REPORT


Committee on Budgets

Rapporteur: Barbara Matera
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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 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


The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council (COM(2010)0182 – C7-0099/2010),

– having regard to the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ (IIA of 17 May 2006), and in particular point 28 thereof,


– having regard to the report of the Committee on Budgets (A7-0178/2010),

A. whereas the European Union has set up the appropriate legislative and budgetary instruments to help the reintegration into the labour market of workers affected by trade-related redundancies and the consequences of the financial and economic crisis,

B. whereas the Commission is obliged to implement the Fund in accordance with the general rules set up by the Financial Regulation³ and the implementing rules applicable to this form of implementation of the budget,

C. whereas up to 0,35% of the annual EGF amount can be made available each year for technical assistance at the initiative of the Commission, in order to finance monitoring, information, administrative and technical support, audit, control and evaluation activities necessary to implement the EGF Regulation, as stipulated in Article 8(1) of that Regulation, including the provision of information and guidance for the Member States in using, monitoring and evaluation the EGF and providing information on using the EGF to the European and national social partners (Article 8(4) of the EGF Regulation),

D. whereas, in accordance with Article 9(2) 'Information and publicity 'of the EGF Regulation, the Commission is to set up an internet site, available in all languages, to provide information on applications, highlighting the role of the budget authority,

E. whereas on the basis of these Articles the Commission requested mobilisation of the EGF

in order to cover its administrative needs for the preparatory work in view of the mid-term evaluation of the functioning of the EGF, covering studies on implementation, reintegration of workers into the labour market, development of networks between Member State services in charge of the EGF, exchange of good practices and also for the update and development of the website, of applications and documents in all languages and audiovisual activities, which is in line with Parliament's will to raise citizens awareness on EU actions,

F. whereas the application fulfils the eligibility criteria set up by the EGF Regulation,

1. Requests the institutions involved to make the necessary efforts to accelerate the mobilisation of the EGF;

2. Recalls the institutions' commitment to ensure a smooth and rapid procedure for the adoption of the decisions on the mobilisation of the EGF;

5. Approves the decision annexed to this resolution;

6. 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;

7. 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
of xx May 2010

on 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

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 the Inter-institutional Agreement of 17 May 2006 between the European
Parliament, the Council and the Commission on budgetary discipline and sound financial
management¹, and in particular point 28 thereof,

having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the
Council of 20 December 2006 establishing the European Globalisation Adjustment Fund²,
and in particular Article 8(2) thereof,

having regard to the proposal from the European Commission³,

Whereas:

(1) The European Globalisation Adjustment Fund (EGF) was established 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.

(2) 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.

(3) The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF
within the annual ceiling of EUR 500 million.

(4) Regulation (EC) No 1927/2006 provides that 0,35 % of the annual maximum amount
can be made available each year for technical assistance at the initiative of the
Commission. The Commission therefore proposes to mobilise an amount of EUR
1 110 000.

(5) The EGF should, therefore, be mobilised in order to provide technical assistance at the
initiative of the Commission.

³ OJ C […]}, […]}, p. […]}. 
HAVE ADOPTED THIS DECISION:

Article 1
For the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 110 000 in commitment and payment appropriations.

Article 2
This Decision shall be published in the Official Journal of the European Union.

Done at Brussels,

For the European Parliament
The President

For the Council
The President
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 point 28 of the Interinstitutional Agreement of 17 May 2006 on budgetary discipline and sound financial management\(^1\) and of the Article 12 of Regulation (EC) No 1927/2006\(^2\), the Fund may not exceed a maximum amount of EUR 500 million, drawn from any the margin under the global expenditure ceiling from the previous year, and / or from the cancelled commitment appropriations from the previous two years, excluding those related to Heading 1b. The appropriate amounts are entered into the budget as a provision as soon as the sufficient margins and / or cancelled commitments have been identified.

As concerns the procedure, 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 parallel, a triologue could be organised in order to find an agreement on the use of the Fund and the amounts required. The triologue can take a simplified form.

II. State of play: Commission's proposal

On 24 April 2010 the Commission has adopted a new proposal for a decision on the mobilisation of the EGF.

It concerns the mobilisation of **EUR 1.110.000** from the Fund, covering technical assistance for the Commission. According to Article 8(1) of the legal basis, 0,35% of the annual maximum amount of the EGF can be made available each year for technical assistance at the initiative of the Commission. A maximum of EUR 1.75 million can be used each year in order to cover the indicated needs for the implementation of the Fund.

According to Commission's proposal, this amount is intended to cover the following activates: Activities linked to the EGF mid-term evaluation (Art. 17) - monitoring and implementation studies, creation of a knowledge base, exchange of information and experience among Member States and Commission experts and auditors, development of networks, organisation of meetings of the Expert Group of the EGF Contact persons, organisation of seminars on the implementation of the Fund, as well as information and publicity activities (Art. 9) and a further development of the EGF website and publications in all EU languages.

III. Financing:

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<th>From: Commitments</th>
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<tr>
<td></td>
<td>40 02 43 - EGF reserve budget line</td>
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<td>04 02 20 - ESF - Operational technical assistance for 2007-2013</td>
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<tr>
<td>To: CA and PA</td>
<td>04 01 04 14 - EGF Expenditure on administrative management</td>
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\(^1\) OJ C 139, 14.6.2006, p. 1.
This is the sixth EGF application to be examined under the budget 2010. So far, EUR 16.338.363 has been mobilised in favour of Germany (Karmann) and Lithuania (Snaige, Buildings construction, manufacture of furniture and wearing apparel sectors).

Art. 12 (6) of the EGF Regulation requests that on 1st September at least 25% (EUR 125 million) of the annual maximum amount of the EGF, shall remain available in order to cover needs arising until the end of the year. If adopted, a global amount of EUR 17.448.363 shall be mobilised under the budget 2010, leaving an amount of EUR 482.551.637 available.

IV. Procedure

The Commission has presented a transfer request\(^1\) in order to enter specific commitment and payment appropriations in the 2010 budget, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

The triadogue on the Commission's proposal for a Decision on the mobilisation of the EGF could take a simplified form (an exchange of letters), as provided for in Article 12(5) of the legal base, unless there is no agreement between the Parliament and the Council.

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

Following its evaluation, the EMPL committee of the European Parliament gave its view on the mobilisation of the Fund, as expressed in the opinion attached to the present report.

The Joint Declaration of the European Parliament, the Council and the Commission, adopted during the conciliation meeting on 17 July 2008, has confirmed the importance of ensuring a rapid procedure with due respect of the Interinstitutional Agreement for the adoption of decisions on the mobilisation of the Fund.

\(^1\) DEC 10/2010 of 27 April 2010.

Dear Mr Lamassoure,

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/2010/000 TA 2010 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 according to Article 8(1) of the EGF Regulation (EC) No 1927/2006, 0,35% of the annual maximum amount of the EGF (500 Mio Euros per year) can be made available each year for technical assistance at the initiative of the Commission; underlines the purpose of such technical assistance - monitoring, information, creation of a knowledge base, administrative and technical support and evaluation;

b) Whereas, several times, the EGF Working Group of the EMPL committee has requested information from the Commission on the effectiveness of the proposed measures for the redundant workers in terms of their long term reintegration into the employment market and the transition to a sustainable and knowledge based economy.

c) Whereas the EGF Working Group also requested more detailed information about the compliance with Article 7 of the EGF regulation regarding equal treatment of women and men and non-discrimination during the various stages of implementation of the proposed measures.

d) Whereas the EGF Working regularly requested information about whether the spending in the framework of the EGF receives particular attention by the Commission with regard to
its special procedure and requested a report on the outcomes of the audits of the EGF applications of 2007 and 2008.

e) Whereas the lack of information about the complementarity of the EGF with the measures supported by other Structural Funds and about the administrative structures put in place in the Member States to manage the compliance with Article 6 of the EGF regulation led to frequent discussions with the Commission without, however, fully clarifying the situation.

Therefore, the Committee on Employment and Social Affairs calls on the Committee on Budgets, as the committee responsible, to incorporate the following suggestions in its motion for a resolution concerning the mobilisation of the fund for technical assistance of the Commission:

1) Welcomes that more than half of the appropriations requested will be used either to finance studies and evaluations of ongoing EGF cases by monitoring implementation, strengths and weaknesses, extracting successes and learning for the future or a data base aimed at collecting data on cross-cutting issues like long-term reintegration into the labour market or the preparation of the mid-term evaluation of the EGF. Would like the Commission to inform Parliament about the way it selects the contractors for these studies.

2) Stresses that this kind of data is very important for the political actors of all levels and all other stakeholders as well as for the development of the future design of the EGF.

3) Underlines the importance of networking and exchange of information on the EGF; supports, therefore, the funding of the Expert Group of Contact Persons of the EGF in the Member States; underlines further the importance to liaise all those involved in EGF applications, including the social partners, to create as much synergies as possible.

4) Underlines the importance of networking and exchange of information on the EGF; supports, therefore, the funding of the Expert Group of Contact Persons of the EGF in the Member States; calls on the Commission to ensure a regular exchange between the Parliament's EGF working group and the Expert Group; underlines further the importance to liaise all those involved in EGF applications, including the social partners, to create as much synergies as possible.

5) Welcomes particularly the planned meeting of Member States' auditors providing support for the auditing in the framework of this complex and special budgetary procedure.

6) Welcomes also that the Commission has presented targeted and carefully chosen measures which allow staying well below the ceiling provided for in the regulation.

7) Regrets, however, that the technical assistance will not be used for measures that could contribute to shorten the application procedure that has been judged to be far too long for an emergency fund by most of the stakeholders.

8) Encourages the Member States to make use of the planned meetings to get acquainted with the possibilities and chances offered by the EGF for workers in situations of mass redundancies and to use the funds available for the support of the workers concerned.
9) Further encourages the Member States to profit from the exchange of best practice possibilities and to learn particularly from those Member States that have already in place national information networks on the EGF involving the social partners and stakeholders at local level with a view to have a good structure for assistance in place once mass redundancies might occur.

10) Asks the Commission to carefully evaluate the quality of the measures supported by the EGF to ensure that the redundant workers will receive adequate assistance from the European Union.

Yours sincerely,

Pervenche Berès
RESULT OF FINAL VOTE IN COMMITTEE

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<th>Date adopted</th>
<th>2.6.2010</th>
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| Result of final vote | +: 26  
|                     | -: 0     
|                     | 0: 0     |
| Members present for the final vote | Marta Andreasen, Francesca Balzani, Lajos Bokros, Jean-Luc Dehaene, José Manuel Fernandes, Eider Gardiazabal Rubial, Salvador Garriga Polledo, Jens Geier, Ivars Godmanis, Estelle Grelier, Carl Haglund, Jutta Haug, Sidonia Elżbieta Jędrejewska, Jan Kozłowski, Alain Lamassoure, Vladimir Maňka, Miguel Portas, Dominique Riquet, László Surján, Derek Vaughan, Angelika Werthmann, Jacek Włosowicz |
| Substitute(s) present for the final vote | Paul Rübig |
| Substitute(s) under Rule 187(2) present for the final vote | Peter Jahr, Andres Perello Rodriguez, Britta Reimers |