Basic information

2017/2079(BUD) BUD - Budgetary procedure	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the mining sector in Spain **Subject** 3.60.01 Solid fuels, coal mining, mining industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.57 2017 budget **Geographical area** Spain	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	VANA Monika (Verts/ALE)	06/06/2017
	Shadow rapporteur GARDIAZABAL RUBIAL Eider (S&D) ALI Nedzhmi (ALDE)	

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
Economic and Financial Affairs ECOFIN	3555	2017-07-11

Key events

Date	Event	Reference	Summary
		COM(2017)0266	Summary

02/06/2017	Non-legislative basic document published		
12/06/2017	Committee referral announced in Parliament		
29/06/2017	Vote in committee		
30/06/2017	Budgetary report tabled for plenary	A8-0248/2017	Summary
04/07/2017	Decision by Parliament	T8-0277/2017	Summary
04/07/2017	Results of vote in Parliament		
11/07/2017	Draft budget approved by Council		
11/07/2017	End of procedure in Parliament		
25/07/2017	Final act published in Official Journal		

Technical information

Procedure reference	2017/2079(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/8/10059

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE606.014	06/06/2017	
Amendments tabled in committee		PE606.221	21/06/2017	
Budgetary report tabled for plenary, 1st reading		A8-0248/2017	30/06/2017	Summary
Budgetary text adopted by Parliament		T8-0277/2017	04/07/2017	Summary

European Commission

Document type	Reference	Date	Summary
Non-legislative basic document	COM(2017)0266	02/06/2017	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Decision 2017/1372
OJ L 193 25.07.2017, p. 0002 Summary

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

2017/2079(BUD) - 14/07/2017 - Final act

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain facing redundancies in the mining sector.

NON-LEGISLATIVE ACT: Decision (EU) 2017/1372 of the European Parliament and of the Council on the mobilisation of the **European Globalisation Adjustment Fund** following an application from Spain — EGF/2017/001 ES/Castilla y León mining.

CONTENT: with this Decision, the European Parliament and the Council have mobilised **EUR 1 002 264** in commitment and payment appropriations under the European Globalisation Adjustment Fund (EGF) within the framework of the 2017 budget.

This amount is granted in response to the request from the EGF **submitted by Spain** on 20 January 2017 concerning redundancies in the coal and lignite sector in the region of Castilla y León.

In accordance with Regulation (EU) No 1309/2013 of the European Parliament and of the Council concerning the EGF for the period 2014-2020, the Spanish application is considered admissible insofar as these dismissals have a serious impact on employment and local, regional and national economy. Under the same Regulation, Spain has also decided to provide personalised services co-financed by the EGF to 125 young people not in employment, education or training (NEETs).

As a reminder, the EGF provides 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 the financial crisis. The EGF has a maximum annual budget of **EUR 150 million** for the period 2014-2020.

ENTRY INTO FORCE: 25.7.2017. The Decision shall apply from 14.7.2017.

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

2017/2079(BUD) - 02/06/2017 - Non-legislative basic document

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain faced with redundancies in its mining sector.

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

CONTENT: 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 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

In this context, the Commission examined the application to mobilise the EGF to assist Spain and stated that:

Spain: EGF/2017/001 ES/Castilla y León mining: on 20 January 2017, Spain submitted an application EGF/2017/001 ES/Castilla y León mining for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 5 (Mining of coal and lignite) in the NUTS level 2 region of Castilla y León (ES41) in Spain.

Spain submitted the application 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 9 June 2017.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Spain argued that the European coal industry is increasingly suffering from competition from cheaper coals from non-European countries.

In 2005, European coal production was 198.8 million toe while in 2015 it was 145.3 million toe. In the same period the production of coal worldwide increased by 26.3 % which resulted in a decline of the EU market share in coal production worldwide which fell from 6.6 % in 2005 to 3.8 % in 2015. During the period 2010-2015 Spanish coal production fell by 63.3%. The decline in coal production in Castilla y León, the region concerned by the redundancies, was even sharper (86.27%).

Consequently, the number of coal mining enterprises operating in Castilla y León decreased by 25%, as the fall in prices and coal production led to the closure of ten of these coal mining enterprises over the period 2010-2016.

The Commission stated that there is a very difficult employment situation in the mining district as there is a growing shortage of jobs due to the **emigration** of the population to domestic or international territories offering better job prospects.

Basis of the Spanish request: Spain submitted the application under the intervention criteria of Article 4(2) derogating from the criteria 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 Revision 2 Division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.

The reference period of nine months for the application runs from 1 February 2016 to 1 November 2016.

The total number of eligible beneficiaries is **339**.

All the criteria comply with the Regulation.

Having examined the application, it is proposed to mobilise the EGF for the amount of EUR 1 002 264.

FINANCIAL 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 1 002 264, 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 1 002 264.

At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will 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 mining sector in Spain

2017/2079(BUD) - 30/06/2017 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Monika VANA (Greens/EFA, AT) 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 tune of **EUR 1 002 244** in commitment and payment appropriations in order to assist Spain faced with redundancies in the mining sector.

Member 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 of the global financial and economic crisis and to assist their reintegration into the labour market.

Spanish application: Spain submitted application EGF/2017/001 ES/Castilla y León for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 5 (Mining of coal and lignite) in the NUTS level 2 region of Castilla y León (ES41). 339 redundant workers, as well as up to 125 young people not in employment, education or training (NEETs) under the age of 30, are expected to participate in the measures. Redundancies were made by Hullera Vasco Leonesa SA, Centro de Investigación y Desarrollo SA, Hijos de Baldomero García SA, Minas del Bierzo Alto SL and Unión Minera del Norte SA.

Members agreed that the conditions laid down in Article 4(1)b of the EGF Regulation are fulfilled and, consequently, Spain is entitled to a financial contribution of EUR 1 002 264.

Nature of redundancies: Members recalled that over the last 10 years coal production in the Union and the global price of coal have fallen sharply, resulting in an increasing volume of coal imports from non-EU countries and many Union coal mines becoming unprofitable and being forced to close down.

Moreover, these trends have been even more pronounced in Spain.

They noted that Spain requests that a **derogation from Article 4(1)b** be made on the grounds that the territory affected by the redundancies consists of a number of small, isolated towns in the remote, sparsely populated Cantabrian mountain valley, which are, for the most part, highly dependent on coal mining and suffer from limited connectivity.

Package of coordinated services: Members welcomed Spain’s decision to provide up to 125 NEETs under the age of 30 with personalised services co-financed by the EGF.

They noted that the incentives will correspond to 19.53 % of the overall package of personalised measures, well below the maximum 35 % set out in the EGF Regulation.

They noted that Spain is planning six types of measures for the redundant workers and NEETs covered by this application:

- welcome and information sessions,
- occupational guidance and counselling,
- intensive job-search assistance,
- training in cross-sector skills and competences, and vocational training,
- promotion of entrepreneurship,
- support for business start-ups, as well as a programme of incentives.

In addition, Members noted that the Spanish authorities have confirmed that the eligible actions do not receive assistance from other Union financial instruments, and that any double financing will be prevented and that eligible actions will be complementary to actions funded by the structural funds.

They reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures for restructuring companies or sectors.

Lastly, Members noted the importance of launching an information campaign in order to reach the NEETs who could be eligible under these measures, ensuring gender balance wherever possible.

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

2017/2079(BUD) - 04/07/2017 - Budgetary text adopted by Parliament

The European Parliament adopted by 602 votes to 86, with 9 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 tune of **EUR 1 002 264** in commitment and payment appropriations in order to assist Spain faced with redundancies in the mining sector.

Parliament 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 of the global financial and economic crisis and to assist their reintegration into the labour market.

Spanish application: Spain submitted application EGF/2017/001 ES/Castilla y León for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 5 (Mining of coal and lignite) in the NUTS level 2 region of Castilla y León (ES41). 339 redundant workers, as well as up to 125 young people not in employment, education or training (NEETs) under the age of 30, are expected to participate in the measures. Redundancies were made by Hullera Vasco Leonesa SA, Centro de Investigación y Desarrollo SA, Hijos de Baldomero García SA, Minas del Bierzo Alto SL and Unión Minera del Norte SA.

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Moreover, these trends have been even more pronounced in Spain.

It noted that Spain requests that a **derogation from Article 4(1)b** be made on the grounds that the territory affected by the redundancies consists of a number of small, isolated towns in the remote, sparsely populated Cantabrian mountain valley, which are, for the most part, highly dependent on coal mining and suffer from limited connectivity.

A package of personalised services: Parliament noted that the incentives will correspond to 19.53 % of the overall package of personalised measures, well below the maximum 35 % set out in the EGF Regulation.

It noted that Spain is planning six types of measures for the redundant workers and NEETs covered by this application:

- welcome and information sessions,
- occupational guidance and counselling,
- intensive job-search assistance,
- training in cross-sector skills and competences, and vocational training,
- promotion of entrepreneurship,
- support for business start-ups, as well as a programme of incentives.

NEET: Parliament highlighted the very low population density, which has been proportionally greatest amongst those under 25. It welcomed Spain’s decision to provide up to 125 NEETs under the age of 30 with personalised services co-financed by the EGF. It stressed that those services will include support to those interested in creating their own business.

In addition, Parliament noted that the Spanish authorities have confirmed that the eligible actions do not receive assistance from other Union financial instruments, and that any double financing will be prevented and that eligible actions will be complementary to actions funded by the structural funds.

It reiterated that assistance from the EGF must not replace actions which are the responsibility of companies by virtue of national law or collective agreements nor measures for restructuring companies or sectors.

Lastly, Parliament noted the importance of launching an information campaign in order to reach the NEETs who could be eligible under these measures, ensuring gender balance wherever possible.