Procedure file

Basic information

BUD - Budgetary procedure	2014/2062(BUD)	Procedure completed
Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain Subject 3.40.08 Mechanical engineering, machine-tool industry 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 8.70.60 Previous annual budgets		

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets		23/07/2014
		epp GONZÁLEZ PONS Esteban	
		Shadow rapporteur	
		S&D GARDIAZABAL RUBIAL Eider	
		JÄÄTTEENMÄKI Anneli	
		EFD ZANNI Marco	
	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
	Transport, Telecommunications and Energy	3335	08/10/2014

Key events

22/07/2014	Non-legislative basic document published	COM(2014)0478	Summary
11/09/2014	Vote in committee		
12/09/2014	Budgetary report tabled for plenary	A8-0007/2014	Summary
15/09/2014	Committee referral announced in		

	Parliament		
17/09/2014	Results of vote in Parliament		
17/09/2014	Decision by Parliament	T8-0021/2014	Summary
08/10/2014	Draft budget approved by Council		
08/10/2014	End of procedure in Parliament		
20/11/2014	Final act published in Official Journal		

Technical information

Procedure reference	2014/2062(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/8/00880

Documentation gateway

Non-legislative basic document		COM(2014)0478	22/07/2014	EC	Summary
Committee draft report		PE537.284	27/08/2014	EP	
Amendments tabled in committee		PE537.351	04/09/2014	EP	
Budgetary report tabled for plenary, 1st reading		A8-0007/2014	12/09/2014	EP	Summary
Budgetary text adopted by Parliament		T8-0021/2014	17/09/2014	EP	Summary

Final act

Decision 2014/812
OJ L 333 20.11.2014, p. 0011 Summary

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain

PURPOSE: to mobilise the European Globalisation Adjustment Fund (EGF) to assist Spain following redundancies in the manufacture of wood and of products of wood 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 the contributions from the EGF for applications submitted until 31 December 2013 are laid down in Regulation (EC) No 1927/2006 of the European Parliament and of the Council on establishing the EGF.

To recall, this Fund 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.

In this context, the Commission examined the request for mobilisation of the EGF with a view to assisting Spain and stated that:

Spain: EGF/2013/010 ES/Castilla y Lesn: on 5 December 2013, Spain submitted application EGF/2013/010 ES/Castilla y Lesn for a financial contribution from the EGF, following redundancies in three enterprises operating in the NACE Revision 2 Division 16 (Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials) in the NUTS II region of Castilla y Lesn (ES41) in Spain.

In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Spain argues that the market of builders' joinery and carpentry of wood products worldwide is shrinking and the volume of global trade (worldwide exports) of this commodity has been decreasing during the past years. According to data from UN Comtrade, in 2008 worldwide exports of builders' joinery and carpentry of wood amounted to 14.2 billion US dollars while in 2011 they were 13.7 billion US dollars, representing a decline of 3.4%. During the period 2008-2011 the volume of the EU 27 exports of builders' joinery and carpentry of wood products decreased by 10.33%.

In addition the Spanish authorities stated that the number of enterprises manufacturing wood and products of wood and cork, except furniture in Castilla y Lesn decreased from 1 100 in 2008 to 855 in 2013 representing a decline of 22.3%.

Background to the request from Spain: Spain 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 in a Member State.

The application cites 587 redundancies in three enterprises operating in the NACE Revision 2 Division 16 (Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials) in the NUTS II region of Castilla y Lesn (ES41) during the nine-month reference period from 28 December 2012 to 28 September 2013.

On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 700 000, representing 50 % of the total cost.

Financing: considering the maximum possible amount of a financial contribution from the EGF under Article 12 of Council Regulation (EU, Euratom) No 1311/2013, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of EUR 700 000.

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.

The Commission presents separately a transfer request in order to enter in the 2014 budget specific commitment appropriations, as required in Point 13 of the Interinstitutional Agreement of 2 December 2013.

Appropriations allocated to the EGF budget line in the 2014 budget will be used to cover the amount of EUR 700 000 needed for the present application.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain

The Committee on Budgets adopted the report by Esteban GONZÁLEZ PONS (EPP, ES) on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund providing a total amount of EUR 700 000 in commitment and payment appropriations in order to assist Spain which is facing redundancies in its manufacture of wood and of products of wood sector.

Members 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 are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

Spain submitted an application for a financial contribution from the EGF, following 587 redundancies in 3 enterprises operating in the manufacture of wood and wood products sector in the NUTS level 2 region of Castilla y León (ES41) during the reference period from 28 December 2012 to 28 September 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 2(b) of the EGF Regulation are met and that, therefore, Spain is entitled to a financial contribution under that Regulation.

Redundancies: Members considered that the redundancies are linked to major structural changes in world trade patterns due to globalisation, referring to the fact that the volume of the EU 27 exports of builders' joinery and carpentry of wood products decreased by 10.33% during the period 2008-2011. The 587 redundancies in question have severely affected the local labour market with the unemployment rate rising from 8.2 % in the first quarter of 2008 to 22.70 % in the first quarter of 2013. Members felt that the unemployment situation in the affected region seems particularly fragile given the extremely low population density in Soria, one of the two provinces affected by the redundancies.

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 1 February 2014, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Package of personalised services: Members noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of approximately 400 redundant workers into employment such as welcome and information sessions, occupational guidance and counselling, intensive job-search assistance, training, promotion of entrepreneurship, incentives. They also noted that the eligible actions do not receive assistance from other Union financial instruments. The committee 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: the committee requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF. It appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. Members underlined that further improvements in the procedure have been integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

They also welcomed the adoption of the new EGF Regulation which reflects the agreement reached between the Parliament and the Council to;

- reintroduce the crisis mobilisation criterion;
- increase Union financial contribution to 60% of the total estimated cost of proposed measures;
- 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;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.

At the same time, Members stressed that, in accordance with the EGF Regulation, it must be ensured that the EGF supports the reintegration of individual redundant workers into durable, long-term employment.

Lastly, 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 restructuring companies or sectors.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain

The European Parliament adopted by 618 votes to 71, with 11 abstentions, a resolution on the proposal for a decision of the European Parliament and of the Council on mobilisation of the European Globalisation Adjustment Fund providing a total amount of EUR 700 000 in commitment and payment appropriations in order to assist Spain which is facing redundancies in its manufacture of wood and of products of wood sector.

The resolution 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 are made redundant as a result of the global financial and economic crisis and to assist their reintegration into the labour market.

Spain submitted an application for a financial contribution from the EGF, following 587 redundancies in 3 enterprises operating in the manufacture of wood and wood products sector in the NUTS level 2 region of Castilla y León (ES41) during the reference period from 28 December 2012 to 28 September 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 2(b) of the EGF Regulation are met and that, therefore, Spain is entitled to a financial contribution under that Regulation.

Redundancies: Parliament considered that the redundancies are linked to major structural changes in world trade patterns due to globalisation, referring to the fact that the volume of the EU 27 exports of builders' joinery and carpentry of wood products decreased by 10.33% during the period 2008-2011. The 587 redundancies in question have severely affected the local labour market with the unemployment rate rising from 8.2 % in the first quarter of 2008 to 22.70 % in the first quarter of 2013. Parliament felt that the unemployment situation in the affected region seems particularly fragile given the extremely low population density in Soria, one of the two provinces affected by the redundancies.

The resolution noted that it is estimated that a limited number of participants may receive an estimated amount of up to EUR 5 200 under the measure to promote entrepreneurship; points out that this estimated amount is made up of several amounts from different support measures.

Parliament 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 1 February 2014, well ahead of the final decision on granting the EGF support for the proposed coordinated package.

Package of personalised services: Parliament noted that the coordinated package of personalised services to be co-funded includes measures for the reintegration of approximately 400 redundant workers into employment such as welcome and information sessions, occupational guidance and counselling, intensive job-search assistance, training, promotion of entrepreneurship, incentives. It also noted that the eligible actions do not receive assistance from other Union financial instruments. 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 requested the institutions involved to make the necessary efforts to improve procedural arrangements in order to accelerate the mobilisation of the EGF. It appreciated the improved procedure put in place by the Commission, following Parliament's request for the accelerated release of grants, aimed at presenting to the budgetary authority the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF. Members underlined that further improvements in the procedure have been integrated in the new Regulation on European Globalisation Adjustment Fund (2014-2020) and that greater efficiency, transparency and visibility of the EGF will be achieved.

Parliament also welcomed the adoption of the new EGF Regulation which reflects the agreement reached between the Parliament and the Council to;

- reintroduce the crisis mobilisation criterion;
- increase Union financial contribution to 60% of the total estimated cost of proposed measures;
- 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;
- widen eligible actions and beneficiaries by introducing self-employed persons and young people and
- finance incentives for setting up own businesses.

At the same time, Parliament stressed that, in accordance with the EGF Regulation, it must be ensured that the EGF supports the reintegration of individual redundant workers into durable, long-term employment.

Lastly, 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 restructuring companies or sectors.

Mobilisation of the European Globalisation Adjustment Fund: redundancies in the manufacture of wood and of products of wood sector in Spain

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

NON-LEGISLATIVE ACT: Decision 2014/812/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/2013/010 ES/Castilla y León from Spain).

CONTENT: with this Decision, the European Parliament and the Council have decided to mobilise the EGF for an amount of EUR 700 000 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 three enterprises operating in the NACE Revision 2 Division 16 (Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials) in the NUTS II region of Castilla y León (ES 41).

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

To recall, the 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.

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.