



Plenary sitting

A8-0274/2015

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REPORT

on the proposal for a 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/2015/004 IT/Alitalia, from Italy) (COM(2015)0397 – C8-0252/2015 – 2015/2212(BUD))

Committee on Budgets

Rapporteur: Monika Vana

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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 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/2015/004 IT/Alitalia, from Italy)
(COM(2015)0397 – C8-0252/2015 – 2015/2212(BUD))**

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2015)0397 – C8-0252/2015),
 - 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 1927/2006¹ (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 2014-2020², 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 management³ (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 (A8-0274/2015),
- 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 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 December

¹ OJ L 347, 20.12.2013, p. 855.

² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

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 Italy submitted application EGF/2015/004 IT/Alitalia for a financial contribution from the EGF following 1 249 redundancies in Gruppo Alitalia, operating in the NACE Rev. 2 division 51 ('Air transport')¹ in the NUTS² level 2 region of Lazio, and whereas an estimated 184 redundant workers are expected to participate in the measures;
- E. whereas the application fulfils the eligibility criteria set down by the EGF Regulation;
1. Agrees with the Commission that the conditions set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, Italy is entitled to a financial contribution of EUR 1 414 848 under that Regulation;
 2. Notes that the Italian authorities submitted the application for a financial contribution from the EGF on 24 March 2015, and that its assessment was finalised by the Commission on 7 August 2015 and notified to Parliament on 1 September 2015; welcomes the speedy evaluation period of less than five months;
 3. Notes that the international air transport market has undergone serious economic disruption, in particular a decline in the Union's market share and a huge increase in the number of passengers carried by Gulf and Turkish carriers that has occurred at the expense of European companies such as Alitalia;
 4. Recalls that, although employment in Lazio has been affected by the effects of the economic and financial crisis to a lesser extent than employment at national level, each additional increase in unemployment puts the CIG³ benefit system under pressure;
 5. Notes that, to date, the NACE Revision 2 Division 51 sector (Air transport) has been the

¹ Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

² 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).

³ *Cassa Integrazione Guadagno* (CIG) is a benefit designed to ensure a certain level of income to workers prevented for undertaking his/her assignment. CIG is triggered in case of reduction or discontinuation of production activities due to restructuring, enterprise's reorganization, corporate crisis and bankruptcy proceedings which have serious consequences on the labour market at local level. CIG is a tool that prevents workers to be made redundant by allowing enterprises to avoid the cost of labour temporarily not needed, while waiting to resume normal production activities. However CIG is often the prelude to *mobilità*.

subject of one other EGF application¹ which was also based on trade related globalisation;

6. Welcomes the focus on active job search and training measures proposed by the Italian authorities, including the re-employment scheme targeting dismissed workers over 50 years of age;
7. Welcomes the fact that, in order to provide workers with speedy assistance, the Italian authorities decided to initiate the implementation of the personalised services to the affected workers on 1 April 2015, well ahead of the decision on the granting the EGF support for the proposed coordinated package;
8. Notes that actions under Article 7(4) of the EGF Regulation - preparatory activities, management, information and publicity and control and reporting - represent a relatively high share of the total costs (3,99%);
9. Regrets that out of 1 249 eligible beneficiaries only 184 (14,7%) are targeted by the proposed measures - very low share of all dismissed employees;
10. Notes that less than 15% of the total eligible beneficiaries are targeted by the measures included in the application;
11. Appreciates that all 184 targeted beneficiaries are expected to benefit from the personalised services;
12. Notes that Italy is planning five types of measures for redundant workers covered by this application: (i) intake and skill assessment, (ii) active job search support, (iii) training, (iv) reimbursement of mobility costs, and (v) hiring benefits for over 50s;
13. Notes that allowances and incentives are limited to mobility costs and hiring benefits and will stay below the allowed maximum amount of 35% of the total costs for the coordinated package of personalised services, as set out in the EGF Regulation;
14. Welcomes the hiring benefits for workers over 50 years of age; considers that the way the payment benefits are differentiated will incentivise hiring the concerned workers with better conditions;
15. Notes that the coordinated package of personalised services has been drawn up in consultation with the social partners, the accredited agencies which provide job search support and the workers;
16. Welcomes that the accredited agencies providing active job-search support to the workers are paid on the basis of the results achieved;
17. Reminds 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;
18. Recalls the importance of improving the employability of all workers by means of adapted

¹ EGF/2013/014 FR Air France (COM(2014) 701 final).

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. Notes that the information provided on the coordinated package of personalised services to be funded from the EGF includes information on complementarity with actions funded by the Structural Funds; stresses that the Italian 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;
20. 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;
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 Italy - EGF/2015/004 IT/Alitalia)

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 1927/2006¹, 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 management², 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 1311/2013³.
- (3) On 24 March 2015, Italy submitted an application EGF/2015/004 IT/Alitalia for a financial contribution from the EGF, following redundancies in Gruppo Alitalia⁴ in Italy. It was supplemented by additional information 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 in accordance with Article 13 of Regulation (EU) No 1309/2013.
- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 1 414 848 in respect of the application submitted by Italy.
- (5) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

¹ OJ L 347, 20.12.2013, p. 855.

² OJ C 373, 20.12.2013, p. 1.

³ 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).

⁴ Alitalia Compagnia Aerea Italiana S.p.A. and Air One S.p.A. (CAI First S.p.A., CAI Second S.p.A. and Alitalia Loyalty).

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 1 414 848 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.

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 2014-2020¹ and of Article 15 of Regulation (EU) No 1309/2013², 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 management³, 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 Alitalia application and the Commission's proposal

On 7 August 2015, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of Italy to support the reintegration in the labour market of workers made redundant in Gruppo Alitalia, operating in the economic sector classified under NACE Rev. 2 division 51 ('Air transport').

This is the fifteenth application to be examined under the 2015 budget and refers to the mobilisation of a total amount of EUR 1 414 848 from the EGF for Italy. It concerns 184 out of 1 249 workers made redundant in Gruppo Alitalia. The application was sent to the Commission on 24 March 2015 and supplemented by additional information up to 19 May 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.

The Italian authorities state that the event giving rise to the redundancies in Gruppo Alitalia is the decrease in the number of passengers transported in 2014 back to the figures in 2010, which represent a decline by 3,6 % compared to 2013 and by 6,4 % compared with 2012 coupled with the losses accumulated since the full privatisation of Alitalia in 2009.

The personalised services which are to be provided to workers made redundant consist of five types of measures, (i) intake and skill assessment, (ii) active job-search support, (iii) training, (iv) reimbursement of mobility costs, and (v) hiring benefits for over 50s;

¹ OJ L 347, 20.12.2013, p. 884.

² OJ L 347, 20.12.2013, p. 855.

³ OJ C 373, 20.12.2013, p. 1.

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 Italian 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,
- Gruppo Alitalia the dismissing enterprise, which has continued its activities after the lay-offs, has complied with its legal obligations governing the redundancies and provided for its 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.

Italy has notified the Commission that the source of national pre-financing or co-funding is the Fund for Active Policies.

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 1 414 848 from the EGF reserve (40 02 43) to the EGF budget line (04 04 01).

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

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(2015)42485

Mr. 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/2015/004 IT/Alitalia from Italy

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/2015/004 IT/Alitalia 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(1)(a) of the European Globalisation Adjustment Fund Regulation (EC) No 1309/2013 and relates to 1249 workers dismissed in Gruppo Alitalia which operated in the economic sector classified under NACE Rev. 2 division 51 ('Air transport'); whereas the redundancies made by the enterprises concerned are mainly located in the NUTS level 2 region of Lazio within the reference period between 31 August 2014 and 30 December 2014;
- B) Whereas in order to establish link between the redundancies and major structural changes in world trade patterns due to globalisation, Italy argues that the international air transport market has undergone serious economic disruption, particularly as regards the EU's market share;
- C) Whereas the changes in trade patterns have been worsened by other factors such as the decrease in demand, due to the economic crisis and the increase in fuel prices;
- D) Whereas the majority (70.1%) of the workers targeted by the measures are men and 29.9% are women; whereas the vast majority (96.79%) of the workers are between 30 and 54 years old, and 3.3% 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 Italian application:

1. Agrees with the Commission that the intervention criteria set out in Article 4(1)(a) of the Regulation (EU) No 1309/2013 are met and that, therefore, Italy is entitled to a financial contribution under this Regulation;
2. Notes that less than 15% of the total eligible beneficiaries are targeted by the measures included in the application;
3. Notes that to date, this is the second application relating to the air transport sector;
4. Appreciates that all 184 targeted beneficiaries are expected to benefit from the personalised services;
5. Welcomes that the accredited agencies providing active job-search support to the workers are paid on the basis of the results achieved;
6. Welcomes the hiring benefits for workers over 50 years of age; considers that the way the payment benefits are differentiated will incentivise hiring the concerned workers with better conditions;
7. Notes that allowances and incentives are limited to mobility costs and hiring benefits and will stay below the allowed maximum amount of 35% of the overall package of personalised measures, as set out in the Regulation;
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,

Marita ULVSKOG,

1st Vice-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 28 September 2015:

- **COM(2015)0397** proposes an EGF contribution of EUR 1 414 848 for active labour market measures in order to facilitate the re-integration into the labour market of 1 249 workers made redundant in the sector of air transport, in region of Lazio, Italy.

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

Date adopted	29.9.2015
Result of final vote	+ : 26 - : 7 0 : 1
Members present for the final vote	Nedzhmi Ali, Jonathan Arnott, Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Iris Hoffmann, Monika Hohlmeier, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Siegfried Mureşan, Victor Negrescu, Jan Olbrycht, Paul Rübig, Petri Sarvamaa, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Indrek Tarand, Isabelle Thomas, Monika Vana, Daniele Viotti, Marco Zanni, Auke Zijlstra
Substitutes present for the final vote	Michał Marusik, Andrej Plenković, Nils Torvalds, Anders Primdahl Vistisen