

Procedure file

Basic information		
BUD - Budgetary procedure	2011/2044(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in the Czech Republic		
Subject		
3.40.13 Food industry		
4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF)		
8.70.60 Previous annual budgets		
Geographical area		
Czechia		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		16/02/2011
		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
	General Affairs	3079	21/03/2011
European Commission	Commission DG	Commissioner	
	Budget	LEWANDOWSKI Janusz	

Key events			
15/02/2011	Non-legislative basic document published	COM(2011)0061	Summary
17/02/2011	Committee referral announced in Parliament		
16/03/2011	Vote in committee		Summary
17/03/2011	Budgetary report tabled for plenary	A7-0060/2011	
21/03/2011	Draft budget approved by Council		
05/04/2011	Results of vote in Parliament		
05/04/2011	Decision by Parliament	T7-0124/2011	Summary

05/04/2011	End of procedure in Parliament		
13/04/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2044(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/7/05383

Documentation gateway

Non-legislative basic document	COM(2011)0061	15/02/2011	EC	Summary
Committee draft report	PE458.788	23/02/2011	EP	
Amendments tabled in committee	PE460.747	04/03/2011	EP	
Budgetary report tabled for plenary, 1st reading	A7-0060/2011	17/03/2011	EP	
Budgetary text adopted by Parliament	T7-0124/2011	05/04/2011	EP	Summary

Final act

[Decision 2011/233](#)
[OJ L 098 13.04.2011, p. 0013](#) Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in the Czech Republic

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the food industry in the Czech Republic.

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

Czech Republic: application EGF/2010/010 CZ/Unilever from the Czech Republic: on 24 March 2010, the Czech Republic submitted application EGF/2010/010 CZ/Unilever for a financial contribution from the EGF, following redundancies in Unilever ?R spol.s r.o. in Nelahozeves in the Czech Republic (henceforth 'Unilever'). The application was supplemented by additional information up to 20 September 2010.

In order to establish the link between the redundancies and the global financial and economic crisis, the Czech Republic argues that the consumption and sale of food products such as those produced by Unilever in the Czech Republic declined seriously due to this crisis. It has quoted Eurostat statistics which show that over the twelve-month period from September 2008 to August 2009 retail turnover in the EU-27 declined by 3.32%, in the Euro zone by 4.52%, and in the Czech Republic by 5.88%.

Decreased consumer confidence and decreased sales led inexorably to decreased production at Nelahozeves, and a re-organisation of production capacity by Unilever. The firm decided to close its factory at Nelahozeves and to supply the local and EU markets from other production sites, including those based elsewhere in the EU.

The Czech Republic submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires 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. The application cites 634 redundancies in Unilever during the four-month reference period from 16 September 2009 to 16 January 2010.

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 Czech Republic, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 323 820, 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 323 820 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 dialogue 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 dialogue 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 food industry in the Czech Republic

[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 323 820 in commitment and payment appropriations in respect of redundancies in the food industry in the Czech Republic.](#)

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 Czech Republic has requested assistance in respect of cases concerning 634 redundancies (all targeted for assistance) in the enterprise Unilever ?R, spol.sr.o operating in the retail sector in the NUTS II region of St?edni ?echy, 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 information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds.

Members welcome the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives;

Lastly, Members call for an evaluation on the long-term integration of these workers into the labour market as a direct result of the EGF-funded measures.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in the Czech Republic

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in the food industry in the Czech Republic.

LEGISLATIVE ACT: Decision 2011/233/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/2010/010 CZ/Unilever from the Czech Republic);

CONTENT: by this Decision, the European Parliament and the Council have decided to mobilise the amount of EUR 323 820 in commitment and payment appropriations from the European Globalisation Adjustment Fund in the framework of the 2011 budget.

This amount will assist the Czech Republic in respect of redundancies in the food industry (Unilever ?R spol.s r.o.).

Noting that the application from the Czech Republic fulfils the eligibility criteria set up by the [EGF Regulation](#) (Regulation (EC) No 1927/2006), the European Parliament and the Council have decided to mobilise the requested amount.

To recall, the European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant 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. The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.

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.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the food industry in the Czech Republic

[The European Parliament adopted by 553 votes to 53, with 19 abstentions, a resolution approving the annexed proposal for a decision on the mobilisation of the European Globalisation Adjustment Fund \(EGF\).](#)

The Fund shall be mobilised for an amount of EUR 323 820 in commitment and payment appropriations in respect of redundancies in the food industry in the Czech Republic.

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 Czech Republic has requested assistance in respect of cases concerning 634 redundancies (all targeted for assistance) in the enterprise Unilever ?R, spol.s r.o operating in the retail sector in the NUTS II region of St?edni ?echy, 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 information provided on the coordinated package of personalised services to be funded from the EGF includes information on the complementarity with actions funded by the Structural Funds.

In favour of an amendment adopted by a slight majority in plenary, Parliament regrets that the EGF Regulation as it stands does not require an investigation into the financial health, possible tax evasion or state aid situation of multinational companies whose restructuring justifies the intervention of the EGF. It believes that this ought to be addressed in the forthcoming revision of the EGF Regulation without compromising redundant workers' access to the EGF.

Parliament also welcomes the fact that, following repeated requests from the Parliament, for the first time the 2011 budget shows payment appropriations of EUR 47 608 950 on the EGF budget line 04 05 01. This dedicated allocation will avoid transfers from other budget lines, as happened in the past, which could be detrimental to the achievement of the various policies objectives.

Lastly, Parliament calls for an evaluation on the long-term integration of these workers into the labour market as a direct result of the EGF-funded measures.