REPORT


Committee on Budgets

Rapporteur: Liadh Ni Riada
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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/2013/011
BE/Saint-Gobain Sekurit, from Belgium)

The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council
(COM(2015)0009 – C8-0011/2015),

Council of 20 December 2006 on establishing the European Globalisation Adjustment
Fund (EGF Regulation),

laying down the multiannual financial framework for the years 2014-2020, 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 (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 (A8-0034/2015),

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, dramatically aggravated by the economic, financial and social
crisis, and to assist their reintegration into the labour market,

B. whereas the Union’s financial assistance to workers made redundant should be adequate
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 December

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

C. whereas this is the last application to be treated under the 2006 Regulation,

D. welcomes the extension of the objectives and criteria of the EGF Regulation introduced in December 2013, in order to integrate and facilitate applications from regions and countries with a smaller demographic density;

E. welcomes the increase in 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,

F. whereas Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF following 257 redundancies linked to the closure of a plant of the Saint-Gobain Sekurit (SGS) group, located in Auvelais, which produced safety glass for the automotive industry; whereas the redundancies took place during and after the reference period from 31 August 2013 to 31 December 2013 and are linked to a decline in the production of automotive safety glass in the Union,

G. whereas the financial contribution requested from the EGF amounts to EUR 1 339 928 (50 % of the total budget),

H. whereas although the application does not fulfil the criteria laid down in Articles 2(a) and 2(b) of the EGF Regulation, it falls under the category of exceptional circumstances that nevertheless allow the mobilisation of the EGF,

1. Agrees with the Commission decision that the application for EGF financial contribution on 19 December 2013 submitted by Belgium is entitled to a financial contribution under Article 2(c), which requires exceptional circumstances to be demonstrated, despite the fact that the conditions set out in Articles 2(a) and 2(b) of the EGF Regulation are not met; underlines however that invoking Article 2(c) should be assessed on a case-by-case situation and should not become a general method for the mobilisation of the EGF when basic conditions are not met;

2. Stresses that the EGF is a special instrument that allows the Union to react to specified unforeseen circumstances and should maintain its main purpose, that is to provide support in case where, during a reference period, a large number of workers (minimum 500) are made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crises; stresses that the EGF must not become a substitute for other European Structural and Investment Funds, such as the European Social Fund, and must be used to complement such funds; emphasises that the exceptional circumstances which allow for the mobilisation of the EGF must not divert from the above-mentioned scope;
3. Notes that the Belgian authorities submitted the application for EGF financial contribution on 19 December 2013 under the EGF Regulation, which does not cap the time for instruction and that its assessment was made available by the Commission on 21 January 2014; regrets the insufficient information given in respect of the exceptional circumstances invoked; underlines that such exceptional circumstances must be duly assessed in order to obtain a derogation from the conditions set out in Articles 2(a) and 2(b) of the EGF Regulation;

4. Expresses concerns about the length of the procedure from the date of the first redundancies until the assessment of the application; recalls that the goal of the EGF is to offer help to redundant workers as quickly as possible;

5. Urges the Member States and all the institutions involved to make the necessary efforts to improve procedural and budgetary arrangements in order to accelerate the mobilisation of the EGF; notes in this sense, the improved procedure put in place by the Commission, following Parliament's request to accelerate the release of grants, aimed at presenting to the European Parliament and the Council the Commission's assessment on the eligibility of an EGF application together with the proposal to mobilise the EGF and takes note of the adoption of the new EGF Regulation (Regulation (EU) No 1309/2013) which allows greater efficiency, transparency, accountability and visibility of the EGF;

6. Urges the Member States to profit from the exchange of best practices and to learn particularly from those Member States and regional and local authorities that have already put in place national information networks on the EGF involving the social partners and stakeholders at local and regional level with a view to having a good structure for assistance in place once any situation which falls under the scope of the EGF might occur;

7. Welcomes the fact that, in order to provide workers with speedy assistance, the Belgian authorities decided to initiate the implementation of the personalised services to the affected workers on 31 August 2013, well ahead of the decision and even the application on granting the EGF support for the proposed coordinated package;

8. Notes that the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the Union, an increase in the market shares of competitors from non-Member States and an increase in imports of these products into the Union; notes that SGS Benelux's activities were closely linked to production trends in the automotive industry, which saw the production of passenger cars decrease from 21,9 million units to 19,5 million units between 2007 and 2012, whereas, in the rest of the world, it increased from 47,5 million units to 60,6 million units during the same period; observes moreover that there has been a general trend by manufacturers and suppliers in the automotive industry to transfer production within the Union, from Western Europe (in particular, France, Belgium and Spain) to Eastern Europe;

9. Notes that while there have been no other EGF applications relating specifically to the automotive glass sector¹, there have been a series of applications relating to motor vehicle

manufacturers or suppliers of automotive equipment\(^1\);

10. Notes that the redundancies at SGS mainly concern production-line workers (83 % of staff concerned have ‘ouvrier’ status); considers that in the context of the labour market situation in the affected region, the dismissed workers will have to be retrained to find jobs in other occupations and/or other sectors;

11. Deplores that given the socioeconomic situation of the area concerned and of its neighbouring areas (Charleroi, Namur), the workers made redundant by SGS Benelux have limited employment possibilities in these areas as they are likely to be in competition with many other workers with similar qualifications and experience for a limited number of jobs in the glass sector; recalls that the region is characterised by a relatively high level of structural unemployment, with a relatively high proportion of long-term unemployment and low qualification levels and skills; highlights that the redundancies at SGS Benelux are therefore set against a difficult local socioeconomic context;

12. Notes that the personalised services listed in the application consist of several measures aimed at promoting the workers’ return to the labour market and helping them with administrative procedures, most of which are expected to support all the dismissed workers;

13. Notes that the coordinated package of personalised services to be co-funded includes the following measures for the reintegration of the 257 redundant workers into employment (grouped by category): (1) individual job-search assistance, case management and general information services, (2) training and retraining and (3) promotion of entrepreneurship;

14. Welcomes the fact that various social partners and organisations were involved in the general coordination and implementation of the measures including: trade unions (FGTB, CSC), FOREM (the public employment and training service of the Walloon Region), the sectorial vocational and technological training centres active in the Walloon region, the European Social Fund Agency of the French Community of Belgium and the Walloon Government; appreciates furthermore that trade unions are directly involved in the management of the specifically set up two Redeployment Units for each separate company;

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15. Insists on the need to enhance and encourage assistance with autonomy and ease of access at regional level to implement a bottom up ethos, empowering local solutions at a regional level where any situation which falls under the scope of the EGF might occur;

16. Takes note of the measures proposed to improve the employability of redundant workers; recalls that allowances are not listed among the personalised services to be supported by the EGF;

17. Notes that measures which are mandatory under collective redundancy procedures under Belgian federal legislation and which are carried out as part of the standard activities of the Redeployment Units (e.g. outplacement support, training, job-search assistance and careers advice, etc.) are not included in this EGF application;

18. 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;

19. Welcomes the fact that the principle of equality between women and men as well as of non-discrimination has been, and will continue to be, applied during the various stages of implementation of and access to the EGF measures;

20. Welcomes that the social partners were involved in the preparation of the social plan as well as in the implementation of the measures;

21. Stresses that EGF assistance can co-finance only active labour market measures which lead to durable, long-term employment; 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 restructuring companies or sectors;

22. Approves the decision annexed to this resolution;

23. 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;

24. 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 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/2013/011 BE/Saint-Gobain Sekurit from Belgium)

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 (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund, and in particular Article 12(3) 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, and in particular point 13 thereof,
Having regard to the proposal from the European Commission,

Whereas:

(1) The European Globalisation Adjustment Fund (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.


(3) Belgium submitted an application to mobilise the EGF, in respect of redundancies in the enterprise Saint-Gobain Sekurit Benelux SA, on 19 December 2013 and supplemented it by additional information up to 4 July 2014. This application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 1 339 928.

(4) The EGF should, therefore, be mobilised in order to provide a financial contribution for the application submitted by Belgium,

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HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2015, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of EUR 1 339 928 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 Article 12 of Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020\(^1\) and of the Article 12 of Regulation (EC) No 1927/2006\(^2\), 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\(^3\), 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. The Saint-Gobain Sekurit application and the Commission's proposal

On 21 January 2015, 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, due to major structural changes in world trade patterns due to globalisation.

This is the sixth application to be examined under the 2015 budget and refers to the mobilisation of a total amount of EUR 1 339 928 from the EGF for Belgium. It concerns 257 redundancies in the reference period from 31 August 2013 to 31 December 2013. The application is based on the intervention criteria of Article 2(c) of the EGF Regulation, under which, in exceptional circumstances, an application may be considered admissible even if the intervention criteria laid down in Articles 2(a) or 2(b) of the EGF Regulation are not met, provided that the redundancies have a serious impact on employment and the local economy.

The application was sent to the Commission on 19 December 2013. The Commission has concluded that the application meets the conditions for deploying the EGF as set out in Article 2(c) of Regulation (EC) No 1927/2006\(^4\) (EGF Regulation),

According to data referred to by the Belgian authorities, the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the EU, an increase of the market shares of competitors from non-EU countries and an increase in imports of these products into the EU.

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SGS Benelux’s activities were closely linked to production trends in the automotive industry, which saw the production of passenger cars decrease from 21.9 million units to 19.5 million units between 2007 and 2012, whereas, in the rest of the world, it increased from 47.5 million units to 60.6 million units. Moreover that there has been a general trend by manufacturers and suppliers in the automotive industry to transfer production within the EU, from Western Europe (in particular, France, Belgium, and Spain) to Eastern Europe.

As a result, according to data provided by the Belgian authorities\(^1\), between 2007 and 2012, SGS Benelux recorded an operating loss of EUR 20.46 million, whereas, during the same period, the other enterprises of Saint-Gobain Sekurit in the EU were still able to record operating profits. This has eventually lead to a concentration of SGS activities in the more profitable entities, leading to redundancies in SGS Benelux.

The coordinated package of personalised services to be co-funded includes following measures for the reintegration of 257 redundant workers into employment: individual job-search assistance, case management and general information services, training and retraining and promotion of entrepreneurship.

According to the Belgian authorities, the measures initiated on 31 August 2013 combine to form a co-ordinated package of personalised services and represent active labour market measures with the aim of re-integrating the workers into the labour market.

The Belgian authorities have confirmed in their application that:

- the financial contribution from the EGF will not replace measures which are the responsibility of enterprises by virtue of national law or collective agreements\(^2\);
- the measures provide support for individual workers and are not used for restructuring enterprises or sectors;
- the measures will not receive financial support from other Union funds or financial instruments\(^3\).

Concerning management and control systems, Belgium has notified that the financial contribution from the EGF will be managed and controlled by the same bodies as for the ESF. One entity within the ESF Agency of the Wallonia-Brussels Federation will act as managing authority and another separate entity within the ESF Agency will act as paying authority. The

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\(^1\) Source: Syndex study, May 2013.

\(^2\) The financial contribution from the EGF will enable the Belgian authorities to extend the provision of outplacement services beyond the mandatory periods and to carry out additional measures. For calculating the costs allocated to the EGF, the Belgian authorities will take into account the measures carried out during the legal obligation period (this only relates to the measure ‘Redeployment (support / guidance / integration)’. The number of hours of outplacement services carried out during the mandatory period will be deducted from the total number of hours of outplacement services that each targeted beneficiary will have benefitted from.

\(^3\) Financial support from the ESF was awarded under Axis 2.2 of the Convergence Operational Programme for 2008-2013 to a project (EnTrain – En Transition-Reconversion-Accompagnement) which aimed to develop pedagogical methods for Redeployment Units in general.
Secretariat-General of the Wallonia-Brussels Federation will act as certifying authority and FOREM will act as intermediary body.

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 1 339 928.

This is the sixth transfer proposal for the mobilisation of the Fund transmitted to the Budgetary Authority to date during 2015.

The trilogue on the Commission's proposal for a Decision on the mobilisation of the EGF could take a simplified form, 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 will be associated to the process, in order to provide constructive support and contribution to the assessment of the applications from the Fund.
Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2013/011 BE/Saint-Gobain Sekurit

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/2013/011 BE/Saint-Gobain Sekurit 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 2(c) of Regulation (EC) No 1927/2006 (EGF Regulation) and relates to 257 workers dismissed in Saint-Gobain Sekurit (SGS) Benelux in the sector of the manufacture of safety glass for the automotive industry in Auvelais, near Sambreville, within the reference period from 31 August 2013 to 31 December 2013;

B) Whereas the Belgian authorities argue that the sector of the manufacture of safety glass for the automotive industry has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the EU, an increase of the market shares of competitors from non-EU countries and an increase in imports of these products into the EU;

C) Whereas activities of SGB Benelux were closely linked to production trends in the automotive industry and according to data referred to by the Belgian authorities, between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 21.9 million units to 19.5 million units, whereas, in the rest of the world, it increased from 47.5 million units to 60.6 million units; this reduction in car production levels in the EU is linked to the general decrease in consumer demand in the EU as a consequence of the economic crisis, and has therefore led to a general reduction in demand for automotive equipment in the EU, which has strongly affected automotive equipment suppliers;
D) Whereas the vast majority (98.8%) of the workers targeted by the measures are men and 0.2% are women; whereas the majority (91.8%) of the workers are between 25 and 54 years old and 6.2% are between 55-64 years old;

E) Whereas the redundancies at SGS Benelux are expected to lead to the loss of a significant share of employment in the Basse-Sambre area;

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. Notes that in the application the authorities make use of the exception criteria laid down in Article 2(c) of the Regulation (EC) No 1927/2006; agrees with the Commission that the intervention criteria set out are met and that, therefore, Belgium is entitled to a financial contribution under this Regulation;

2. Notes that the redundancies at SGS Benelux mainly concern production-line workers (83% of staff concerned have ‘ouvrier’ status), considers that in the context of the labour market situation in the affected region, the dismissed workers will have to be retrained to find jobs in other occupations and/or other sectors;

3. Notes that the personalised services listed in the application consist of several measures aiming to promote the workers’ return to the labour market and help them with administrative procedures; most of which are estimated to support all of the dismissed workers;

4. Notes that measures which are mandatory under collective redundancies procedures under Belgian federal legislation and which are carried out as part of the standard activities of the Redeployment Units (e.g. outplacement support, training, job-search assistance and careers advice, etc.) are not included in this EGF application;

5. Welcomes that the social partners were involved in the preparation of the social plan and in the implementation of the measures as well.

Yours sincerely,

Marita ULVSKOG,
Acting Chair, 1st Vice-Chair
ANNEX: LETTER OF THE COMMITTEE ON REGIONAL DEVELOPMENT

Mr Jean ARTHUIS
Chairman
Committee on Budgets
European Parliament
ASP 09 G 205
B 1047 Brussels

Dear Mr. Arthuis,

Subject:  
Mobilisations of the European Globalisation Adjustment Fund

Six separate Commission proposals for decisions to mobilise the European Globalisation Adjustment Fund (EGF) have been referred for opinion to the Committee on Regional Development. I understand that it is intended that reports on each of these will be adopted in the Committee on Budgets on 26 February:

- **COM(2014)0725** proposes an EGF contribution of EUR 981 956 for active labour market measures in order to facilitate the re-integration of 708 workers made redundant following both the closure of Duferco Belgium SA and staff reductions at NLMK La Louvière SA, operating in the sector of the manufacture of basic metals in Hainaut Province, Belgium.

- **COM(2014)0726** is a proposal for an EGF contribution of EUR 1 094 760 for active labour market measures in order to facilitate the re-integration of 657 workers made redundant in aleo solar AG and its two subsidiaries, aleo solar Dritte Produktion GmbH (Prenzlau) and aleo solar Deutschland GmbH (Oldenburg), operating in the sector of the manufacture of computer, electronic and optical products in the regions of Brandenburg and Weser-Ems, Germany.

- **COM(2014)0734** proposes an EGF contribution of EUR 1 591 486 for active labour market measures in order to facilitate the re-integration of 1285 workers made redundant following redundancies in ArcelorMittal Liège S.A., operating in the sector of the manufacture of basic metals in Liège Region, Belgium.

- **COM(2014)0735** is a proposal for an EGF contribution of EUR 1 222 854 for active labour market measures in order to facilitate the re-integration of 1030 workers made redundant in Caterpillar Belgium S.A, operating in the sector of the manufacture of machinery and equipment redundant, in Hainaut Province, Belgium.
- **COM(2015)0009** proposes an EGF contribution of EUR 1 339 928 for active labour market measures in order to facilitate the re-integration of 257 workers made redundant following the closure of the automotive safety glass production plant of Saint-Gobain Sekurit Benelux in Auvelais, Belgium.

- **COM(2015)0013** proposes an EGF contribution of EUR 115 205 for active labour market measures in order to facilitate the re-integration of 615 workers made redundant in the manufacturer of chemical products Zaklady Chemiczne Zachem in Poland.

The Committee coordinators have assessed these proposals, and asked me to write to you stating that the majority of this Committee has no objection to these mobilisations of the European Globalisation Adjustment Fund to allocate the above-mentioned amounts as proposed by the Commission.

Yours sincerely,

Iskra MIHAYLOVA
RESULT OF FINAL VOTE IN COMMITTEE

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<td>Substitutes present for the final vote</td>
<td>Janusz Lewandowski, Andrey Novakov, Tomáš Zdechovsky</td>
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<tr>
<td>Substitutes under Rule 200(2) present for the final vote</td>
<td>Paulo Rangel</td>
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