



Plenary sitting

A8-0182/2016

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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
(application from France – EGF/2015/010 FR/MoryGlobal)
(COM(2016)0185 – C8-0136/2016– 2016/2043(BUD))

Committee on Budgets

Rapporteur: Anneli Jäätteenmäki

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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 (application from France – EGF/2015/010 FR/MoryGlobal)

(COM(2016)0185 – C8-0136/2016– 2016/2043(BUD))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2016)0185 – C8-0136/2016),
 - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006¹ (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 (A8-0182/2016),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or of the global financial and economic crisis and to assist their reintegration into the labour market;
- B. whereas the Union's financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible, in accordance with the Joint Declaration of the European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008, and having due regard to the IIA of 2 December 2013 in respect of the adoption of decisions to mobilise the European Globalisation Adjustment Fund (EGF);

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.

- 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 France submitted application EGF/2015/010 FR/MoryGlobal for a financial contribution from the EGF, following redundancies in the economic sector classified under the NACE Rev.2 Division 49 (Land transport and transport via pipelines) and Division 52 (Warehousing and support activities for transportation) throughout mainland France, and whereas 2 132 redundant workers eligible for an EGF contribution are expected to participate in the measures; whereas the request follows the judicial liquidation of MoryGlobal and is a follow-up to the application EGF/2014/017 FR/Mory-Ducros;
- E. whereas the application was submitted under the intervention criteria of point (a) of Article 4(1) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and / or self-employed persons whose activity has ceased;
1. Agrees with the Commission that the conditions set out in point (a) of Article 4(1) of the EGF Regulation are met and that, therefore, France is entitled to a financial contribution of EUR 5 146 800 under that Regulation, which represents 60 % of the total cost of EUR 8 528 000;
 2. Notes that the Commission respected the deadline of 12 weeks from the receipt of the application from the French authorities, on 19 November 2015, until the finalisation of its assessment on the compliance with the conditions for providing a financial contribution, on 7 April 2016 and notified its assessment to Parliament that day;
 3. Considers that the redundancies in MoryGlobal are linked to the general decline in physical output in Europe, which has led to a reduction in volumes to be transported and a price war in the road haulage sector, resulting in a steady deterioration in operating margins and a series of losses for the sector in France since 2007, followed by a wave of bankruptcies, including that of Mory-Ducros and later of MoryGlobal, which re-employed 2 107 of Mory-Ducros' former workers;
 4. Points out that the EGF support for 2 513 former Mory-Ducros workers, authorised in April 2015¹, amounts to EUR 6 052 200;
 5. Notes that, to date, the land transport and transport via pipelines sector has been the subject of two other EGF applications: EGF/2014/017 FR/Mory-Ducros and EGF/2011/001 AT/Nieder- und Oberoesterreich, both based on the global financial and

¹ Decision (EU) 2015/738 of the European Parliament and of the Council of 29 April 2015 on the mobilisation of the European Globalisation Adjustment Fund (application EGF/2014/017 FR/Mory-Ducros, from France) (OJ L 117, 8.5.2015, p. 47).

economic crisis, relating to 2804 redundancies in that sector; notes that several measures in the two applications are similar;

6. Notes the fact that the French authorities started providing the personalised services to the affected workers on 23 April 2015, ahead of the application on the granting of EGF support for the proposed coordinated package;
7. Welcomes the fact that France put in place the social plan, in which MoryGlobal also participates financially, before obtaining the top up from EGF; appreciates that the assistance requested from EGF does not include measures under point (b) of Article 7(1) of the EGF Regulation, namely allowances, but is orientated towards measures with real added value for the future reintegration into the labour market of the workers made redundant;
8. Notes that the EGF cofunded personalised services to be provided consist of advice and guidance provided by a team of expert consultants, which are additional to the social plan and the Contrat de Sécurisation Professionnelle funded by the French State to help the workers back into employment; notes that the three contractors operating the team of consultants are the ones providing services to the workers made redundant by Mory-Ducros; expects the Commission and the French authorities to strictly follow the principle according to which payments to the agencies are to be made on the basis of results achieved;
9. Notes that the contractors (BPI, Sodie and AFPA Transitions) shall assist the redundant workers and help them find solutions to remain in the labour market and find new jobs, through personalised services such as collective and individual information sessions, job transition and accompaniment towards new jobs;
10. Considers that workers in the 55-64 age group are at a higher risk of long-term unemployment and exclusion from the labour market with the possible effect of social exclusion; considers therefore that those workers, who make up over 19% of the beneficiaries expected to be targeted by the proposed actions, have specific needs when it comes to providing them with personalised approach in accordance with Article 7 of the EGF Regulation;
11. Notes that France indicated that the coordinated package of personalised services was drawn up in consultation with the representatives of the targeted beneficiaries and the social partners;
12. Reminds that, in line with Article 7 of the EGF 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; welcomes the fact that France has provided all necessary assurances that the proposed actions will be complementary to actions funded by the Structural Funds as a combined measure to adjust to global challenges in order to achieve sustainable economic growth as highlighted in the European Globalisation Adjustment Fund 2007-2014 European Implementation Assessment¹;

¹ [http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/558763/EPRS_IDA\(2016\)558763_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2016/558763/EPRS_IDA(2016)558763_EN.pdf)

13. Notes that the contractors operating the team of consultants are the same as those providing services to the workers made redundant by Mory-Ducros; calls on the Commission to provide an evaluation of the cost-effectiveness of the ongoing support for the redundant workers of Mory-Ducros, as the current application is a follow-up to the EGF/2014/017 FR/Mory-Ducros application, and the personalised services are provided by the same contractors;
14. Takes into account the sensitivity of the specific labour market since France has the highest share of EU-28 value added within the land transport services sector;
15. Notes that French authorities confirm that the proposed actions do not receive financial support from other Union funds or financial instruments and that they are complementary to actions funded by the Structural Funds;
16. Reiterates that assistance from the EGF comes in addition to national measures and must not replace actions which are the responsibility of Member States or of companies;
17. 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;
18. Recalls its appeal to the Commission to assure public access to all the documents related to EGF cases;
19. Approves the decision annexed to this resolution;
20. 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*;
21. Instructs its President to forward this resolution, including its Annexes, 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 France – EGF/2015/010 FR/MoryGlobal)

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 19 November 2015, France submitted an application EGF/2015/010 FR/MoryGlobal for a financial contribution from the EGF, following redundancies in MoryGlobal SAS in France. 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.

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 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 5 146 800 in respect of the application submitted by France.
- (5) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2016, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of EUR 5 146 800 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 ,

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. MoryGlobal application and the Commission's proposal

On 7 April 2016, the Commission adopted a proposal for a decision on the mobilisation of the EGF in favour of France to support the reintegration in the labour market of workers made redundant in MoryGlobal SAS in the NACE Rev.2 Division 49 (Land transport and transport via pipelines) and Division 52 (Warehousing and support activities for transportation) across 22 départements of mainland France.

This is the fourth application to be examined under the 2016 budget and the third for the land transport and transport via pipelines sector and refers to the mobilisation of a total amount of EUR 5 146 800 from the EGF for France. It concerns 2 132 workers made redundant.

The application was sent to the Commission on 19 November 2015 and supplemented by additional information up to 14 January 2016. 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 French authorities state that the event giving rise to the redundancies are the bankruptcy and closure of the company. According to the estimates of the Bank of France, bankruptcies in the road haulage sector have increased by 35 % annually when comparing 2013 with 2007. This is seen as being the result of the global financial and economic crisis, causing road haulage in vehicles weighing more than 3,5 tonnes to decline by 13,7 % in the EU and by 21 % in France between 2007 and 2012 (Eurostat). This decline has been following the general decline of physical output in Europe. Faced with the reduction in volumes to be

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.

transported, a price war broke out within the sector, which was not helped by the upward evolution in the various costs (petrol, wages, materials), thus leading to a steady deterioration in operating margins and a series of losses for the sector in France since 2007.

The application is a follow-up to the application EGF/2014/017 FR/Mory-Ducros which concerned the Mory-Ducros workers who did not move to MoryGlobal.

The personalised services which are to be provided to workers made redundant consist of advice and guidance to the redundant workers provided by a team of expert consultants from three contractors. Those are contracted to provide to each participant (a) a personalised career path and (b) a sufficient number of job offers, they must (c) enable them to consult general experts and / or experts specialised in enterprise creation, who have excellent knowledge of the employment market in the region and are available and responsive. They will also provide training workshops for general competences (e.g. CV preparation, interview preparation, job-search skills and business creation), training in the use of the internet, job fairs and meetings with employers or sector representatives, and meetings with training institutions.

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 French authorities have provided all necessary assurances regarding the following:

- the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation,
- the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,
- the 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.

France has notified the Commission that the EGF measures are pre-financed and co-funded by the Ministry for Labour, Employment, Vocational Training and Social Dialogue using the budget line for the accompaniment of economic change and development of employment.

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 5 146 800 from the EGF reserve (40 02 43) to the EGF budget line (04 04 01).

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

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

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

ANNEX: LETTER OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

CO/jb D(2016)19091

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

Subject: Opinion on the mobilisation of the European Globalisation Adjustment Fund (EGF) for the case EGF/2015/010 FR/MoryGlobal from France (COM(2016) 185 final)

Dear Chair,

The Committee on Employment and Social Affairs (EMPL) as well as its Working Group on the EGF examined the mobilisation of the EGF for the case EGF/2015/010 FR/MoryGlobal 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 Regulation (EU) No 1309/2013 (EGF Regulation) and relates to 2132 workers made redundant in MoryGlobal SAS in France operating in the NACE Revision 2 Division 49 (Land transport and transport via pipelines) and also in the NACE Revision 2 Division 52 (Warehousing and support activities for transportation) located in 54 sites throughout mainland France, mainly in NUTS level 2 regions, from which, the locations with the highest number of redundancies are: Centre (FR24); Ile-de-France (FR10); Rhône-Alpes (FR71); Pays-de-la-Loire (FR51); Lorraine (FR41) and Alsace (FR42), within the reference period from 27 April 2015 to 27 August 2015;
- B) Whereas in order to establish the link between the redundancies and the continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009 France argues that MoryGlobal was active in the fields of courier services, freight transport and delivery, warehousing and rental of related materials, providing these services in France and abroad and as a result of the crisis, road haulage in vehicles weighing more than 3,5 tones declined by 13,7% in the EU and by 21% in France between 2007 and 2012 (Eurostat) and in 2014 the activity of the road freight transport remained more than 10% lower than the pre-crisis activity; whereas due to the reduction in volumes

to be transported a price war broke within the sector, leading to a steady deterioration of operating margins followed by a wave of bankruptcies in the road haulage sector;

- C) Whereas the request follows the bankruptcy triggering the judicial liquidation of MoryGlobal and is a follow-up to the application EGF/2014/017 FR/Mory-Ducros;
- D) Whereas the majority (81,6%) of the workers targeted by the measure are men and 18,4% are women; whereas 59,5% of the workers are between 30-54 years old, 21,2% between 25 and 29 years old and 19,1% 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 French 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, France is entitled to a financial contribution of EUR 5 146 800 under this Regulation, which represents 60% of the total cost of EUR 8 578 000;
2. Notes that the Commission respected the deadline of 12 weeks from the reception of the application from the French authorities, on 19 November 2015, until finalising its assessment on the compliance with the conditions for providing a financial contribution, on 7 April 2016 and notified it to Parliament that day;
3. Notes that the EGF cofunded personalised services to be provided to the redundant workers consist of advice and guidance provided by a team of expert consultants, which come on top of the social plan and the *Contrat de Sécurisation Professionnelle* funded by France in order to support the workers on the labour market; expects the Commission and the French authorities to firmly follow the principle of payments to the agencies contracted on the basis of the results achieved;
4. Welcomes that the French State has put in place the social plan, in which the company MoryGlobal also participates with funds, before obtaining the top up from EGF; appreciates that the assistance requested from EGF does not include measures under Article 7, point 1 (b) of the EGF Regulation, namely allowances, but is orientated on measures with real added value for the future reintegration into the labour market of the workers made redundant;
5. Notes that the contractors operating the team of consultants are the same as those providing services to the workers made redundant by Mory-Ducros; calls on the Commission to provide an evaluation of the cost-effectiveness of the ongoing support for the redundant workers of Mory-Ducros, as the current application is a follow-up to the EGF/2014/017 FR/Mory-Ducros application, and the personalised services are provided by the same contractors;
6. Notes that the contractors (BPI, Sodie and AFPA Transitions) shall assist the redundant workers and help them find solutions to remain in the labour market and find new jobs, through personalised services such as collective and individual information sessions, job transition and accompaniment towards new jobs;

7. Notes that France indicated that the coordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the social partners;
8. Notes that French authorities confirm that the proposed actions do not receive financial support from other Union funds or financial instruments and that they are complementary with actions funded by the Structural Funds;
9. Recalls its appeal to the Commission to assure public access to all the documents related to EGF cases;
10. Reminds that in line with Article 7 of the Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy.

Yours sincerely,

Thomas HÄNDEL

EMPL Chair

ANNEX: LETTER OF THE COMMITTEE ON REGIONAL DEVELOPMENT

Mr Jean ARTHUIS
Chairman
Committee on Budgets
European Parliament

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

Dear Mr. Arthuis,

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 23 May 2016:

- **COM(2016)0185** proposes an EGF contribution of EUR 5 146 800 for 2 132 workers made redundant in MoryGlobal SAS. This enterprise operated primarily in the economic sector classified under the NACE Revision 2 Division 49 (Land transport and transport via pipelines) and also in the NACE Revision 2 Division 52 (Warehousing and support activities for transportation). The redundancies made by MoryGlobal SAS are located throughout mainland France. The locations with the highest number are situated in the following the NUTS level 2 regions: Centre (FR24), Ile-de-France (FR10), Rhône-Alpes (FR71), Pays-de-la-Loire (FR51), Lorraine (FR41), Alsace (FR42).

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

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

Yours sincerely,

Iskra MIHAYLOVA

RESULT OF FINAL VOTE IN COMMITTEE RESPONSIBLE

Date adopted	23.5.2016
Result of final vote	+: 22 -: 4 0: 0
Members present for the final vote	Jean Arthuis, Lefteris Christoforou, Jean-Paul Denanot, José Manuel Fernandes, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Ernest Maragall, Sophie Montel, Liadh Ní Riada, Jan Olbrycht, Younous Omarjee, Urmas Paet, Paul Rübig, Patricija Šulin, Eleftherios Synadinos, Paul Tang, Daniele Viotti, Auke Zijlstra
Substitutes present for the final vote	Anneli Jäätteenmäki, Georgios Kyrtos, Andrej Plenković, Ivan Štefanec, Nils Torvalds
Substitutes under Rule 200(2) present for the final vote	Laura Agea, Rainer Wieland