



Brussels, 28.9.2016
COM(2016) 622 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the European Globalisation Adjustment Fund following an
application from Estonia– EGF/2016/003 EE/petroleum and chemicals**

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund (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 1927/2006¹ (the ‘EGF Regulation’).
2. On 11 May 2016, Estonia submitted an application EGF/2016/003 EE/petroleum and chemicals for a financial contribution from the EGF, following redundancies² in the economic sectors classified under the NACE Revision 2 Division 19 (Manufacture of coke and refined petroleum products) and Division 20 (Manufacture of chemicals and chemical products) in Estonia.
3. Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

SUMMARY OF THE APPLICATION

EGF application	EGF/2016/003 EE/petroleum and chemicals
Member State	Estonia
Region(s) concerned (NUTS ³ level 2)	EE00- Eesti ⁴
Date of submission of the application	11 May 2016
Date of acknowledgement of receipt of the application	11 May 2016
Date of request for additional information	25 May 2016
Deadline for provision of the additional information	6 July 2016
Deadline for the completion of the assessment	28 September 2016
Intervention criterion	Article 4(2) of the EGF Regulation
Number of enterprises concerned	3
Sector(s) of economic activity (NACE Revision 2 Division) ⁵	Division 19 (Manufacture of coke and refined petroleum products) Division 20 (Manufacture of

¹ OJ L 347, 20.12.2013, p. 855.

² Within the meaning of Article 3 of the EGF Regulation.

³ 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).

⁴ The Republic of Estonia is not divided into NUTS-level 2 regions.

⁵ OJ L 393, 30.12.2006, p. 1.

	chemicals and chemical products)
Reference period (nine months):	1 August 2015 – 1 May 2016
Total number of redundancies	1 550
Total number of eligible beneficiaries	1 550
Total number of targeted beneficiaries	800
Number of targeted young persons not in employment, education or training (NEETs)	0
Budget for personalised services (EUR)	1 740 070
Budget for implementing EGF ⁶ (EUR)	145 527
Total budget (EUR)	1 885 597
EGF contribution (60 %) (EUR)	1 131 358

ASSESSMENT OF THE APPLICATION

Procedure

4. Estonia submitted application EGF/2016/003 EE/petroleum and chemicals within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met, on 11 May 2016. The Commission acknowledged receipt on 11 May 2016, and requested additional information from Estonia on 25 May 2016. Such additional information was provided within six weeks of the request. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 28 September 2016.

Eligibility of the application

Enterprises and beneficiaries concerned

5. The application relates to 1 550 workers made redundant in the economic sectors classified under the NACE Revision 2 Division 19 (Manufacture of coke and refined petroleum products) and Division 20 (Manufacture of chemicals and chemical products).

Enterprises and number of dismissals within the reference period		
Eesti Energia AS		532
Nitrofert AS		421
Viru Keemia Grupp AS (VKG)		597
Total no. of enterprises: 3	Total no. of dismissals:	1 550
Total no. of self-employed persons whose activity has ceased:		0
Total no. of eligible workers and self-employed persons:		1 550

⁶ In accordance with the fourth paragraph of Article 7 of Regulation (EU) No 1309/2013.

Intervention criteria

6. Estonia submitted the application under the intervention criteria of Article 4(2) derogating from the criteria of Article 4(1)(b) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State.
7. The reference period of nine months for the application runs from 1 August 2015 to 1 May 2016.

Calculation of redundancies and of cessation of activity

8. The redundancies during the reference period have been calculated as follows:
 - 689 from the date on which the employer, in accordance with Article 3(1) of Council Directive 98/59/EC⁷, notified the competent public authority in writing of the projected collective redundancies. Estonia confirmed prior to the date of the completion of the assessment by the Commission that these 689 redundancies have actually been effected,
 - 471 from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker,
 - 390 from the date of the de facto termination of the contract of employment or its expiry.

Eligible beneficiaries

9. The total number of eligible beneficiaries is 1550.

Link between the redundancies and major structural changes in world trade patterns due to globalisation

10. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Estonia argues that the country is a small open economy with high reliance on exports of goods and services (nearly 80 % of national GDP in 2015 compared to 43,5 % in EU28). The Estonian economy highly suffered from the recent global oil market turbulences and a general decrease in Europe's international trade position. The county of Ida-Virumaa, in the north-east of Estonia, has been hit particularly hard, not only due to its geopolitically remote position at the Russian border, but especially because of a high concentration of industries dependent on oil and gas prices in this area. The two sectors that are subject to this application have been affected in different ways.
11. As concerns the manufacturing of chemicals and chemical products sector, the production of mineral fertilizers is highly energy intensive (gas prices make up to 80 % of total production costs). Due to the high increase of natural gas prices, low-cost gas regions outside Europe have a competitive advantage and allow producing fertilizers at far lower costs than in Europe. Higher environmental standards have had further adverse effects on the competitiveness of the sector in Europe. The EU share of world chemicals production dropped from 30,9 per cent in 2004 to 17 % in 2014. The EU gradually lost its top position in world chemicals sales to China, which

⁷ Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (OJ L 225, 12.8.1998, p. 16).

increased its share from 9 % to almost 35 % in the same timeframe. The rest of Asia also gained market shares, and the USA, where the availability of cheap shale gas made production relatively inexpensive as well⁸.

12. As concerns the manufacture of coke and refined petroleum products sector, especially the shale oil industry, the production of shale oil depends on global oil prices. As the production of shale oil is comparatively cost-intensive, the production is only economically feasible when oil prices are high⁹. According to Statistics Estonia, due to falling oil prices, Estonian export of mineral fuels decreased 25 % during the first two months of 2016 compared to the same period a year earlier.
13. To date, the manufacture of coke and refined petroleum products sector has not yet been the subject of any EGF application. The manufacture of chemicals and chemical products sector has been subject of one EGF application¹⁰, which was based on trade related globalisation.

Events giving rise to the redundancies and cessation of activity

14. In July 2015, Nitrofert, a company producing synthetic ammonia and urea, shut down its production plant. This decision was made due to a significant increase in natural gas prices, and a drop in the prices of mineral fertilizers caused mostly by intensified global competition, primarily from Asian competitors. Nitrofert has been struggling since 2009 when the first decision to interrupt production was made. Afterwards, production resumed, but was stopped again after only one year. As there were no signs of a possible improvement of the situation, the decision to terminate employment contracts with all 421 redundant employees was taken.

In October 2015, Eesti Energia, the leading energy company in the Baltic States and the largest company in the world working with oil shale, decided to reduce shale oil production due to dramatically fallen profits caused by lower oil prices. The decision resulted in the collective termination of work contracts of 114 employees. In the following months, another 418 workers were made redundant.

The third enterprise subject to the application is Viru Keemia Grupp (VKG), another shale oil producer in Ida-Virumaa, facing similar problems caused by the drop in oil prices. VKG closed down a plant in January 2016 which resulted in 597 workers being made redundant.

Expected impact of the redundancies as regards the local, regional or national economy and employment

15. The impact of the redundancies on the local and regional economy and employment is expected to be significant. The sharp decline in shale oil production has further spill-over effects into other sectors such as the energy sector, manufacturing, mining and quarrying. In mining, production fell 40 % because of a drop in oil shale mining due to low demand caused by the low price of oil and oil shale products.
16. Ida-Virumaa county is facing considerable challenges due to its location and its demography. It is located in a rather remote area in north-eastern Estonia, right at the Baltic Sea, about 200 kilometres east of the thriving capital region – a distance too

⁸ <http://fr.zone-secure.net/13451/186036/publication/contents/pdfweb.pdf>

⁹ http://www.energiatalgud.ee/img_auth.php/6/64/EY_Estonian_oil_shale_mining_and_oil_production_macroeconomic_impacts_study.pdf

¹⁰ EGF/2013/009 PL/Zachem

far to commute. The region borders the Russian Federation to the East. Due to lower wages in Russia, the current economic situation in Russia, and to work permit restrictions, cross-border commuting is not an alternative either. The counties bordering directly to the West and to the South are sparsely populated, agrarian areas. Ida-Virumaa, however, is the most urbanised region in Estonia. More than 80% of the population live in cities, which commonly are mono-cultural settlements formed around one or two large production plants.

17. About 80 % of the inhabitants of Ida-Virumaa county are ethnic Russians who settled there during Soviet times, working in the then newly established Soviet industrial plants. Many of these people do not hold Estonian citizenship and still speak Russian as their first and often only language.
18. After independence, the region has encountered specific labour market challenges due to the collapse or restructuring of the large industrial plants established during the time of Soviet occupation. This has resulted in significantly higher unemployment rates in the region (in 2015 11,7 % in the region compared to 6,2 % national average). As Russian is not an official language in Estonia, only those with a good command of Estonian have a chance of finding a job in other regions of Estonia, or in new enterprises investing in Ida-Virumaa. The lack of knowledge of the national language, alongside with cultural barriers, is one of the major obstacles for workers made redundant finding a job elsewhere in the country, but also for companies wishing to invest in or people moving to the region.
19. The region's population of 150 000 in 2015 accounts for only 9,5 % of the national labour force, but for 17,3 % of unemployed persons in Estonia. Considering the overall difficult employment situation in the region, including the limited number of job vacancies available (rate of job vacancies, as the share of job vacancies in the total number of jobs, in Ida-Virumaa was 0,8 % compared to 1,2 % on average in Estonia in the fourth quarter of 2015)¹¹, collective lay-offs of workers with relatively similar technical profiles looking for similar jobs complicate the labour market recovery.
20. A regional development strategy has been designed, which is outlined in the Ida-Virumaa Action Plan for 2015-2020¹². Logistics and tourism have been identified as potential growth sectors, and infrastructure projects launched in order to boost growth and to form a base for diversifying the economic structure. Other sectors with a potential to create new jobs are the production of timber, metals and construction materials. The proposed package of personalised measures to be co-financed by the EGF fully supports the action plan by offering training measures aimed at making the redundant workers ready for these growth sectors.

Explanation of the exceptional circumstances underlying the admissibility of the application

21. As set out above, due to the remote location and the unique demographic situation, Ida-Virumaa can be considered a small labour market. Estonia further argues that an application under Article 4(2) of the EGF Regulation had to be filed anyhow regarding the Manufacture of chemicals and chemical products-sector. In this sector, only one company was concerned, but the number of redundancies did not reach the threshold for an application under Article 4(1)(a). Even though the redundancies

¹¹ <http://pub.stat.ee/px-web.2001/Dialog/varval.asp?ma=WSV014&lang=1>

¹² https://www.siseministeerium.ee/sites/default/files/dokumendid/Arengukavad/ida-virumaa_tegevuskava_2015-2020_26.02.15.pdf

occurred in two different economic sectors defined at NACE Revision 2 Division-level, instead of filing two separate applications, Estonia decided to combine the redundancies in one regional application, as the redundancies happened at the same place, during the same timeframe and involved redundant workers with very similar backgrounds. Therefore, an application exceptionally combining redundancies in two different sectors, without a direct link between the redundancies, but all occurring in the same small labour market, at the same point of time, not only reduces administrative burden, but offers synergy effects, allowing to organise joint measures for workers made redundant in both sectors.

Targeted beneficiaries and proposed actions

Targeted beneficiaries

22. The estimated number of redundant workers expected to participate in the measures is 800. Main reason for the relatively low number of targeted beneficiaries is that the measures shall target those workers made redundant that had been identified as particularly vulnerable on the job market. Some of the workers had declared they were not available for participation in the measures. Considering the time-lapse between the first redundancies and the start of the measures, Estonia expects that some of the less vulnerable people would be able to find a job before the start of the measures. The breakdown of the workers expected to participate in the measures by sex, citizenship and age group is as follows:

Category		Number of targeted beneficiaries (percentages rounded to first decimal)	
Sex:	Men:	565	(70,6 %)
	Women:	235	(29,4 %)
Citizenship:	EU citizens:	294	(36,8 %)
	non-EU citizens:	506	(63,3 %)
Age group:	15-24 years:	31	(3,9 %)
	25-29 years:	47	(5,9 %)
	30-54 years:	380	(47,5 %)
	55-64 years:	334	(41,8 %)
	over 64 years:	8	(1 %)

Eligibility of the proposed actions

23. The personalised services to be provided to redundant workers consist of the following actions:
- Support for Formal Studies- Payment of the Cost of Training: This measure is targeting unemployed persons who start or continue their formal studies for completing education, up-skilling and training. The envisaged maximum duration is 2.5 years.

- Training Cost Reimbursement for Employers: Applies if an employer has recruited one of the targeted beneficiaries. The Unemployment Insurance Fund (PES) may (in accordance to a prior agreement with the employer) reimburse 50 % of the cost of the training, but no more than EUR 1 250. The training courses must take place during the implementation period. This measure also includes the cost of obtaining a proof of qualification.
- Labour Market Training: This measure will last up to 1 year but courses must be completed by the end of the implementation period. These courses will not only provide vocational training focused on gaining specific skills, but also on general or soft skills as well (i.e. computer literacy skills, entrepreneurship training). It won't be possible for the same person to participate in both the labour market training courses and in formal studies. The labour market training measure includes the cost of obtaining a proof of qualification, including certificates of vocational competency or driver's licence and it will also cover expenses related to state fees for obtaining these.
- Estonian Language Training: all targeted beneficiaries will be eligible to participate in the training, including those who have found a new job already but have to improve Estonian language skills in order to find a sustainable employment.
- Work Practice: aims at the provision of practical experience to targeted beneficiaries. It is provided by employers with the aim of improving knowledge and skills needed to re-enter the labour market as soon as possible.
- Debt Counselling: main aim is to learn how to cope with the situation of reduced income and substantial financial obligations. It is important for the re-integration into the labour market and for accepting a new job with possibly lower salary.
- Psychological Counselling: this measure offers psychological counselling services to help to remove personal challenges and employment barriers that redundant workers might face.
- Study Allowance relating to the participation in formal studies: During the studies each participant will receive a study allowance of EUR 260 per month. To motivate persons to start and/or continue formal studies, the study allowance will be paid during the whole period of studies, but only until the end of the implementation period. This rate will be reduced to EUR 130 per month in case a participant finds employment, but wishes to complete the studies besides the job.
- Scholarship, Transport and Accommodation Benefit for Estonian Language Training: in case the language training is provided to an unemployed person, a scholarship as well as a transport and accommodation benefit will be paid.
- Mobility Allowance: is paid to unemployed persons who haven't found a suitable job close to home and/or those who work at least 20 kilometres away from their place of residence. The allowance is paid during the first 6 months after starting a new job, but no longer than the duration of the project. In case of a fixed-term contract, the allowance is also paid during the first 6 months, but cannot be paid for longer than half the duration of the contract. The rate of the allowance is EUR 0,1 per kilometre, but not more than EUR 300 per

calendar month. Payments are calculated on the basis of the shortest distance between the place of residence and the workplace.

24. The proposed actions, here described, 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.
25. Estonia has provided the required information on actions that are mandatory for the enterprise concerned by virtue of national law or pursuant to collective agreements. They have confirmed that a financial contribution from the EGF will not replace such actions.
26. The package of measures proposed is in line with the needs identified in Estonia's regional development strategy 2014-2020¹³ as well as the Ida-Virumaa Action Plan 2015-2020¹⁴. Estonia further declares that the coordinated package of measures is compatible with the shift towards a resource-efficient and sustainable economy and shows great potential to facilitate it.

Estimated budget

27. The estimated total costs are EUR 1 885 597, comprising expenditure for personalised services of EUR 1 740 070 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 145 527. Estonia declares that it will bear almost all the expenditure for preparatory measures and for information and publicity itself.
28. The total financial contribution requested from the EGF is EUR 1 131 358 (60 % of total costs).

Actions	Estimated number of participants	Estimated cost per participant (rounded) (EUR)	Estimated total costs (EUR)
Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation)			
Support for Formal Studies- Payment of the Cost of Formal Studies	47	5 750	270 250
Training Cost Reimbursement for Employers	129	338	43 661
Labour Market Training	379	851	322 704
Estonian Language Training	451	944	425 523
Work Practice	273	649	177 117

¹³

https://www.siseministeerium.ee/sites/default/files/dokumendid/eesti_regionaalarengu_strateegia_2014-2020.pdf

¹⁴

https://www.siseministeerium.ee/sites/default/files/dokumendid/Arengukavad/ida-virumaa_tegevuskava_2015-2020_26.02.15.pdf

Debt Counselling	51	116	5 901
Psychological Counselling	50	416	20 791
Sub-total (a): Percentage of the package of personalised services		–	1 265 947 (72,75 %)
Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation)			
Study Allowance relating to the Participation in Formal Studies	47	4 181	196 521
Scholarship and Transport and Accommodation Benefit for Estonian Language Training	301	393	118 177
Mobility Allowance	175	911	159 425
Sub-total (b): Percentage of the package of personalised services:		–	474 123 (27,25 %)
Actions under Article 7(4) of the EGF Regulation			
1. Preparatory activities		–	100
2. Management		–	109 635
3. Information and publicity		–	400
4. Control and reporting		–	35 392
Sub-total (c): Percentage of the total costs :		–	145 527 (7,7 %)
Total costs (a + b + c):		–	1 885 597
EGF contribution (60 % of total costs)		–	1 131 358

29. The costs of the actions identified in the table above as actions under Article 7(1)(b) of the EGF Regulation do not exceed 35 % of the total costs for the coordinated package of personalised services. Estonia confirmed that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

Period of eligibility of expenditure

30. Estonia started providing the personalised services to the targeted beneficiaries on 1 July 2016. The expenditure on the actions will therefore be eligible for a financial contribution from the EGF from 1 July 2016 to 1 July 2018, with the exception of

formal studies of a duration of more than two years, which will be eligible until 1 January 2019.

31. Estonia started incurring the administrative expenditure to implement the EGF on 11 May 2016. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 11 May 2016 to 1 January 2019.

Complementarity with actions funded by national or Union funds

32. The source of national co-funding is the Foundation of labour market services and benefits, from which the Estonian Unemployment Insurance Fund (PES) is providing active labour market measures in Estonia. As a source of pre-financing, further funds are made available from the state budget.
33. Estonia has confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

Procedures for consulting the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities

34. Estonia has indicated that the co-ordinated package of personalised services has been drawn up in consultation with all stakeholders including social partners, enterprises and public employment services. On 15 February 2016, the trade unions and the employers' association of Ida-Virumaa organised a roundtable to discuss potential solutions for the ongoing crisis. Afterwards, in the beginning of April 2016, a meeting at the Ministry of Social Affairs took place, discussing a possible application for EGF co-funding. Participants of the high-level meeting were representatives of the Estonian Trade Union Confederation, the Estonian Employers' Confederation, the Ministry of Economic Affairs and Communication as well as of the Estonian Unemployment Insurance Fund (PES). A further meeting was then organised at regional level in Ida-Virumaa region, involving all relevant regional players.

Management and control systems

35. The application contains a description of the management and control system which specifies the responsibilities of the bodies involved. Estonia has notified the Commission that the financial contribution will be managed by the Ministry of Social Affairs in the Strategy and Budget Management Department as EGF Managing Authority (MA), by the Ministry of Finance in the Financial Control Department as EGF Audit Authority (AA) and by the Ministry of Finance in the European Union Payments Department as EGF Certifying Authority (CA). Some functions of the Managing Authority will be delegated to Foundation Innove as a second level Intermediate Body (IB).

Commitments provided by the Member State concerned

36. Estonia has 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.

BUDGETARY IMPLICATION

Budgetary proposal

37. The EGF shall not 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 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020¹⁵.
38. Having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 1 131 358, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.
39. 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 management¹⁶.

Related acts

40. At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 1 131 358.
41. At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

¹⁵ OJ L 347, 20.12.2013, p. 884.

¹⁶ OJ C 373, 20.12.2013, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund following an application from Estonia– EGF/2016/003 EE/petroleum and chemicals

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 1927/2006¹⁷, 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 management¹⁸, 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 1311/2013¹⁹.
- (3) On 11 May 2016, Estonia submitted an application to mobilise the EGF, in respect of redundancies in the economic sectors classified under the Statistical classification of economic activities in the European Community ('NACE') Revision 2 Division 19 (Manufacture of coke and refined petroleum products) and Division 20 (Manufacture of chemicals and chemical products) in Estonia (the Republic of Estonia is not divided into Nomenclature of Territorial Units for Statistics ('NUTS')²⁰ level 2 regions). 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.

¹⁷ OJ L 347, 20.12.2013, p. 855.

¹⁸ OJ C 373, 20.12.2013, p. 1.

¹⁹ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

²⁰ 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).

- (4) In accordance with Article 4(2) of Regulation (EU) No 1309/2013, the application from Estonia is considered admissible since the redundancies have a serious impact on employment and the local, regional and national economy.
- (5) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 1 131 358 in respect of the application submitted by Estonia.
- (6) 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 Union for the financial year 2016, the European Globalisation Adjustment Fund shall be mobilised to provide the amount of EUR 1 131 358 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]**.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

* *Date to be inserted by the Parliament before the publication in OJ.*