

Procedure file

Basic information		
BUD - Budgetary procedure	2013/2049(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in IT services in Italy		
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		
Italy		

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		11/03/2013
		ALDE WERTHMANN Angelika	
		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.	
	REGI Regional Development	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	General Affairs	3235	22/04/2013
European Commission	Commission DG	Commissioner	
	Budget	LEWANDOWSKI Janusz	

Key events			
07/03/2013	Non-legislative basic document published	COM(2013)0120	Summary
14/03/2013	Committee referral announced in Parliament		
26/03/2013	Vote in committee		
28/03/2013	Budgetary report tabled for plenary	A7-0133/2013	Summary
16/04/2013	Results of vote in Parliament		
16/04/2013	Decision by Parliament	T7-0110/2013	Summary
22/04/2013	Draft budget approved by Council		
22/04/2013	End of procedure in Parliament		
12/06/2013	Final act published in Official Journal		

Technical information	
Procedure reference	2013/2049(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/7/12168

Documentation gateway					
Non-legislative basic document		COM(2013)0120	07/03/2013	EC	Summary
Committee draft report		PE506.328	12/03/2013	EP	
Amendments tabled in committee		PE507.967	21/03/2013	EP	
Budgetary report tabled for plenary, 1st reading		A7-0133/2013	28/03/2013	EP	Summary
Budgetary text adopted by Parliament		T7-0110/2013	16/04/2013	EP	Summary

Final act	
Decision 2013/277 OJ L 160 12.06.2013, p. 0012	Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in IT services in Italy

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in IT services in Italy.

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

Italy: application EGF/2011/016 IT/Agile: on 30 December 2011, Italy submitted application EGF/2011/016 IT/Agile for a financial contribution from the EGF, following redundancies in Agile S.r.l, an enterprise operating in the Information and Communications Technology (ICT) sector in Italy. The application was supplemented by additional information up to 2 October 2012.

In order to establish the link between the redundancies and the global financial and economic crisis, Italy argues that according to available data, the financial crisis, in particular during the 2008/2009 period. While 2009 marked the reversal of the trend with a negative growth of 2.4%. This downward trend continued in 2010 (-1%). The Italian ICT sector followed a similar trend as the EU as a whole. However the crisis had a major impact on the sector and the negative growth reached -4.2% in 2009 and -2.5% in 2010 compared with the relevant previous years.

The strong decline of the ITC sector in Italy hit Agile S.r.l., an Italian IT services provider, particularly hard. The effects of the global financial and economic crisis occurred when Agile was changing its commercial strategy by moving from offering call center services at local level to offering integrated IT services at multiregional level. In a context of downturn the enterprises efforts and the necessary investment proved to be unequal to achieving Agiles goals of growth, resulting in heavy losses and eventually in insolvency with the consequence of dismissals.

Italy submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers and downstream producers. The application cites 1 257 redundancies in Agile S.r.l. during the reference period from 22 September 2011 to 22 December 2011.

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 Italy, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 3 689 474, representing 65% of the total cost.

IMPACT ASSESSMENT: not applicable.

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 3 689 474, 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 2013 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006. Appropriations from the EGF budget line will be used to cover the amount needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in IT services in Italy

The Committee on Budgets adopted the report by Angelika WERTHMANN (ALDE, AT) on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total amount of EUR 3 689 474 in commitment and payment appropriations to assist Italy hit by redundancies in IT services.

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 Italy submitted an application for a financial contribution from the EGF, following 1 257 redundancies in Agile S.r.l. with 856 workers targeted for EFG co-funded measures, during the reference period from 22 September 2011 to 22 December 2011, Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF to cover the amount requested. They agree with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, Italy is entitled to a financial contribution under that Regulation.

The Agile case: Members emphasise the fact that the Agile redundancies are spread out over most of the whole Italy and that the territories concerned are 12 out of the 19 Italian regions: Piemonte, Lombardia, Veneto, Emilia-Romagna, Tuscany, Umbria, Lazio, Campania, Puglia, Basilica and Calabria and Sicily. They highlight that the Agile redundancies will further exacerbate the current fragile employment situation, in particular in the Southern regions where the outlook of economic recovery is less optimistic.

Members welcome the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 15 March 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package. They note that the coordinated package of personalised services to be co-funded includes measures for the reintegration of workers into employment such as career advice and skills assessment, outplacement and job-search assistance, vocational training, etc. Members welcome, in the coordinated package of personalised services, the module "Mentoring after reintegration into work", which is aimed at assuring that the return of the workers on the labour market is sustainable.

Members welcome the fact that the contribution to expenses of residence shall only be paid as a one-off contribution upon presentation of proof of the expenditure incurred. They recall 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. They ask the Commission to further detail in future proposals the types of training to be provided, in which sectors the workers are likely to find employment and if the training on offer is aligned to the future economic prospects and labour market needs in the regions concerned.

Learn lessons from the implementation of the EGF: Members request the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF. They hope that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (2014/2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Members reiterate their position as regards the processing of an application of this kind:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF,
- the fact 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;
- EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in IT services in Italy

The European Parliament adopted by 619 votes to 72, with 24 abstentions, a resolution approving the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund for a total amount of EUR 3 689 474 in commitment and payment appropriations to assist Italy hit by redundancies in IT services.

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 Italy submitted an application for a financial contribution from the EGF, following 1 257 redundancies in Agile S.r.l. with 856 workers targeted for EFG co-funded measures, during the reference period from 22 September 2011 to 22 December 2011,

Parliament requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF to cover the amount requested. It agrees with the Commission that the conditions set out in Article 2(a) of the EGF Regulation are met and that, therefore, Italy is entitled to a financial contribution under that Regulation.

The Agile case: Parliament emphasises the fact that the Agile redundancies are spread out over most of the whole Italy and that the territories concerned are 12 out of the 19 Italian regions: Piemonte, Lombardia, Veneto, Emilia-Romagna, Tuscany, Umbria, Lazio, Campania, Puglia, Basilica and Calabria and Sicily. It highlights that the Agile redundancies will further exacerbate the current fragile employment situation, in particular in the Southern regions where the outlook of economic recovery is less optimistic.

Members welcome the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised measures on 15 March 2012, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

It also notes that the coordinated package of personalised services to be co-funded includes measures for the reintegration of 856 workers into employment by means of career advice and skills assessment, outplacement and job-search assistance, vocational training and skills upgrades, postgraduate education, entrepreneurship promotion and contribution to business start-up, hiring benefits, mentoring after reintegration into work, job-search allowances and contributions towards special expenses such as contributions for carers of dependent persons, contributions to commuting expenses and contributions to the expense of moving their residence to take up a new job. Parliament also welcomes, in the coordinated package of personalised services, the module "Mentoring after reintegration into work", which is aimed at assuring that the return of the workers on the labour market is sustainable.

It welcomes the fact that the contribution to expenses of residence shall only be paid as a one-off contribution upon presentation of proof of the expenditure incurred. Members also welcomes the contributions towards special expenses for carers foreseen to enable the reconciliation of workers with dependent persons (children, elderly or disabled persons) to take care of these persons, to allow the workers participating in the programme to reconcile training and job search with family obligations.

It recalls 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. It asks the Commission to further detail in future proposals the types of training to be provided, in which sectors the workers are likely to find employment and if the training on offer is aligned to the future economic prospects and labour market needs in the regions concerned.

Learn lessons from the implementation of the EGF: Parliament requests the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF. It hopes that further improvements in the procedure will be integrated in the new Regulation on the European Globalisation Adjustment Fund (20142020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament reiterates its position as regards the processing of an application of this kind:

- the need to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF,
- the fact 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;
- EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in IT services in Italy

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) in respect of redundancies in IT services in Italy.

NON-LEGISLATIVE ACT: Decision 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/2011/016 IT/Agile from Italy).

CONTENT: by means of this Decision, the European Parliament and the Council mobilise the sum of EUR 3 689 474 in commitment and payment appropriations from the European Globalisation Fund for the financial year 2013.

This sum is made available to assist Italy in respect of redundancies in Agile S.r.l. (IT services).

Given that this application complies with the requirements for determining the financial contributions as laid down in Regulation (EC) No 1927/2006 ([EGF Regulation](#)), Parliament and the Council respond by granting the above-mentioned sum.

To recap, the European Globalisation Adjustment Fund (EGF) aims 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 for the mobilisation of the Fund through a flexibility mechanism, within the annual ceiling of EUR 500 million.