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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 (application EGF/2014/016 IE/Lufthansa Technik)

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 1927/2006[1] (the 'EGF Regulation').

1. The Irish authorities submitted application EGF/2014/016 IE/Lufthansa Technik for a financial contribution from the EGF, following redundancies in Lufthansa Technik Airmotive Ireland Ltd (LTAI) and two of its suppliers in Ireland.

2. 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/2014/016 IE/Lufthansa Technik
Member State	Ireland
Region(s) concerned (NUTS level 2)	IE 02 – Southern and Eastern
Date of submission of the application	19 September 2014
Date of acknowledgement of receipt of the application	24 September 2014
Date of request for additional information	3 October 2014
Deadline for provision of the additional information	14 November 2014
Deadline for the completion of the assessment	6 February 2015
Intervention criterion	Article 4(2) of the EGF Regulation
Primary enterprise	Lufthansa Technik Airmotive Ireland Ltd
Sector(s) of economic activity (NACE Rev. 2 division)[2]	Division 33 (Repair and installation of machinery and equipment)
Number of subsidiaries, suppliers and downstream producers	2
Reference period (four months):	1 March 2014 – 30 June 2014
Number of redundancies or cessations of activity during the reference period (*a*)	149
Number of redundancies or cessations of activity before or after the reference period (*b*)	275

[1] OJ L 347, 20.12.2013, p. 855.

[2] 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).

Total number of redundancies ($a + b$)	424
Total estimated number of targeted beneficiaries	250
Number of targeted young persons not in employment, education or training (NEETs)	200
Budget for personalised services (EUR)	3 922 944
Budget for implementing EGF[3] (EUR)	228 320
Total budget (EUR)	4 151 264
EGF contribution (60 %) (EUR)	2 490 758

ASSESSMENT OF THE APPLICATION

Procedure

3. The Irish authorities submitted application EGF/2014/016 IE/Lufthansa Technik within 12 weeks of the date on which the intervention criteria set out in paragraphs 6 to 8 below were met, on 19 September 2014. The Commission acknowledged receipt of the application within two weeks of the date of submission of the application, on 24 September 2014 and requested additional information from the Irish authorities on 3 October 2014. Such additional information was provided within six weeks of the date 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 6 February 2015.

Eligibility of the application

Enterprises and beneficiaries concerned

4. The application relates to 424 workers made redundant in Lufthansa Technik Airmotive Ireland Ltd (the primary enterprise) and two suppliers. The primary enterprise operates in the economic sector classified under NACE Revision 2 Division 33 ('Repair and installation of machinery and equipment'). The redundancies made by the enterprises concerned are mainly located in the NUTS[4] level 2 region of Southern and Eastern Ireland (IE 02).

Enterprises and number of dismissals within the reference period			
Lufthansa Technik Airmotive LTD	415		
QCafe	4		
Senaca group	5		
Total no. of enterprises: 3		**Total no. of dismissals:**	**424**
Total no. of self-employed persons whose activity has ceased:			**0**
Total no. of eligible workers and self-employed persons:			**424**

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

4 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).

Intervention criteria

5. The Irish authorities submitted the application under the intervention criteria of Article 4(2) of the EGF Regulation, derogating from the criteria of Article 4(1)(a), which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, 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. In the application, a reference period of four months (1 March to 30 June 2014) is demonstrated, while the number of workers being made redundant is lower than the 500 person threshold for an Article 4(1)(a) application. Ireland has argued that exceptional circumstances prevail in this case, as the redundancies have a serious impact on employment and the local and regional economy (see paragraphs 21 to 23).

7. The application relates to:

 – 148 workers made redundant[5] in Lufthansa Technik Airmotive Ireland Ltd during the reference period of four months,

 – 1 worker made redundant in 1 supplier of the primary enterprise during the same reference period of four months,

Calculation of redundancies and of cessation of activity

8. The redundancies have been calculated as follows:

 – 1 from the date on which the employer, in accordance with Article 3(1) of Council Directive 98/59/EC[6], notified the competent public authority in writing of the projected collective redundancies. The Irish authorities confirmed prior to the date of the completion of the assessment by the Commission that this redundancy has actually been effected.

 – 148 from the date of the de facto termination of the contract of employment or its expiry.

Eligible beneficiaries

9. In addition to the workers already referred to, the eligible beneficiaries include 275 workers made redundant before or after the reference period of four months. These workers were all made redundant after the general announcement of the projected redundancies on 15 November 2013. A clear causal link can be established with the event which triggered the redundancies during the reference period, i.e. the dismissing enterprise closing down.

10. The total number of eligible beneficiaries is therefore 424.

[5] Within the meaning of Article 3(a) of the EGF Regulation.

[6] 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).

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

11. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Ireland argues that the closure of the LTAI is a result of a serious shift in the EU trade in goods and services resulting from a technological shift towards the production of new generation aircraft and components; a shift in wider aircraft component production practices with resultant impacts on the market fundamentals of the underlying business model of LTAI and a shift in location of global aircraft production.

12. Over the last 20 years, the most popular aircraft types have evolved from largely all-metal, mechanical, electro-mechanical, hydraulic and pneumatic designs (e.g. B737-200/300/400/500, MD80, B747-100/200/300 and DC10/MD11) to increasing composite, metal/composite structures, fly-by-wire automated, fully computer-controlled aircraft. Similarly, the engine designs of the 1960s and 1970s have given way to highly sophisticated materials and aerodynamic design.

13. The future world aircraft fleet is likely to be dominated by single aisle / narrow body aircraft typical of, and including B737-600/700/800/900 and A32Fam types. The proportion of this type is expected to grow from 64 % of today's world fleet to over 70 % of the future world fleet (in excess of 29 000 aircraft). The growth in demand for narrow body aircraft is predicted to emanate primarily from Asia and the Far East where the aviation sector is expanding and also there is a broader global requirement to replace older aircraft types with narrow body types to the fore[7].

14. With the arrival of further new generation types such as the B737 Max and A320 Neo, operators have moved to retire the older classic aircraft and to some extent the older versions of the new generation types. Over the past five years, substantial numbers of the classic aircraft types have been retired which were powered by engine types that were the mainstay of the LTAI portfolio.

15. The traditional business model of LTAI was based on a number of elements which have come under severe pressure as a result of changes in the world aircraft fleet profiles and resultant rapid decline of the aircraft models that formed the base of the LTAI portfolio.

16. LTAI used to have a very well-established engine spare parts trading business which gave it the ability to trade and access the world network of materials suppliers and repair agencies in its own right and also a highly competitive advantage in bidding for engine repair contracts.

17. However, the ever-increasing cost of development of engine technology and the development of parallel repair technology incentivised the Original Equipment Manufacturer (OEM) – mostly non-EU companies such as General Electric, Pratt Whitney, Honeywell and International Aero Engines – to enter the Maintenance, Repair and Overhaul (MRO) market to a greater extent than had hitherto been the case.

[7] LTAI HR Department report to IDA Ireland of 28 March 2014

18. A driving force behind increases in global air travel growth has been the industrialisation of countries such as India and China. In Asia Pacific and the Middle East, ambitious construction plans for new international and domestic airports will provide new opportunities for commercial aircraft MRO providers. Given this background, and the growth fuelled by the tendency for West European and US carriers to send their wide-bodied aircraft to China for heavy maintenance, MRO companies have been investing heavily in China in particular and also in the APAC and Middle East regions[8].

19. In recognition of the emerging opportunities for aircraft and aircraft component repair, maintenance and overhaul activity outside the EU, Lufthansa Technik has, itself, in recent times sought and concluded strategic alliances with operators in the APAC region including China, the Philippines. The parent company Lufthansa Technik has also decided to base its global Airbus A330/340 MRO operations at its Lufthansa Technik Philippines (LTP) subsidiary, in line with its plan to transfer some heavy maintenance facilities for wide-bodied aircraft to Asia where labour costs are lower. The LTP workforce has expanded from 1 800 to 2 200 with Filipino mechanics undergoing training in Germany[9].

20. Lufthansa Technik has also in 2013 and early 2014 either entered into, or renewed, aircraft service contracts with Air Asia X based in Malaysia, component service contracts with GoAir, India and Sri Lankan Airlines and engine service contracts with Pakistan International Airlines. It has also concluded, inter alia, a long-term component services agreement with UTC Aerospace, USA, an engine Original Equipment Manufacturer (OEM).

21. These non-EU companies are clearly intended to provide capacity and services at lower cost than Lufthansa's main bases in the EU and will help cater for the rapid growth of the aviation industry outside the EU.

22. To date, the 'repair and installation of machinery and equipment' sector has been the subject of two EGF applications (including this case), the other case having been based on the global financial and economic crisis[10].

Events giving rise to the redundancies and cessation of activity

23. The events giving rise to the redundancies in Lufthansa Technik Airmotive Ireland Ltd are the closure of the enterprise and the dismissal of the entire workforce.

24. The Airmotive Ireland aircraft maintenance repair and overhaul (MRO) plant at Rathcoole, Co Dublin was set up by Aer Lingus in 1980. **Lufthansa Technik Airmotive Ireland** Limited (LTAI) took a 60 % shareholding in 1997 and full ownership in 1999.

8 http://www.asianaviation.com/articles/415/China-MRO

9 http://www.lite.orientaviation.com/orient-aviation-magazine/ground-handling/lht-continues-to-spread-its-wings-in-asia#.VK_FVxtF2Uk

10 EGF/2009/021 IE/SR Technics

25. In October 2010, a Lufthansa wholly-owned subsidiary, Shannon Aerospace, cut 100 jobs as part of a wider restructuring programme for the German-owned company, which it attributed to an unsustainable cost base[11].

26. On 15 November 2013, the company announced that it was proposing to make 409 employees redundant at its facility in West Dublin. The company stated that this followed an extensive review of operations at LTAI, in the context of declining revenues and shrinking international market opportunities[12].

27. Despite efforts involving LTAI and the Industrial development Authority (IDA) to find a buyer for the plant, the redundancies of a total of 415 workers and closure of the facility in 2014 were confirmed in December 2013. Redundancies commenced in December 2013 and were scheduled for completion in June 2014.

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

28. The 415 Lufthansa workers resided in the geographical counties of Dublin (212 across administrative counties South Dublin, Fingal, Dublin City, Dun Laoghaire-Rathdown), Kildare (140), Meath (15), Wicklow (14) or other surrounding counties (34). Of the Dublin residents, over 60 lived in areas near Rathcoole such as Tallaght and Clondalkin (South Dublin) and Blanchardstown (Fingal).

29. As per the latest Census 2011, of a total population over the age of 15 of 3 608 662, the number of persons categorised at Unemployed having lost or given up a previous job in Ireland was 390 677 (10,83 %). Whilst the South Dublin percentage was only slightly higher at 11,61 %, these figures conceal pockets of considerable local disadvantage.

30. For instance, Blanchardstown-Tyrrelstown, Tallaght-Killinarden, Clondalkin-Rowlagh and Tallaght-Fettercairn were among the top 25 of 3 409 electoral districts nationally with unemployment figures of 24,64 %[13], 23,83 %[14], 22,34 %[15] and 22,01 %[16] respectively. Other socio-economic indicators for these electoral districts such as low levels of educational achievement, lack of professional qualifications and high levels of local authority housing point to considerable local disadvantage and poverty.

31. The number of persons on the Live Register of unemployed persons in the Dublin region between April and May 2014 increased from 94 529 to 94 940 (+0,43 %) compared to an increase from 388 559 to 388 764 (+0,05 %) for the State as a whole[17].

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11 http://eurofound.europa.eu/observatories/emcc/erm/factsheets/shannon-aerospace

12 http://www.ltai.ie/press-releases-content/-/asset_publisher/3hGk/content/press-release-ltai-wind-up-media/10165

13 http://census.cso.ie/sapmap2011/Results.aspx?Geog_Type=ED&Geog_Code=04015&CTY=04

14 http://census.cso.ie/sapmap2011/Results.aspx?Geog_Type=ED&Geog_Code=03033&CTY=03

15 http://census.cso.ie/sapmap2011/Results.aspx?Geog_Type=ED&Geog_Code=03009&CTY=03

16 http://census.cso.ie/sapmap2011/Results.aspx?Geog_Type=ED&Geog_Code=03030&CTY=03

17 http://www.cso.ie/en/releasesandpublications/er/lr/liveregistermay2014/#.VK_L0RtF2Uk

32. By end 2012, in Ireland close to 59 % of the working-age population aged 15 to 64 had a paid job**.** This figure remains significantly lower than the 69-71 % employment rate target which Ireland has set in its Europe 2020 strategy indicators[18]**.**

Explanation of the exceptional circumstances underlying the admissibility of the application

33. Ireland argues that, despite the fact that fewer than 500 redundancies occurred within the four month reference period, this application should nevertheless be assimilated to an application under Article 4(1)(a) of the EGF Regulation due to exceptional circumstances and because the redundancies have a serious impact on employment and the local and regional economy. To this end, the Irish authorities provide information on the series of redundancies in enterprises in this sector. They started in 2009 and 2010 with 1 365 redundancies at SR Technics MRO facility in Dublin airport. In November 2013 the redundancies at Lufthansa Technik Airmotive Technik in South Dublin were announced, followed by the announcement of 107 redundancies at Pratt and Whitney – another MRO operation based in Rathecoole. In addition about 400 redundancies were announced in September 2014 at Bombardier, a Belfast based aerospace company which could have been a potential workplace for redundant Lufthansa Technik workers as it is situated some 120 km from Dublin.

34. As currently there are about 1 550 employees in this sector in Ireland, the figures above show a shrinkage of about 52 % in total employment in that field.

35. The Irish authorities also argue that the workforce from this sector possesses some very specific skills that are difficult to be exploited in other sectors, thus making it difficult for the workers to find a new job easily. The latter is even more valid for those of the workers who are older (around 20 % of the Lufthansa Technik workers) or have been with that same employer for a number of years.

Targeted beneficiaries and proposed actions

Targeted beneficiaries

36. The estimated number of targeted workers expected to participate in the measures is 250. The breakdown of these workers by sex, citizenship and age group is as follows:

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18 http://ec.europa.eu/europe2020/europe-2020-in-your-country/ireland/national-reform-programme/index_en.htm

Category		Number of targeted beneficiaries	
Sex:	Men:	220	(88 %)
	Women:	30	(12 %)
Citizenship:	EU citizens:	246	(98,4 %)
	non-EU citizens:	4	(1,6 %)
Age group:	15-24 years:	12	(4,8 %)
	25-29 years:	18	(7,2 %)
	30-54 years:	149	(59,6 %)
	55-64 years:	70	(28,0 %)
	over 64 years:	1	(0,4 %)

37. Additionally, the Irish authorities will provide personalised services co-financed by the EGF to up to 200 young people not in employment, education or training (NEETs) under the age of 25 on the date of submission of the application, given that all 424 redundancies referred to in paragraph 10 occurred in the NUTS level 2 region of Southern and Eastern Ireland (IE 02) which is eligible under the Youth Employment Initiative.

Eligibility of the proposed actions

38. The personalised services to be provided to redundant workers and NEETs consist of the following actions:

– Guidance and career planning: This measure is considered to be crucially important to workers made redundant who can initially feel disoriented and unsure of a route back into the labour market. Early guidance intervention can assist redundant workers to assess their situation and prospects in a clear methodical manner. Further guidance in a more tailored form is useful in steering the worker towards employment when some time has passed after being made redundant. Supports will include individualised profiling, needs identification, learning assessment, CV preparation, career guidance and planning, job search assistance and other related supports and advice. A range of bodies including the Department of Social Protection, the Education and Training Boards, SOLAS EGF Coordination Unit and privately sourced guidance specialists, where appropriate, are engaged in providing services to assist the redundant workers, including the delivery of formal QQI/FETAC-accredited career planning courses which serve as stepping stones to more formal employment-oriented training and education courses.

– EGF Training Grants: These measures are provided by approved private providers administered by the SO;AS EGF National Coordination Unit. The EGF Training Grants mechanism provides increased flexibility for the EGF beneficiary to identify and select specifically tailored and approved training, further education and higher education programmes (including for instance aviation courses designed by the Irish Aviation Authority (IAA)) in addition to those provided through State agencies.

– Training and Further Education Programmes: These measures are provided mainly by state agencies such as Education and Training Boards but also by approved private providers through industry-led initiatives such as Skillnets training networks programmes (www.skillnets.ie), Fast Track to IT (FIT www.fit.ie), etc. Specific internship, work placements, work experience, traineeship and community-oriented training programmes may also be provided in consultation with the Department of Social Protection (DSP) and other State bodies which have national responsibility for such interventions.

– Higher Education Programmes: Higher Education programmes will comprise full and part-time programmes for the targeted population, delivered through State-funded institutions mainly in the Dublin region and hinterland. The Institute of Technology Tallaght, Institute of Technology Blanchardstown, Institute of Technology Carlow, Dublin Institute of Technology and Dublin City University are key higher education institutions serving the general catchment area in which the affected workers reside. Short-term conversion courses targeted at recognized skills shortages areas and funded under initiatives such as Springboard (www.springboardcourses.ie) may also be provided. The EGF Training Grant (QQI/HETAC) is also be available to the redundant cohort to access privately-provided third level programmes where they are not available through the publicly-funded system or are highly specialised. Emphasis will be placed on carefully assessing those considering undertaking a higher education programme in the context of their skills sets and suitability to enrol for a particular course or whether preparatory courses and alternative options in other support areas might be more appropriate.

– Enterprise and self-employment supports: Enterprise and self-employment supports will mainly be delivered by the Local Employment Offices in the region. A range of supports will be made available to beneficiaries considering becoming self-employed and starting their own business as a viable re-employment option. These supports will include introductory modules, training workshops in business planning, mentoring and priming grant aid. Other entrepreneurial training supports may be provided, as appropriate, through the Department of Social Protection, Skillnets networks or collaborations with higher education bodies.

– Income Supports including the EGF Course Expense Contribution (CEC) scheme: This measure aims at increasing the accessibility to and participation in guidance, training and education courses, an EGF Course Expenses Contribution (CEC) scheme will provide a level of defrayment of some of the ancillary costs of course accessibility and participation. The CEC administered by the EGF Co-ordination Unit contributes towards defraying some of the costs associated with mobility, subsistence, course materials, equipment etc. Other allowances may, as appropriate, include Education and Training Board training allowances, DSP Back to Education Allowance, Department of Education and Skills Student Grants, DSP Back to Work Enterprise Allowance etc.

The personalised services which are to be provided to NEETs consist of the same options as for the redundant workers but will be tailor made for each NEET individual as appropriate.

39. 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.

40. The Irish authorities have 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.

Estimated budget

41. The estimated total costs are EUR 4 151 264, comprising expenditure for personalised services of EUR 3 922 944 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 228 320.

42. The total financial contribution requested from the EGF is EUR 2 490 758 (60 % of total costs).

Actions	Estimated number of participants	Estimated cost per participant *(EUR)* *(*)*	Estimated total costs *(EUR)* *(**)*
Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation)			
Occupational Guidance and Career Planning supports	450	404	181 924
EGF Training Grants	198	2 106	416 932
Training and Second Level Education programmes	218	4 123	898 910
Third Level Education programmes	116	6 310	731 933
Enterprise/Self-employment support	50	6 404	320 214
Sub-total (a): Percentage from total costs (a) and (b):	–		2 549 913 (65 %)
Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation)			
Income supports including course expense contributions (CECs)	358	3 835	1 373 031

Sub-total(b): Percentage from total costs (a) and (b):	–	1 373 031 (35%)
Actions under Article 7(4) of the EGF Regulation		
1. Preparatory activities	–	3 000
2. Management	–	144 229
3. Information and publicity	–	41 713
4. Control and reporting	–	39 378
Sub-total (c): Percentage from the total costs (a+b+c):	–	228 320 (5,5 %)
Total costs (a + b + c):	–	4 151 264
EGF contribution (60 % of total costs)	–	2 490 758

(*)To avoid decimals, the estimated costs per worker have been rounded. However the rounding has no impact on the total cost of each measure.

(**)To avoid decimals, total costs per measures have been rounded

43. 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. The Irish authorities confirmed that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.

44. The Irish authorities confirmed that the costs of investments for self-employment, business start-ups and employee take-overs will not exceed EUR 15 000 per beneficiary.

Period of eligibility of expenditure

45. The Irish authorities started providing the personalised services to the targeted beneficiaries on 7 December 2013. The expenditure on the actions referred to in point 29 will therefore be eligible for a financial contribution from the EGF from 7 December 2013 to 19 September 2016, with the exception of third level education, which will be eligible for a financial contribution until 19 March 2017.

46. The Irish authorities started incurring the administrative expenditure to implement the EGF on 15 November 2013. The expenditure for preparatory, management, information and publicity, control and reporting activities will therefore be eligible for a financial contribution from the EGF from 15 November 2013 to 19 March 2017.

Complementarity with actions funded by national or Union funds

47. The sources of national pre-financing or co-funding are the Irish Exchequer, which is pre-financing the services and will also co-finance the programme upon approval of the EGF contribution. Expenditure will be drawn from the National Training Fund and voted expenditure subheads of the Department of Education and Skills and other relevant Government Departments.

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

48. The Irish authorities have indicated that the co-ordinated package of personalised services has been drawn up in consultation with the targeted beneficiaries and their representatives as well as the trade unions.

49. Following receipt of the notification from the Department of Jobs, Enterprise and Innovation of impending collective redundancies in November 2013, the EGF Managing Authority, in conjunction with the Industrial Development Authority, contacted the company management and also made direct contact with the trade unions SIPTU (Services Industrial Public and Technical Union), TEEU (Technical Engineering and Electrical Union) and Unite the Union to discuss and identify the potential needs of the redundant workers.

50. The Department of Social Protection conducted a comprehensive survey of affected employees in January 2014 to identify the targeted workers, their educational and training background and their potential personalised service needs in order to improve their re-employability prospects.

51. Further contacts by the EGF Managing Authority culminated in a meeting with union and non-union worker representatives in August 2014 in relation to the EGF process, data gathering and application progression. An additional mailshot survey was conducted by the EGF Managing Authority through the EGF Coordination Unit and with the assistance and the cooperation of the worker representatives, in order to highlight the Fund's potentiality in assisting the redundant workforce.

52. It is intended, as in other Irish EGF programmes, that a consultative forum or other interactive process be established to complement the ongoing work of the EGF Coordination Unit and in order to afford the redundant workers and relevant stakeholders the opportunity to input, on an ongoing basis, to the implementation of the EGF programme.

Management and control systems

53. The application contains a description of the management and control system which specifies the responsibilities of the bodies involved. Ireland has notified the Commission that the financial contribution will be managed by the designated staff of the Department of Education and Skills, who have been appointed as the EGF Managing Authority. The Managing Authority examines and pays EGF claims submitted by Intermediate Bodies on behalf of public expenditure bodies.

54. Intermediate Bodies are responsible for claiming EGF funding from the Managing Authority and in most cases for its disbursement. Intermediate Bodies are also

responsible for verification that the purpose, scope and scale of funding is appropriate within the terms of the EGF application. In addition, they ensure that monitoring and adequate recording and internal control procedures in relation to all EGF-related expenditure and claims are established by public beneficiary bodies and duly documented.

55. The EGF Certifying Authority is responsible for the certification of expenditure statements related to EGF co-financed measures. In doing so, the Certifying Authority satisfies itself on compliance with all requirements relating to the accuracy, legality, eligibility and regularity of expenditure. It also certifies the Statement Justifying the Expenditure to be sent as part of the final report.

56. An independent audit body will submit its opinion with the final report.

Commitments provided by the Member State concerned

57. The Irish 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.

BUDGETARY IMPLICATION

Budgetary proposal

58. 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 2014-2020[19].

59. 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 2 490 758, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.

[19] OJ L 347, 20.12.2013, p. 884.

60. 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 management[20].

Related acts

61. 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 2 490 758.

62. 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.

[20] OJ C 373, 20.12.2013, p. 1.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund (application EGF/2014/016 IE/Lufthansa Technik)

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 1927/2006[21], 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 management[22], and in particular point 13 thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) The European Globalisation Adjustment Fund (EGF) was established 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 addressed in Regulation (EC) No 546/2009[23], 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 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 laying down the multiannual financial framework for the years 2014-2020[24].

(3) On 19 September 2014 Ireland submitted an application to mobilise the EGF, in respect of redundancies[25] in Lufthansa Technik Airmotive Ireland LTD and two suppliers in Ireland. It was supplemented by additional information pursuant to Article 8.3 of Regulation (EU) No 1309/2013. The application complies with the requirements for determining a financial contribution from the EGF in accordance with Article 13 of

21 OJ L 347, 20.12.2013, p. 855.
22 OJ C 373, 20.12.2013, p. 1.
23 OJ L 167, 29.6.2009, p.26.
24 OJ L 347, 20.12.2013, p. 884.
25 Within the meaning of Article 3(a) of the EGF Regulation.

Regulation (EU) No 1309/2013. The Commission, therefore, has proposed to mobilise an amount of EUR 2 490 758.

(4) In accordance with Article 6(2) of Regulation (EU) No 1309/2013, Ireland has decided to provide personalised services co-financed by the EGF also to 200 NEETs.

(5) The EGF should, therefore, be mobilised in order to provide a financial contribution for the application submitted by Ireland.

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2015, the EGF shall be mobilised to provide the sum of EUR 2 490 758 in commitment and payment appropriations.

Article 2

This decision shall enter into force on the day of its adoption.

Done at Brussels,

For the European Parliament	*For the Council*
The President	*The President*