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*Plenary sitting*

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**A8-0029/2016**

19.2.2016

## REPORT

on the proposal for a decision of the European Parliament and of the Council on 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/2015/007 - BE/Hainaut-Namur Glass, submitted by Belgium)  
(COM(2016)0001 – C8-0013/2016 – 2016/2013(BUD))

Committee on Budgets

Rapporteur: Tomáš Zdechovský

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council on 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/2015/007 - BE/Hainaut-Namur Glass, submitted by Belgium) (COM(2016)0001 – C8-0013/2016 – 2016/2013(BUD))**

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2016)0001 – C8-0013/2016),
  - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006<sup>1</sup> (EGF Regulation),
  - having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020<sup>2</sup>, and in particular Article 12 thereof,
  - having regard to 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<sup>3</sup> (IIA of 2 December 2013), and in particular point 13 thereof,
  - having regard to the trilogue procedure provided for in point 13 of the IIA of 2 December 2013,
  - having regard to the letter of the Committee on Employment and Social Affairs,
  - having regard to the letter of the Committee on Regional Development,
  - having regard to the report of the Committee on Budgets (A8-0029/2016),
- A. whereas 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 of the global financial and economic crisis and to assist their reintegration into the labour market;
- B. whereas the Union's financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible, in accordance with the Joint Declaration of the European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008, and having due regard to the IIA of 2

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ L 347, 20.12.2013, p. 884.

<sup>3</sup> OJ C 373, 20.12.2013, p. 1.

December 2013 in respect of the adoption of decisions to mobilise the European Globalisation Adjustment Fund (EGF);

- C. whereas the adoption of the EGF Regulation reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to set the Union financial contribution to 60 % of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening the time for assessment and approval, to widen eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses;
  - D. whereas Belgium submitted application EGF/2015/007 BE/Hainaut-Namur Glass for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut (BE32) and Namur (BE35) in Belgium, and whereas 412 redundant workers, as well as 100 young people from the Hainaut Region not in employment, education or training (NEETs) under the age of 25, are expected to participate in the measures; whereas 144 of these workers were made redundant following the closure of the production plant in Roux (Hainaut), owned by AGC Europe SA, and 268 following the closure of the production plant in Auvelais (Namur Region), owned by Saint-Gobain Glass Benelux;
  - E. whereas although the application does not fulfil the eligibility criteria set down in Article 4(1) of the EGF Regulation, it was submitted under the intervention criteria, which allow for derogation under exceptional circumstances, notably Article 4(2) of the EGF Regulation in the case of the redundant workers, and Article 6(2) of the EGF Regulation in the case of the NEETs;
- 1. Agrees with the Commission that the conditions set out in Article 4(2) of the EGF Regulation are met and that, therefore, Belgium is entitled to a financial contribution of EUR 1 095 544 under that Regulation, which represents 60% of the total cost of EUR 1 825 907;
  - 2. Notes that the Belgian authorities submitted the application for a financial contribution from the EGF on 19 August 2015, and that its assessment was finalised by the Commission on 20 January 2016 and notified to Parliament that day;
  - 3. Notes that in recent years the Union trade in glass products has undergone serious disruptions and underlines that between 2000 and 2010, employment in the glass sector as a whole in Europe decreased by 32 %; points out that in Wallonia, which has a strong tradition of glass-making, several of large enterprises have faced difficulties in the recent years, with the number of jobs in the glass sector in the regions of Namur and Hainaut decreasing by 19% between 2007 and 2012 and 1 236 job losses in 2013 and 1 878 in 2014 in Wallonia;
  - 4. Points out that Hainaut, in particular, is facing a difficult labour market situation with an employment rate 9,2 % lower than the national average; notes that the labour markets of the two regions are furthermore characterised by high proportion of underqualified labour (around 50 % of the job seekers in both regions lack upper secondary qualifications)

5. Notes that Saint-Gobain Group was in 2013 forced to close another production plant in a deindustrialised zone in Wallonia which was subject of the EGF/2013/011 BE/Saint-Gobain Sekurit application relating to 257 redundancies in the same sector; notes that several measures in the two applications are similar;
6. Welcomes the fact that the Belgian authorities started providing the personalised services to the affected workers on 10 September 2014, well ahead of the decision on the granting the EGF support for the proposed coordinated package;
7. Notes that the derogation from Article 4(1)(a) of the EGF Regulation in this case relates to the number of redundancies which is not significantly lower than the threshold of 500 redundancies; welcomes that the application aims to support a further 100 NEETs;
8. Notes that Belgium is planning seven types of measures for redundant workers covered by this application: (i) support/guidance/interpretation, (ii) facilitating job-search, (iii) integrated training, (iv) transfer of experiences, (v) support for enterprise creation, (vi) support for collective projects, and (vii) job-search and training allowances;
9. Welcomes the support for collective projects; calls on the Commission to assess the results of this type of measure in other applications in order to determine its benefits to the participants;
10. Welcomes that the application contains measures specifically aimed to provide assistance to NEETs; notes that the personalised services provided to NEETs shall include: (i) mobilisation and guidance either for further education/training or to follow induction sessions, (ii) training, (iii) personalised upskilling, and (iv) job-search and training allowances;
11. Appreciates that the allowances and incentives to be provided as part of the proposed measures are limited to 5,52 % of the total estimated costs;
12. Notes that the coordinated package of personalised services has been drawn up in consultation with social partners, enterprises and the public employment services;
13. Recalls that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services supported by the EGF should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy;
14. 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; expects the training on offer in the coordinated package to be adapted not only to the needs of the dismissed workers but also to the actual business environment;
15. Underlines that in case of successive applications from the same geographical region the Commission should collect and analyse the experiences from previous applications and ensure that in case of new applications any conclusion of that analysis is taken into due account;

16. Asks the Commission to further detail, in future proposals, the sectors in which 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 by the dismissals;
17. Notes that the Belgian authorities confirm that the eligible actions do not receive assistance from other Union financial instruments; reiterates its call to the Commission to present a comparative evaluation of those data in its annual reports in order to ensure full respect for existing regulations and that no duplication of Union-funded services can occur;
18. Reiterates 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 for restructuring companies or sectors;
19. Appreciates the improved procedure put in place by the Commission, following the Parliament's request for the accelerated release of grants; notes the time pressure that the new timetable implies and the potential impact on the effectiveness of case instruction;
20. Asks the Commission to assure public access to all the documents related to EGF cases;
21. Approves the decision annexed to this resolution;
22. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
23. Instructs its President to forward this resolution, including its Annex, to the Council and the Commission.

## **ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**

### **on the mobilisation of the European Globalisation Adjustment Fund (application from Belgium EGF/2015/007 - BE/Hainaut-Namur Glass)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006<sup>1</sup>, and in particular Article 15(4) thereof,

Having regard to 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<sup>2</sup>, and in particular point 13 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.
- (2) The EGF is not to exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013<sup>3</sup>.
- (3) On 19 August 2015, Belgium submitted an application to mobilise the EGF in respect of redundancies and cessations of activities in the economic sector classified under the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in the NUTS level 2 regions of Hainaut (B32) and Namur (B35) in Belgium. It was supplemented by additional information provided in accordance with Article 8(3) of Regulation (EU) No 1309/2013. That application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013.
- (4) In accordance with Article 6(2) of Regulation (EU) No 1309/2013, Belgium has decided to provide personalised services co-financed by the EGF also to 100 young people not in employment, education or training (NEETs).

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<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> OJ C 373, 20.12.2013, p. 1.

<sup>3</sup> Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

- (5) In accordance with Article 4(2) of Regulation (EU) No 1309/2013, the application from Belgium is considered admissible since the redundancies have a serious impact on employment and the local, regional and national economy.
- (6) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 1 095 544 in respect of the application submitted by Belgium.
- (7) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

*Article 1*

For the general budget of the European Union for the financial year 2016, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of EUR 1 095 544 in commitment and payment appropriations.

*Article 2*

This Decision shall enter into force on the day of its publication in the Official Journal of the European Union. It shall apply from [*the date of its adoption*]<sup>1</sup>.

Done at

*For the European Parliament*  
*The President*

*For the Council*  
*The President*

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<sup>1</sup> Date to be inserted by the Parliament before the publication in OJ.



## **EXPLANATORY STATEMENT**

### **I. Background**

The European Globalisation Adjustment Fund has been created in order to provide additional assistance to workers suffering from the consequences of major structural changes in world trade patterns.

According to the provisions of Article 12 of Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020<sup>1</sup> and of Article 15 of Regulation (EU) No 1309/2013<sup>2</sup>, the Fund may not exceed a maximum annual amount of EUR 150 million (2011 prices). The appropriate amounts are entered into the general budget of the Union as a provision.

As concerns the procedure, according to 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<sup>3</sup>, in order to activate the Fund the Commission, in case of a positive assessment of an application, presents to the budgetary authority a proposal for mobilisation of the Fund and, at the same time, a corresponding request for transfer. In the event of disagreement, a trilogue shall be initiated.

### **II. Hainaut-Namur Glass application and the Commission's proposal**

On 20 January 2016, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of Belgium to support the reintegration in the labour market of workers made redundant in 2 enterprises operating in the NACE Rev. 2 division 23 ('Manufacture of other non-metallic mineral products') in the NUTS<sup>4</sup> level 2 regions of Hainaut (BE32) and Namur (BE35) in Belgium.

This is the first application to be examined under the 2016 budget and refers to the mobilisation of a total amount of EUR 1 095 544 from the EGF for Belgium. It concerns 412 workers made redundant and up to 100 targeted young persons not in employment, education or training (NEETs).

The application was sent to the Commission on 19 August 2015 and supplemented by additional information up to 28 October 2015. The Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the application meets the conditions for a financial contribution from the EGF.

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<sup>1</sup> OJ L 347, 20.12.2013, p. 884.

<sup>2</sup> OJ L 347, 20.12.2013, p. 855.

<sup>3</sup> OJ C 373, 20.12.2013, p. 1.

<sup>4</sup> Commission Regulation (EU) No 1046/2012 of 8 November 2012 implementing Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as regards the transmission of the time series for the new regional breakdown (OJ L 310, 9.11.2012, p. 34).

The Belgian authorities state that the event giving rise to the redundancies are the developments affecting the European, and in particular Belgian glass industry in recent years, which have had a major impact on the glass production sector in Wallonia. A strong historical tradition of glass-making in Wallonia is now confronted with serious disruptions of the Union trade in glass products, a production overcapacity in Asia coupled with higher production costs and stricter environmental standards in Europe.

The personalised services which are to be provided to workers made redundant consist of seven types of measures: i) support/guidance/interpretation, (ii) facilitating job-search, (iii) integrated training, (iv) transfer of experiences, (v) support for enterprise creation, (vi) support for collective projects, and (vii) job-search and training allowances. The personalised services provided to NEETs shall include (i) mobilisation and guidance either for further education/training or to follow induction sessions, (ii) training, (iii) personalised upskilling, and (iv) job-search and training allowances;

According to the Commission, the described measures constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation. These actions do not substitute passive social protection measures.

The Belgian authorities have provided all necessary assurances regarding the following:

- the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation,
- the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,
- the dismissing enterprises, which have continued their activities after the lay-offs, have complied with their legal obligations governing the redundancies and provided for their workers accordingly,
- the proposed actions will not receive financial support from other Union funds or financial instruments and any double financing will be prevented,
- the proposed actions will be complementary with actions funded by the Structural Funds,
- the financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

Belgium has notified the Commission that the sources of national pre-financing or co-funding are the Walloon Public Employment Service (FOREM) and the Region of Wallonia.

### **III. Procedure**

In order to mobilise the Fund, the Commission has submitted to the Budget Authority a transfer request for a global amount of EUR 1 095 544 from the EGF reserve (40 02 43) to the EGF budget line (04 04 01).

This is the first transfer proposal for the mobilisation of the Fund transmitted to the Budgetary Authority to date during 2016.

The trilogue procedure shall be initiated in the event of disagreement, as provided for in Article 15(4) of the EGF Regulation.

According to an internal agreement, the Employment and Social Affairs Committee should be associated to the process, in order to provide constructive support and contribution to the assessment of the applications from the Fund.

## **ANNEX: LETTER OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS**

ZP/jb D(2016)3679

M. Jean Arthuis  
Chair of the Committee on Budgets  
ASP 09G205

**Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2015/007 BE/Hainaut Namur Glass from Belgium (COM(2016) 1 final)**

Dear Chair,

The Committee on Employment and Social Affairs (EMPL) as well as its Working Group on the EGF examined the mobilisation of the EGF for the case EGF/2015/007 BE/Hainaut Namur Glass and adopted the following opinion.

The EMPL committee and the Working Group on the EGF are in favour of the mobilisation of the Fund concerning this request. In this respect, the EMPL committee presents some remarks without, however, putting into question the transfer of the payments.

The deliberations of the EMPL committee are based on the following considerations:

- A) Whereas this application is based on Article 4(2) of Regulation (EU) No 1309/2013 (EGF Regulation) and relates to 412 workers made redundant in AGS Glass (144 workers) and Sainte-Gobain Glass (268 workers), operating in the NACE Revision 2 Division 23 (Manufacture of other non-metallic mineral products) in NUTS level 2 regions of Hainaut and Namur in Belgium within the reference period from 31 August 2014 to 31 May 2015; whereas the application furthermore relates to 100 young persons not in employment, education or training (NEETs);
- B) Whereas in order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation Belgium argues that in recent years demand for glass products in Europe has stagnated, while imports have dramatically increased, causing serious disruptions in the trade of glass products in the European Union; whereas production overcapacity in Asia has resulted in downward price pressure in Europe; whereas between 2000 and 2010, in the glass sector as a whole, employment decreased by 32% in Europe (particularly affecting Germany, Poland, France and Belgium);

- C) Whereas due to the strong competition from mainly Chinese and Japanese producers two productions plants in Wallonia (owned by AGC Europe SA and Saint-Gobain Glass Benelux) were closed in 2014;
- D) Whereas the vast majority (97.82%) of the workers targeted by the measures are men and 2.18% are women; whereas 71.12% of the workers are between 30 and 54 years old, and 23.54% between 55 and 64 years old.

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to integrate the following suggestions in its motion for a resolution concerning the Belgian application:

1. Agrees with the Commission that the intervention criteria set out in Article 4(2) of the Regulation (EU) No 1309/2013 are met and that, therefore, Belgium is entitled to a financial contribution under this Regulation;
2. Notes that the derogation from Article 4(1)(a) of the Regulation in this case relates to a number of redundancies which is not significantly lower than the threshold of 500 redundancies; welcomes that the application aims to support a further 100 young persons not in employment, education or training (NEETs);
3. Notes that the application follows the case of EGF/2013/011 BE/Saint-Gobain Sekurit, an earlier application from Belgium relating to 257 redundancies in the same sector; notes that several measures are similar in the two applications;
4. Welcomes the support for collective projects; calls on the Commission to assess the results of this type of measure in recurring applications in order to see its benefits to the participants;
5. Underlines that in case of successive applications from the same geographical region the Commission should collect and analyse the experiences from previous applications and ensure that in case of new applications any conclusion is taken into due account;
6. Welcomes that the application contains measures specifically aimed to provide assistance to NEETs;
7. Appreciates the allowances and incentives to be provided amongst the proposed measures are limited to 5.52% of the total estimated costs;
8. Reminds that in line with Article 7 of the Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Yours sincerely,

Thomas HÄNDEL

EMPL Chair

## ANNEX: LETTER OF THE COMMITTEE ON REGIONAL DEVELOPMENT

Mr Jean ARTHUIS  
Chairman  
Committee on Budgets  
European Parliament

Dear Mr. Arthuis,

Subject:       **Mobilisation of the European Globalisation Adjustment Fund**

A Commission proposal for a decision to mobilise the European Globalisation Adjustment Fund (EGF) has been referred for opinion to the Committee on Regional Development. I understand that it is intended that a report on this will be adopted in the Committee on Budgets on 18 February 2016:

-       **COM(2016) 1 final** proposes an EGF contribution of EUR 1 095 544 for active labour market measures in order to facilitate the re-integration of 412 workers made redundant in the economic sector of manufacture of other non-metallic mineral products in the NUTS level 2 regions of Hainault (B32) and Namur (B35) in Belgium.

The rules applicable to financial contributions from the EGF are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006.

The Committee coordinators have assessed this proposal, and asked me to write to you reporting that the majority of this Committee has no objection to this mobilisation of the European Globalisation Adjustment Fund to allocate the above-mentioned amount as proposed by the Commission.

Yours sincerely,

Iskra MIHAYLOVA

## RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	18.2.2016
<b>Result of final vote</b>	+: 29 -: 6 0: 0
<b>Members present for the final vote</b>	Jean Arthuis, Richard Ashworth, Reimer Böge, Lefteris Christoforou, Jean-Paul Denanot, Gérard Deprez, Eider Gardiazabal Rubial, Jens Geier, Esteban González Pons, Ingeborg Gräßle, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Siegfried Mureşan, Victor Negrescu, Younous Omarjee, Petri Sarvamaa, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Monika Vana, Daniele Viotti, Marco Zanni, Auke Zijlstra
<b>Substitutes present for the final vote</b>	Xabier Benito Ziluaga, Andrey Novakov, Pavel Poc, Nils Torvalds, Tomáš Zdechovský
<b>Substitutes under Rule 200(2) present for the final vote</b>	Birgit Collin-Langen, Nathan Gill, Dietmar Köster