Procedure file

Basic information

BUD - Budgetary procedure	2010/2227(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Limburg) Subject 3.40.06 Electronics, electrotechnical industries, ICT, robotics 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		04/10/2010
		PPE MATERA Barbara	
		Shadow rapporteur	
		ALDE PICKART ALVARO Alexander Nuno	
	Committee for opinion	Rapporteur for opinion	Appointed
	EMPL Employment and Social Affairs	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	Economic and Financial Affairs ECOFIN	3045	17/11/2010
European Commission	Commission DG	Commissioner	
	Budget	LEWANDOWSKI Janusz	

Key events

01/10/2010	Non-legislative basic document published	COM(2010)0518	Summary
07/10/2010	Committee referral announced in Parliament		
09/11/2010	Vote in committee		Summary
12/11/2010	Budgetary report tabled for plenary	A7-0323/2010	
17/11/2010	Draft budget approved by Council		
23/11/2010	Results of vote in Parliament		
23/11/2010	Decision by Parliament	T7-0406/2010	Summary

23/11/2010	End of procedure in Parliament		
04/12/2010	Final act published in Official Journal		

Technical information

Procedure reference	2010/2227(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Mobilisation of funds
Other legal basis	Rules of Procedure EP 159
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/04150

Documentation gateway

Non-legislative basic document		COM(2010)0518	01/10/2010	EC	Summary
Committee draft report		PE450.595	07/10/2010	EP	
Amendments tabled in committee		PE452.587	28/10/2010	EP	
Budgetary report tabled for plenary, 1st reading		A7-0323/2010	12/11/2010	EP	
Budgetary text adopted by Parliament		T7-0406/2010	23/11/2010	EP	Summary

Final act

Decision 2010/742
OJ L 318 04.12.2010, p. 0039 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Limburg)

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the printing and publishing sectors in the Netherlands (Limburg).

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

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 the Netherlands to mobilise the EGF. The main elements of the assessment are as follows:

The Netherlands: EGF/2009/028 NL/Limburg Division 18 from the Netherlands: on 30 December 2009, the Netherlands submitted application EGF/2009/028 NL/Limburg Division 18 for a financial contribution from the EGF, following redundancies in nine enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the NUTS II region Limburg (NL42) in the Netherlands. The application was supplemented by additional information up to 6 May 2010.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that the economic crisis resulted in a substantial decrease in demand for the printing and publishing sector. The orders from other economic sectors for printed advertising material, which represents 35% of the total turnover of the printing and publishing sector, decreased by 5.6% between 2008 and 2009 due to the reduction of budgets for media and advertising activities induced by the economic crisis. The economic crisis negatively affected demand for various types of printed media material.

This application is part of a package of six interrelated applications, all of which concern redundancies in eight different NUTS II regions in the Netherlands in enterprises operating in the graphics sector, the activities of which are classified under two different NACE Revision 2 Divisions, namely Division 18 (printing and reproduction of recorded media) and Division 58 (publishing activities).

The Netherlands submitted this application under the intervention criteria of Article 2(c) of Regulation (EC) No 1927/2006, which provides that, in small labour markets or in exceptional circumstances, where duly substantiated by the Member State concerned, an application for a contribution from the EGF may be considered admissible even if the intervention criteria laid down in Article 2(a) and 2(b) are not entirely met, when redundancies have a serious impact on employment and the local economy. In this case the applicant must specify which of the main intervention criteria its application fails to meet.

The Netherlands has specified that the application seeks to derogate from Article 2(b), where the required threshold is 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 129 redundancies in nine enterprises operating in the same NACE Revision 2 Division during the nine-month reference period from 1 April 2009 to 29 December 2009 all located in the NUTS II region Limburg (NL42).

The exceptionality of this case lies in the combination of these factors, which together pose an unusual and difficult situation on the workers and the region concerned.

The Commission services therefore consider that the redundancies in question have a serious impact on employment and the local economy and that the difficult economic and labour market situation in Limburg allowing a broader interpretation of the Regulation, citing exceptional circumstances.

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 application from the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 549 946, representing 65% of the total cost.

IMPACT ASSESSMENT: no impact assessment was carried out.

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 549 946 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.

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 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Limburg)

The Committee on Budgets adopted the report drafted by Barbara MATERA (EPP, IT) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 549 946 in commitment and payment appropriations in respect of redundancies in the sector of printing and reproduction of recorded media in the Netherlands (Limburg).

Members recall that the European Union has set up the appropriate 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 the Netherlands has requested assistance in respect of cases concerning 129 redundancies in nine enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the NUTS II region Limburg, and that this application fulfils the eligibility criteria set up by the EGF Regulation, Members request the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Members recall the institutions? commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation and the financial and economic crisis.

They also recall 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 restructuring companies or sectors;
- the information provided by the Commission on the coordinated package of personalised services to be funded from the EGF includes detailed information on the complementarity with actions funded by the Structural Funds (the committee reiterates its call to present a comparative evaluation of these data in the Commission annual reports as well);
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and various other instruments created by the IIA of 17 May 2006 within the process of the 2007-2013 Multiannual Financial Framework mid-term review.

In parallel, Members welcome the fact that, in the context of mobilising the EGF, an alternative source of payment appropriations to unused European Social Fund has been proposed by the Commission, following the frequent reminders by the European Parliament that the EGF was created as a separate specific instrument with its own objectives and deadlines and that appropriate budget lines for transfers must therefore be identified.

They also note that, in order to mobilise the EGF for this case, payment appropriations will be transferred from a budget line dedicated to the

support of SMEs and innovation (even if they regret the severe shortcomings of the European Commission when implementing the framework programmes on competitiveness and innovation, particularly during an economic crisis which should significantly increase the need for such support).

Lastly, Members welcome the new format of the Commission?s proposal, which presents in its explanatory memorandum clear and detailed information on the application, analyses the eligibility criteria and explains the reasons which led to its approval, which is in line with Parliament?s requests.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Limburg)

The European Parliament adopted by 560 votes to 67, with 20 abstentions, a resolution approving the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund for an amount of EUR 549 946 in commitment and payment appropriations in respect of redundancies in the sector of printing and reproduction of recorded media in the Netherlands (Limburg).

Parliament recalls that the European Union has set up the appropriate 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 the Netherlands has requested assistance in respect of cases concerning 129 redundancies in nine enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the NUTS II region Limburg, and that this application fulfils the eligibility criteria set up by the EGF Regulation, Parliament requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF for the requested amount.

Parliament recalls the institutions? commitment to ensuring a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF, providing one-off, time-limited individual support geared to helping workers who have suffered redundancies as a result of globalisation and the financial and economic crisis.

It also recalls 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 restructuring companies or sectors;
- the information provided by the Commission on the coordinated package of personalised services to be funded from the EGF includes detailed information on the complementarity with actions funded by the Structural Funds (the committee reiterates its call to present a comparative evaluation of these data in the Commission annual reports as well);
- the functioning and the added value of the EGF should be evaluated in the context of the general assessment of the programmes and various other instruments created by the IIA of 17 May 2006 within the process of the 2007-2013 Multiannual Financial Framework mid-term review.

In parallel, Parliament welcomes the fact that, in the context of mobilising the EGF, an alternative source of payment appropriations to unused European Social Fund has been proposed by the Commission, following the frequent reminders by the European Parliament that the EGF was created as a separate specific instrument with its own objectives and deadlines and that appropriate budget lines for transfers must therefore be identified.

It also notes that, in order to mobilise the EGF for this case, payment appropriations will be transferred from a budget line dedicated to the support of SMEs and innovation (even if it regrets the severe shortcomings of the European Commission when implementing the framework programmes on competitiveness and innovation, particularly during an economic crisis which should significantly increase the need for such support).

Lastly, Parliament welcomes the new format of the Commission?s proposal, which presents in its explanatory memorandum clear and detailed information on the application, analyses the eligibility criteria and explains the reasons which led to its approval, which is in line with Parliament?s requests.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the printing and publishing sector in the Netherlands (Limburg)

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the printing and publishing sectors in the Netherlands (Limburg).

NON-LEGISLATIVE ACT: Decision 2010/742/EU of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2009/028 NL/Limburg Division 18 from the Netherlands).

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise EUR 549 946 in commitment and payment appropriations from the European Globalisation and Adjustment Fund in the framework of the 2010 budget.

The Fund will be mobilised to assist the Netherlands in respect of redundancies in nine enterprises operating in NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the NUTS II region Limburg (NL42).

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 (EGF), the Parliament and the Council have decided to respond by providing the aforementioned amount.

To recall, the European Globalisation Adjustment Fund was set up 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 allows the mobilisation of the Fund within the annual ceiling of EUR 500 million. It should also be noted that the scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.