beneficiaries, to incentivise their return to the labour market by setting up their own business.

They noted that the estimated cost of the welcome and information sessions, as a first measure in the list of proposed actions, has elevated by 50% compared to an application from the same region from the previous year.

In parallel, Members noted that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds.

They stressed that Spanish authorities confirm that the eligible actions do not receive assistance from other Union financial instruments.

At the same time, Members reiterated their call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect of the existing regulations and that no duplication of Union funded services can occur.

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 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**; and will not furthermore replace actions which are the responsibility of companies by virtue of national law or collective agreements.

They welcomed the adoption of the EGF Regulation which reflects the agreement reached between the Parliament and the Council 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 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.

Lastly, they recalled that in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should be compatible with the shift towards a resource-efficient and sustainable economy.