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DRAFT 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 EGF/2019/000 TA 2019 - Technical assistance at the initiative of
the Commission)
(COM(2019)0290 – C9-0026/2019 – 2019/2036(BUD))

Committee on Budgets

Rapporteur: Bogdan Rzońca

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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 EGF/2019/000 TA 2019 - Technical assistance at the initiative of the Commission) (COM(2019)0290 – C9-0026/2019 – 2019/2036(BUD))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2019)0290 – C9 0026/2019),
 - 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 1927/2006^[8] (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 2014-2020^[9], 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^[10] (IIA of 2 December 2013), and in particular point 13 thereof,
 - having regard to its resolution of 17 May 2018 on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund, (EGF/2017/000 TA 2017 – Technical assistance at the initiative of the Commission)^[11],
 - having regard to its first reading on the proposal for a regulation of the European Parliament and of the Council on the European Globalisation Fund (EGF) (footnote to be inserted of OJ if available or COM(2018)0380)
 - having regard to the trilogue procedure provided for in point 13 of the IIA of 2 December 2013,
- 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 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

^[8] OJ L 347, 20.12.2013, p. 855.

^[9] OJ L 347, 20.12.2013, p. 884.

^[10] OJ C 373, 20.12.2013, p. 1.

^[11] Texts adopted, P8_TA(2017)0116.

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);

- 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 increase 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 the maximum annual budget available for the EGF is EUR 150 million (2011 prices) and whereas Article 11(1) of the EGF Regulation states that up to 0,5 % of this amount (i.e. EUR 175 748 000 in 2019 prices) can be made available for technical assistance at the initiative of the Commission in order to finance preparation, monitoring, data gathering and creation of a knowledge base, administrative and technical support, information and communication activities as well as audit, control and evaluation activities necessary to implement the EGF Regulation;
- E. whereas the proposed amount of EUR 610 000 corresponds to approximately 0,35 % of the maximum annual budget available for the EGF in 2019;
1. Agrees with the measures proposed by the Commission to be financed as technical assistance in accordance with Article 11(1) and (4) as well as with Article 12(2), (3) and (4) of the EGF Regulation;
 2. Acknowledges the importance of monitoring and data gathering; recalls the importance on robust statistical series compiled in appropriate form to be easily accessible and understandable; 3. Recalls the importance of a dedicated website on the EGF to be accessible to all Union citizens;
 4. Welcomes the continued work on the standardised procedures for EGF applications and management using the functionalities of the electronic data exchange system (SFC 2014), which allows for the simplification and faster processing of applications, and better reporting; 5. Takes note that the Commission intends to invest EUR 190 000 of the available budget under the administrative and technical support in holding two meetings of the Expert Group of Contact Persons of the EGF (one member from each Member State) and two seminars with the participation of the implementing bodies of the EGF and social partners;
 6. Calls on the Commission to continue to invite the Parliament to these meetings and seminars in accordance with the relevant provisions of the Framework Agreement on relations between the European Parliament and the European Commission;
 7. Underlines the need to further enhance the liaising between all those involved in EGF applications, including, in particular, the social partners and stakeholders at regional and local level, to create as many synergies as possible; stresses that interaction between the National Contact Person and regional or local case delivery partners should be strengthened and communication and support arrangements and information flows

(internal divisions, tasks and responsibilities) made explicit and agreed on by all partners concerned;

8. Welcomes a timely start of the ex-post evaluation for which the Commission intends to invest EUR 300 000 of the available budget
9. Reminds applicant Member States of their role in publicising the actions funded by EGF to the targeted beneficiaries, local and regional authorities, social partners, the media and the general public, as set out in Article 12 of the EGF Regulation;
10. Approves the decision annexed to this resolution;
11. 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*;
12. 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 EGF/2019/000 TA 2019 - Technical assistance at the initiative of the Commission) (COM(2019)0290 – C9-0026/2019 – 2019/2036(BUD))

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) 1927/2006^[12], and in particular Article 11(2) 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^[13], 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 activities have 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 1311/2013^[14].
- (3) Regulation (EU) No 1309/2013 provides that a maximum of 0,5 % of the annual maximum amount of the EGF may be used each year for technical assistance at the initiative of the Commission.
- (4) The EGF should, therefore, be mobilised in order to provide the sum of EUR 610 000 for technical assistance at the initiative of the Commission,

HAVE ADOPTED THIS DECISION:

Article 1

^[12] OJ L 347, 20.12.2013, p. 855.

^[13] OJ C 373, 20.12.2013, p. 1.

^[14] 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.

For the general budget of the European Union for the financial year 2019, the European Globalisation Adjustment Fund shall be mobilised to provide the sum of EUR 610 000 in commitment and payment appropriations.

Article 2

This Decision shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament

For the Council

The President

The President

EXPLANATORY STATEMENT

I. Background

The European Globalisation Adjustment Fund was 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^[15] and of Article 15 of Regulation (EU) No 1309/2013^[16], 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^[17], 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 Commission's proposal

On 2 July 2019, the Commission adopted a new proposal for a decision on the mobilisation of the EGF.

It concerns the mobilisation of EUR 610 000 from the Fund, covering technical assistance for the Commission. The objective of the technical assistance is to finance monitoring and data gathering, information, to create a knowledge base interface and to advise Member States on using, following up and evaluating the EGF. According to Article 11(1) of the EGF Regulation, a maximum of 0.5% of the annual maximum amount of the EGF (i.e. EUR 175 748 000 in 2019 prices) can be made available each year for technical assistance at the initiative of the Commission.

According to the Commission's proposal, the requested amount of EUR 610 000 represents approximately 0,35% and is intended to cover the following activities:

1. Monitoring and data gathering: The Commission will collect data on applications received, funded and wound up, and measures proposed and implemented. This data will be made available on the website of the European Commission and compiled in appropriate form for the Biennial Report of 2021. Based on the experience of recent years, costs for this activity are estimated at EUR 20 000.
2. Information: The Commission has set up and maintains a webpage on the European Globalisation Adjustment Fund¹, as required under Article 12(2) of the EGF Regulation. The webpage will be regularly updated and expanded, and the new elements will be translated into all EU official languages. General awareness of the EGF will be increased and its visibility promoted. The EGF will be covered in

^[15] OJ L 347, 20.12.2013, p. 884.

^[16] OJ L 347, 30.12.2013, p. 855.

^[17] OJ C 373, 20.12.2013, p. 1.

¹ <http://ec.europa.eu/egf>

various Commission publications and audio-visual activities as provided for in Article 11(4) of the EGF Regulation. Costs of all these items are estimated to be EUR 20 000.

3. Electronic data exchange system: The Commission is continuing its work on developing standardised procedures for EGF applications and case management, using the functionalities of SFC2014 (System for Fund Management in the European Union). This allows the simplification of applications under the EGF Regulation, a faster processing, and easier reporting. An interface between SFC and the Commission's accounting and financial information system ABAC facilitates the financial operations of the EGF. The contribution of EUR 80 000 is for the regular maintenance and further development of the SFC applications and the integration of new reporting tools.
4. Administrative and technical support (Expert Group meetings): The Expert Group of Contact Persons of the EGF, with one member from each Member State, will be holding two meetings (second half of 2019 / first half of 2020). The total costs of these two meetings are estimated at EUR 70 000.
5. Administrative and technical support (Networking seminars): In addition, in order to promote networking among the Member States, the Commission will organise two seminars with the participation of the implementing bodies of the EGF and social partners. To the extent possible, these will be scheduled to take place around the same dates as the two Expert Group meetings and will focus on issues arising from the practical implementation of the EGF Regulation. The cost of these items is estimated at EUR 120 000.
6. Evaluation: A public procurement for the ex-post evaluation will be launched in 2019, with a view to concluding the evaluation by 31 December 2021 (as required by Article 20(1)(b) of the EGF Regulation). EUR 300 000 will be needed for this purpose.

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 610 000 from the EGF reserve (04 04 01 (CP) and 40 02 43 (CE)) to the EGF budget line (04 01 04 04 (CND)).

This is the first transfer proposal for the mobilisation of the Fund transmitted to the Budgetary Authority to date during 2019.

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.