



EUROPEAN COMMISSION

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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 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (EGF/2011/000 TA 2011 - technical assistance at the initiative of the Commission)

EXPLANATORY MEMORANDUM

Point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management¹ allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) through a flexibility mechanism, within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The rules applicable to the contributions from the EGF are laid down in Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund².

SUMMARY OF THE APPLICATION AND ANALYSIS

Key data:	
EGF Reference no.	EGF/2011/000
European Commission	Technical assistance
Administrative expenditure: budget in EUR	610 000
% administrative expenditure (ceiling: 0,35 %)	0,12 %

According to Article 8(1) of Regulation (EC) No 1927/2006, 0.35 % of the annual maximum amount of the EGF can be made available each year for technical assistance at the initiative of the Commission

Technical assistance to be funded and break-down of its estimated costs

1. The contribution will be used for expenditure mentioned in Articles 8(1) and (4) as well as 9(2) of Regulation (EC) No 1927/2006, as detailed hereunder.
2. **Monitoring:** The Commission will collect the data on applications received and paid, and the measures proposed and implemented, and it will update and print the Statistical Portrait of the EGF with information up to the end of 2011. The cost is estimated at EUR 20 000.
3. **Information:** The EGF web site, which the Commission is required to set up and maintain under Article 9(2) of Regulation (EC) No 1927/2006, will be regularly updated and expanded, each new element also being translated into all EU languages. Press folders will be printed, and the annual report of the EGF will be produced, translated, printed and distributed. General awareness of the EGF and its visibility will be enhanced, inter alia by the production of a video based on several EGF cases being implemented. The EGF will be covered in various Commission publications and audio-visual activities. Costs for all these items are estimated at EUR 250 000.
4. **Creation of a knowledge base:** The Commission will set up standardised procedures for EGF applications and their processing, which will allow applications to be simplified, their processing to be speeded up and reports to be more easily extracted for varying needs. The cost is estimated at EUR 70 000.

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406 of 30.12.2006, p. 1.

5. Administrative and technical support: The Expert Group of Contact Persons of the EGF, with 27 members, one from each Member State, will be holding two meetings, budgeted at EUR 35 000 per meeting. The two meetings are together estimated at EUR 70 000.
6. In addition, the Commission will be organising the exchange of successful practices among the Member States, enabling participants with experience of EGF implementation to network with each other. The first of these meetings will be devoted to exchanges of information and experiences on the timing and funding of EGF applications. This networking activity is estimated at EUR 200 000.
7. Evaluation: Activities for the mid-term evaluation of the EGF, as laid down in Article 17 paragraph 1(a) of Regulation (EC) No 1927/2006, were contracted out with the resources of the 2010 budget. The final evaluation of the EGF will not begin until 2012. There is therefore no budget set aside for EGF evaluation in 2011.

Items	Estimated number	Estimated cost per item (in EUR)	Total costs (in EUR)
Monitoring	1	20 000	20 000
Information activities	Various	Various	250 000
Creation of a knowledge base	1	70 000	70 000
Administrative and technical support : Meetings of the Expert Group of Contact Persons of the EGF	2	35 000	70 000
Administrative and technical support : Seminars on the Implementation of the EGF	2	100 000	200 000
Total estimated costs			610 000

Financing

8. The total annual budget available for the EGF is EUR 500 million. Article 8(1) of Regulation (EC) No 1927/2006 states that 0,35 % of this amount (i.e. EUR 1 750 000) can be made available each year for technical assistance at the initiative of the Commission. Currently, the full amount for 2011 remains available; nothing has yet been allocated to technical assistance.
9. The proposed contribution for technical assistance at the initiative of the Commission in 2011 is EUR 610 000. Following the mobilisation of this amount, the amount of EUR 1 140 000 potentially remains available in case of further need at a later stage in the year.

10. Considering the maximum possible amount of a contribution from the EGF in accordance with Article 8(1) of Regulation (EC) No 1927/2006 as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.
11. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified triologue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF and the amount required. The Commission invites the first of the two arms of the budgetary authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions. In case of disagreement by either of the two arms of the budgetary authority, a formal triologue meeting will be convened.
12. The Commission presents separately a transfer request in order to enter in the 2011 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

13. An amount of EUR 7 302 277 remains available on the EGF Budget line 04.0501 after adoption by both arms of the Budgetary Authority of three Decisions totalling an amount of EUR 10 371 321, and taking into account the four cases currently discussed by the Budgetary Authority for a total amount of EUR 29 935 352. This available amount will be used to cover the amount of EUR 610 000 needed for technical assistance.

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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 the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management³, and in particular point 28 thereof,

Having regard to Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund⁴, and in particular Article 8(2) thereof,

Having regard to the proposal from the Commission⁵,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market.
- (2) The scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.
- (3) The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.
- (4) Regulation (EC) No 1927/2006 provides that 0,35 % of the annual maximum amount can be made available each year for technical assistance at the initiative of the Commission. The Commission therefore proposes to mobilise an amount of EUR 610 000.

³ OJ C 139, 14.6.2006, p. 1.

⁴ OJ L 406, 30.12.2006, p. 1.

⁵ OJ C [...], [...], p. [...].

- (5) The EGF should, therefore, be mobilised in order to provide technical assistance at the initiative of the Commission.

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2011, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 610 000 in commitment and payment appropriations.

Article 2

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President