



# Procedure file

Basic information	
COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	2011/0147(COD) Procedure lapsed or withdrawn
European Globalisation Adjustment Fund (EGF): temporary derogation	
Subject 4.15.05 Industrial restructuring, job losses, redundancies, relocations, Globalisation Adjustment Fund (EGF) 4.15.12 Workers protection and rights, labour law 5.03 Global economy and globalisation	

Key players			
European Parliament	Committee responsible	Rapporteur	Appointed
	<b>EMPL</b> Employment and Social Affairs	S&D <a href="#">BERÈS Pervenche</a> Shadow rapporteur Verts/ALE <a href="#">CORNELISSEN Marije</a> Verts/ALE <a href="#">SCHROEDTER Elisabeth</a> ECR <a href="#">CABRNOCH Milan</a>	07/07/2011
	Committee for opinion	Rapporteur for opinion	Appointed
	<b>BUDG</b> Budgets	The committee decided not to give an opinion.	
Council of the European Union	Council configuration	Meeting	Date
	<a href="#">Employment, Social Policy, Health and Consumer Affairs3131</a>		01/12/2011
European Commission	Commission DG	Commissioner	
	<a href="#">Employment, Social Affairs and Inclusion</a>	ANDOR László	
European Economic and Social Committee European Committee of the Regions			

Key events			
10/06/2011	Legislative proposal published	<a href="#">COM(2011)0336</a>	Summary
23/06/2011	Committee referral announced in Parliament, 1st reading		
08/09/2011	Vote in committee, 1st reading		Summary
14/09/2011	Committee report tabled for plenary, 1st	<a href="#">A7-0308/2011</a>	

	reading		
29/09/2011	Results of vote in Parliament		
29/09/2011	Debate in Parliament		
29/09/2011	Decision by Parliament, 1st reading	<a href="#">T7-0428/2011</a>	Summary
21/05/2014	Proposal withdrawn by Commission		Summary

### Technical information

Procedure reference	2011/0147(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the EU TFEU 175-p3
Other legal basis	Rules of Procedure EP 159
Mandatory consultation of other institutions	<a href="#">European Economic and Social Committee</a> <a href="#">European Committee of the Regions</a>
Stage reached in procedure	Procedure lapsed or withdrawn
Committee dossier	EMPL/7/06276

### Documentation gateway

Legislative proposal	<a href="#">COM(2011)0336</a>	10/06/2011	EC	Summary
Committee report tabled for plenary, 1st reading/single reading	<a href="#">A7-0308/2011</a>	14/09/2011	EP	
Economic and Social Committee: opinion, report	<a href="#">CES1384/2011</a>	21/09/2011	ESC	
Text adopted by Parliament, 1st reading/single reading	<a href="#">T7-0428/2011</a>	29/09/2011	EP	Summary

### Additional information

National parliaments	<a href="#">IPEX</a>
European Commission	<a href="#">EUR-Lex</a>

## European Globalisation Adjustment Fund (EGF): temporary derogation

**PURPOSE:** to extend the temporary derogation to support workers made redundant as a result of the global financial and economic crisis until by 31 December 2013.

**PROPOSED ACT:** Regulation of European Parliament and of the Council.

**BACKGROUND:** the European Globalisation Adjustment Fund (EGF) was established in 2006 by [Regulation \(EC\) No 1927/2006](#) with the main objective of showing solidarity with and providing support to workers affected by redundancies resulting from changes in world trade patterns.

In the light of the scale and the speed of development of the financial and economic crisis in 2008, the Commission, in its European Economic Recovery Plan, envisaged the revision of Regulation (EC) No 1927/2006. The aim of this revision, brought about by [Regulation \(EC\) No 546/2009](#), was to extend the scope of the EGF as part of Europe's crisis response and to turn it into an early, more effective crisis intervention instrument in line with the fundamental principles of solidarity and social justice.

The amendments included permanent changes, such as the reduction from 1 000 to 500 of the required number of redundancies to trigger an application for EGF support and an extension from 12 to 24 months of the implementation period for EGF supported measures.

A temporary derogation was introduced in order (1) to enlarge the scope of the EGF to cover support in favour of workers made redundant as

a direct consequence of the financial and economic crisis (paragraph 1a of Article 1 of Regulation (EC) No 1927/2006) and (2) to increase the level of EGF co-funding from 50 to 65% (Article 10(1) of Regulation (EC) No 1927/2006).

The temporary derogation expires on 30 December 2011 and the possibility of reviewing it is provided for in the second paragraph of Article 20 of Regulation (EC) No 1927/2006.

Therefore, it is proposed to extend the temporary crisis-related derogation, which expires on 30 December 2011.

IMPACT ASSESSMENT: no impact assessment was carried out.

LEGAL BASIS: Article 175(3) of the Treaty on the Functioning of the European Union (TFEU).

CONTENT: in order to extend the temporary derogation to support workers made redundant as a result of the global financial and economic crisis the date laid down in the second paragraph of paragraph 1a of Article 1 of Regulation (EC) No 1927/2006 is replaced by 31 December 2013. This amendment also automatically extends the increased co-financing rate of 65% until the same date, as laid down in Article 10(1) of the Regulation.

BUDGETARY IMPLICATION: Article 28 of the [Interinstitutional Agreement of 17 May 2006](#) on budgetary discipline and sound financial management provides that the EGF may not exceed a maximum annual amount of EUR 500 million.

Based on the requests for EGF support in the past the proposed extension of the crisis related derogation in Regulation (EC) No 1927/2006 is not expected to exceed this maximum annual amount. These requests reached EUR 51.8 million in 2007 and EUR 20.6 million in 2008. In 2009 the total amount of EGF support requested reached EUR 131.7 million, of which 75% concerned crisis related applications and 25% trade related applications. In 2010 the total amount of EGF support requested reached EUR 132,5 million, of which 87% related to crisis related applications and 13% to trade related applications.

## European Globalisation Adjustment Fund (EGF): temporary derogation

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The Committee on Employment and Social Affairs adopted the report drafted by Pervenche BERES (S&D, FR) on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 establishing the European Globalisation Adjustment Fund.

It recommended that the European Parliament's position at first reading, adopted under the ordinary legislative procedure, should be to take over the Commission proposal.

## European Globalisation Adjustment Fund (EGF): temporary derogation

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The European Parliament adopted by 498 votes to 63, with 13 against, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 establishing the European Globalisation Adjustment Fund.

Parliament adopted its position at first reading under the ordinary legislative procedure taking over the Commission proposal.

## European Globalisation Adjustment Fund (EGF): temporary derogation

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As announced in Official Journal C 153 of 21 May 2014, the Commission decided to withdraw this proposal, which had become obsolete.