



EUROPEAN
COMMISSION

Brussels, 21.1.2015
COM(2015) 9 final

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/2013/011 BE/Saint-Gobain Sekurit from Belgium)**

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to the contributions from the EGF for applications submitted until 31 December 2013 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 Fund (the ‘EGF Regulation’)¹.
2. On 19 December 2013, Belgium submitted application EGF/2013/011 BE/Saint-Gobain Sekurit for a financial contribution from the EGF, following redundancies linked to the closure of the production plant of Saint-Gobain Sekurit Benelux SA (‘SGS Benelux’) located in Auvelais, near Sambreville. The application was supplemented by additional information up to 4 July 2014.
3. Having examined this application, the Commission has concluded, in accordance with the applicable provisions of the EGF Regulation, that the conditions for a financial contribution from the EGF are met.

SUMMARY OF THE APPLICATION

EGF application:	EGF/2013/011 BE/Saint-Gobain Sekurit
Member State:	Belgium
Date of submission of the application:	19.12.2013
Intervention criterion:	Article 2(c) of the EGF Regulation
Primary enterprise:	Saint-Gobain Sekurit Benelux SA
Number of suppliers and downstream producers:	0
Reference period:	31.8.2013-31.12.2013
Date on which the personalised services to the targeted workers were started:	31.8.2013
Number of redundancies during the reference period:	250
Number of redundancies before and after the reference period:	7
Total number of redundancies:	257
Number of persons expected to participate in the measures:	257
Budget for personalised services:	EUR 2 578 379
Budget for implementing the EGF:	EUR 101 478 (3.8 % of the total budget)
Total budget:	EUR 2 679 856
Financial contribution requested from the EGF:	EUR 1 339 928 (50 % of the total budget)

ANALYSIS OF THE APPLICATION

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

4. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, the Belgian authorities argue that the sector of the manufacture of safety glass for the automotive industry, in which Saint-Gobain Sekurit (SGS) Benelux is active, has undergone serious economic disruption as a result of several factors, such as a decrease in the production of automotive safety glass in the EU, an increase of the market shares of competitors from non-EU countries and an increase in imports of these products into the EU.

¹ OJ L 406, 30.12.2006, p. 1.

5. SGS Benelux was an original equipment manufacturer of automotive safety glass (windcreens, side windows, etc.) supplying various car manufacturers, which implies that its activities were closely linked to production trends in the automotive industry. According to data referred to by the Belgian authorities², between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 21.9 million units to 19.5 million units (– 11.3 %; – 2.4 % annual growth³), whereas, in the rest of the world, it increased from 47.5 million units to 60.6 million units (+ 27.6 %; + 5.0 % annual growth). This reduction in car production levels in the EU, which is linked to the general decrease in consumer demand in the EU as a consequence of the economic crisis, has therefore led to a general reduction in demand for automotive equipment in the EU, which has strongly affected automotive equipment suppliers. In the case of SGS Benelux, for example, during the period preceding the redundancies (2011/2012), Ford, Volvo, and BMW, which were the main direct clients of SGS Benelux, recorded decreases in sales of respectively 12 %, 10 % and 2 %⁴.
6. This reduction in production levels has led to a weakening of the competitive position of EU producers of automotive safety glass. According to data provided by the Belgian authorities⁵, between 2007 and 2013, Saint-Gobain Sekurit's market share decreased by 5 percentage points, whereas the aggregated market share of the main automotive glass producers located in non-EU countries, such as Trakya Cam (Turkey)⁶ and Fuyao (China), increased from around 6 % to slightly over 10 %, mainly as a result of an increase in imports of automotive safety glass into the EU.
7. The impacts of these changes in trade patterns have been exacerbated by other factors such as high production costs (in particular labour costs), overcapacity due to the reduction of production levels and low levels of productive investment. As another factor, the Belgian authorities note that there has been a general trend by manufacturers and suppliers in the automotive industry to transfer production within the EU, from Western Europe (in particular, France, Belgium, and Spain) to Eastern Europe. As an illustration of this phenomenon, within the EU, the share of cars produced in Eastern Europe increased from 15 % in 2000 to 34 % in 2012. In the case of Saint-Gobain Sekurit, this has enabled other entities than SGS Benelux to maintain or develop their activities (due to lower unit labour costs or greater geographical proximity to clients).
8. As a result, according to data provided by the Belgian authorities⁷, between 2007 and 2012, SGS Benelux recorded an operating loss of EUR 20.46 million, whereas, during the same period, the other enterprises of Saint-Gobain Sekurit in the EU were still able to record operating profits. It is therefore apparent that SGS's activities have been affected by these changes in trade patterns (reduction of production in the EU, loss of market share and increase of imports, shift in production towards Eastern Europe), which have brought about a concentration of SGS activities in the more profitable entities, leading to redundancies in SGS Benelux.
9. Since the start of the EGF in 2007, there have been no other EGF applications relating specifically to the automotive glass sector⁸, but there have been a series of

² Source: International Organisation of Motor Vehicle Manufacturers (OICA).

³ Compound annual growth rate.

⁴ Source: PwC AutoFacts. New passenger car registrations.

⁵ Source: Syndex study, May 2013.

⁶ Trakya Cam does however own automotive glass plants in Bulgaria and Romania.

⁷ Source: Syndex study, May 2013.

⁸ See EGF database, available at <http://ec.europa.eu/social/main.jsp?catId=582>.

applications relating to motor vehicle manufacturers or suppliers of automotive equipment⁹.

Number of redundancies and compliance with the criteria of Article 2(c)

10. The application is based on the intervention criteria of Article 2(c) of the EGF Regulation, under which, in exceptional circumstances, an application may be considered admissible even if the intervention criteria laid down in Articles 2(a) or 2(b) of the EGF Regulation are not met, provided that the redundancies have a serious impact on employment and the local economy.
11. The application relates to 250 redundancies made at SGS Benelux during a period of four months from 31 August 2013 to 31 December 2013 and to 7 redundancies made at SGS Benelux before 31 August 2014 which are related to the same collective redundancies procedure. This total number of 257 redundancies is calculated from the date of the employer's individual notice to lay off or to terminate the contract of employment of the worker, as laid down in the first indent of the second paragraph of Article 2 of the EGF Regulation ('method 1'). Four further workers will be made redundant at a later stage and are not included in this application.
12. The application therefore partly meets the intervention criteria laid down in Article 2(a) of Regulation (EC) No 1927/2006, as it relates to redundancies over a period of four months in an enterprise in a Member State, but it derogates from these criteria as regards the minimum number of redundancies during the reference period as there are less than 500 redundancies.
13. The Belgian authorities argue that exceptional circumstances are applicable because, although the number of redundancies is below the threshold of 500 redundancies, the effects of the redundancies are expected to be significant. In addition, it has been announced that another enterprise belonging to the Saint-Gobain Group, Saint-Gobain Glass Benelux, will also cease production activities at its plant in Auvelais, in September 2014. In total, the number of direct redundancies expected to be caused by the closure of SGS Benelux and Saint-Gobain Glass Benelux is very high (approximately 260 redundancies at SGS Benelux and around 300 redundancies at Saint-Gobain Glass Benelux). According to the Belgian authorities, these redundancies are likely to have a serious impact on employment and the local economy.
14. As regard the glass sector, in 2011 already, 171 redundancies were carried out in AGC Automotive, a manufacturer of automotive glass located in Fleurus, near

⁹ See draft Commission proposals on cases EGF/2007/001 FR/Peugeot suppliers (Decision COM(2007) 415 final of 12.7.2007), EGF/2007/010 PT/Lisboa-Alentejo (Decision COM(2009) 94 final of 20.2.2008), EGF/2008/002 ES/Delphi (Decision COM(2008) 547 final of 9.9.2008), EGF/2008/004 ES/Castilla y León / Aragón automoción (Decision COM(2009) 150 final of 20.3.2009), EGF/2009/007 SE/Volvo and EGF/2009/009 AT/Steiermark (Decision COM(2009) 602 final of 27.10.2009), EGF/2009/013 DE/Karmann (Decision COM(2010) 7 final of 22.1.2010), EGF/2009/019 FR/Renault (Decision COM(2011) 420 final of 11.7.2011), EGF/2010/002 ES/Cataluña automoción (Decision COM(2010) 453 final of 2.9.2010), EGF/2010/004 PL/Wielkopolskie Automotive (Decision COM(2010) 616 final of 29.10.2010), EGF/2010/031 BE/General Motors Belgium (Decision COM(2011) 212 final of 14.4.2011), EGF/2011/003 DE/Arnsberg and Düsseldorf automotive (Decision COM(2011) 447 final of 20.7.2011), EGF/2011/005 PT/Norte-Centro Automotive (Decision COM(2011) 664 final of 13.10.2011), EGF/2012/004 ES/Grupo Santana (Decision COM(2014) 116 final of 5.3.2014), EGF/2012/005 SE/Saab (Decision COM(2012) 622 final of 19.10.2012), EGF/2013/006 PL/Fiat Auto Poland (application submitted to the Commission on 23 July 2013), EGF/2013/012 BE/Ford Genk (application presented to the Commission on 23 December 2013).

Charleroi. In February 2014, the AGC group announced its intention to close its photovoltaic glass plant, located in Roux, near Charleroi, which could lead to the loss of around 190 jobs. At a wider level, between 2011 and 2013, six other companies in the manufacturing industry carried out collective redundancies in the Namur region (290 job losses) and seven companies in the manufacturing industry carried out collective redundancies in the Charleroi region (around 1 400 job losses). Given the socioeconomic situation of the area concerned and of its neighbouring areas (Charleroi, Namur), the workers made redundant by SGS Benelux have limited employment possibilities in these areas as they are likely to be in competition with many other workers with similar qualifications and experience for a limited number of jobs in the glass sector.

15. A major part of the glass production units in Belgium are located in Wallonia (44 out of 122 units), which also concentrates most of the workers in this sector (58 %). This can be explained by the fact that Wallonia has a strong historical tradition of glass-making. Most companies in this sector are relatively large enterprises (over 40 % of companies employ more than 50 workers). Between 2007 and 2012, the number of jobs in the glass sector in the provinces of Hainaut and Namur decreased from around 3 940 to 3 170 (– 19 %), with most losses being for production-line jobs. During 2013, FOREM recorded 301 vacancies in the sector of the manufacture of other non-metallic mineral products in the provinces of Hainaut and Namur, including, more specifically, 96 job vacancies in the glass sector (i.e. 0.25 % of total vacancies and 1.62 % of vacancies in manufacturing industry). However, these vacancies concerned not only occupations specific to the glass sector (e.g. glass forming operator), but also general occupations (sales, administration, maintenance, etc.). Nine out of ten of these vacancies were under temporary contracts.

Explanation of the unforeseen nature of those redundancies

16. The Belgian authorities argue that the decision to make workers redundant at SGS Benelux could not have been foreseen. To adapt to changes in the market, the Saint-Gobain group put in place a range of strategies aimed at increasing competitiveness and profitability which led to various reorganisations such as a shift of production at the SGS Benelux plant in Auvelais. The production of tempered glass (side windows) was transferred to other plants and SGS Benelux kept only the production of laminated glass (windcreens). In addition, in 2009/2010 a restructuring plan was put in place following the divestiture of the production of tempered glass which included productivity investments and the termination of 100 jobs. These reorganisations did enable the company to reduce costs, but SGS Benelux still had the highest unit labour costs within the group.
17. Other factors, such as the continued trend by car manufacturers to relocate production to eastern Europe and the closure of the Ford Genk plant in October 2012¹⁰, further undermined the competitiveness of SGS Benelux against other plants within the Saint-Gobain group. As a result, in June 2013, the general management of the Saint-Gobain group announced its intention to close the SGS Benelux plant in Auvelais and to transfer production to other plants of the Saint-Gobain Sekurit business unit in the EU.

Identification of the targeted workers

¹⁰ See application EGF/2013/012 BE/Ford Genk.

18. The Belgian authorities estimate that all 257 workers made redundant before and during the reference period will take part in the measures cofinanced by the EGF.
19. The breakdown of targeted workers by sex, nationality and age group is as follows:

Category		Number of targeted workers
Sex:	Men:	254
	Women:	3
Nationality:	EU nationals:	250
	Non-EU nationals:	7
Age group:	15-24 years old:	5
	25-54 years old:	236
	55-64 years old:	16
	Over 65 years old:	0

20. Six of the targeted workers have a longstanding health problem or disability.
21. The breakdown of targeted workers by occupational category¹¹ is as follows:

ISCO-08 major group	Number of targeted workers
1 Managers	14
2 Professionals	6
3 Technicians and associate professionals	27
4 Clerical support workers	7
5 Service and sales workers	2
7 Craft and related trades workers	34
8 Plant and machine operators and assemblers	154
9 Elementary occupations	13

22. In accordance with Article 7 of the EGF Regulation, the Belgian authorities have confirmed that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed measures and their implementation.

Description of the territory concerned and its authorities and stakeholders

23. The redundancies primarily affect the Basse-Sambre employment area, around the town of Sambreville, in the province of Namur in the Walloon region. The socioeconomic situation in the Basse-Sambre area is greatly influenced by the neighbouring urban areas of Charleroi and Namur.
24. In the Namur area, the municipalities located along the Sambre and Meuse valley are generally among those with the weakest socioeconomic indicators. The Namur area has around 118 800 salaried worker¹² jobs. The share of blue collar workers is lower than the average for the Walloon region, whereas the share of white collar workers and civil servants is higher. In terms of number of jobs, the main economic sectors are public administration and defence (17 % of jobs), education (13 %), health and social services (7 %), and retail trade (7 %).
25. The Charleroi area has around 131 000 salaried worker jobs. In 2013, around 23 % to 24 % of jobseekers registered at the Charleroi and Namur regional directorates (FOREM) were below 25 years old, around 23 % were above 50 years old, around 35 % to 40 % had been unemployed for more than two years and around 45 % to

¹¹ Major groups of the international standard classification of occupations (ISCO-08).

¹² As opposed e.g. to self-employed jobs.

50 % did not have higher secondary education¹³. Structural unemployment is relatively stable, as it is dependent on skills that are difficult to acquire without being integrated into the labour market. Unemployment is thus concentrated on low-skilled persons and persons under 25 years old or over 50 years old. There is an increasing number of jobseekers over 50 years old. Cyclical unemployment has been increasing since 2009, as a consequence of the crisis.

26. The measures are implemented by FOREM (the public employment and training service of the Walloon Region) through a Redeployment Unit (*cellule de reconversion*) specifically set up as part of the legal obligations linked to the collective redundancies procedure¹⁴. The Redeployment Unit for SGS Benelux is managed by a committee which brings together representatives from the Walloon public services in charge of employment, training, and economic affairs, FOREM, trade unions, and sector-based vocational training organisations. Some of the measures are implemented by SGS Benelux through a team of in-house human resources staff which has been specifically set up to provide support services to the redundant workers ('Saint-Gobain Développement' – SGD).
27. Besides FOREM and SGD, the other organisations involved in the general coordination and implementation of the measures therefore include:
 - the Walloon Government (Minister-President of the Walloon Region in charge of Structural Funds coordination, Minister for Employment and Training, Minister for the Economy);
 - trade unions (FGTB, CSC);
 - the sectoral vocational and technological training centres active in the Walloon region (*centres de compétences*)¹⁵;
 - the European Social Fund (ESF) Agency of the French Community of Belgium.

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

28. The closure of SGS Benelux will lead to the loss of 261 direct jobs, including 218 production-line jobs (*ouvrier* status). Of these job losses, 257 are included in the application, as the remaining four redundancies will happen at a later stage. The redundancies at SGS Benelux are expected to lead to the loss of a significant share of employment in the Basse-Sambre area. As indicated above, the Basse-Sambre area, which is situated in the province of Namur but which is also linked to the labour market areas of southern Hainaut (Charleroi), is characterised by a relatively high level of structural unemployment, with a relatively high proportion of long-term unemployment and low qualification levels and skills. The redundancies at SGS Benelux are therefore set against a difficult local socioeconomic context, as there have been several company restructurings in the province of Namur in recent years, in particular in the glass sector. As in the rest of Wallonia, most of the enterprises are SMEs (around 80 % of the establishments in the area employ fewer than 10 workers). However, medium-sized enterprises and large companies account for the

¹³ Source: FOREM.

¹⁴ See paragraph 29.

¹⁵ The *centres de compétences* carry out training activities, forward studies and awareness-raising activities on specific occupations or sectors. The *centres de compétences* are set up in partnership by the Walloon Region, FOREM, the social partners from the sectors concerned, research centres, and universities.

most jobs. Establishments with more than 100 workers, such as SGS Benelux, represent only 1.9 % of establishments in the area but account for nearly 42 % of the jobs. The redundancies at SGS Benelux mainly concern production-line workers (83 % of staff concerned have *ouvrier* status), whereas, as noted above, the main sectors in terms of numbers of jobs in the Namur region are those that predominantly offer jobs under *employé* status (e.g. public service sectors). In this context, to find a new job in the area, the workers from SGS Benelux will have to retrain to find jobs in other occupations and / or other sectors.

Personalised services to be funded and breakdown of estimated costs

29. Only some of the measures which form part of the actions implemented by the Belgian authorities to support the workers made redundant by SGS Benelux will be cofinanced by the EGF. Measures which are mandatory under collective redundancies procedures in Belgium and which are carried out as part of the standard activities of the Redeployment Unit (e.g. outplacement support, training, job-search assistance and careers advice, etc.),¹⁶ as well as supplementary measures which are financed by means other than the EGF, are therefore not included in the EGF application. The overall set of measures (mandatory measures, supplementary measures, EGF measures) is managed by FOREM.
30. The personalised services provided to the redundant workers and to be cofinanced by the EGF consist of the following measures (grouped by category)¹⁷:
 - (1) Individual job-search assistance, case management and general information services:
 - *Redeployment (support / guidance / integration)*: This set of services builds upon the standard activities carried out by the Redeployment Units. The services will be provided by a team of FOREM staff (project manager, specialised advisers) in partnership with former workers' representatives who act as 'social attendants' (*accompagnateurs sociaux*) to encourage workers to take part in the measures and to help them with administrative procedures. To facilitate contacts between the workers, the services are provided jointly to all the redundant workers at dedicated premises. The services cover three types of activity: (i) collective information on job-search techniques (writing a CV and application letter, using web resources, etc.), explanations on labour regulations (outplacement, unemployment, employment contract, pension), awareness-raising on discrimination, presentation of occupations and sectors with potential, etc.; (ii) individual interviews with a FOREM adviser (skills audit, career pathway, guidance on training, etc.); (iii) free and open access to job-search tools (IT equipment with an internet connection, telephone, specialised documentation, etc.). This measure will concern all 257 targeted workers, for a maximum duration of 24 months.
 - *Boosting job-search*: FOREM will carry out specific activities to help workers in their job search and to overcome difficulties in the redeployment process. This includes meetings between the redundant workers and potential employers (job matching), company visits, meetings with recruiters to prepare for job interviews, and exchanges of experience with other workers who have already

¹⁶ See paragraph 29.

¹⁷ In their submission of 4 July 2014, the Belgian authorities amended the budget of some of the measures so as to correspond to their actual status of implementation.

retrained or have found a job after a collective redundancy. This measure could be provided to potentially all 257 targeted workers (on a voluntary basis, depending on individual needs).

- *Proactive job search*: The SGD team is composed of experienced human resources professionals from the Saint-Gobain group who have a good knowledge of the local labour market and of other companies in the area. SGD will provide a package of outplacement services. The first step will be to conduct individual interviews with each of the 257 targeted workers to identify their expectations and competences and the type of job they are looking for. Based on these interviews, SGD will draw up a list of profiles by job status, competences, geographical restrictions, occupation, and qualifications. SGD will search for jobs in the region and identify potential employers. SGD will then contact these potential employers to present the outplacement activities and to identify vacancies and possible support measures (e.g. additional training). SGD is then able to match job vacancies with potential candidates from the list of workers and to send a shortlist of candidates to the potential employer. The potential employer will request the CVs of interesting candidates from SGD. The potential employer will then contact the candidate(s) to start the recruitment process (with follow-up from SGD). If a worker is offered a job, SGD will provide help for administrative procedure and for additional training activities if necessary. If a worker is rejected, SGD will assess with the worker concerned the factors that led to the employer's choice and help that worker to prepare for future job openings. There will be monthly meetings between SGD and FOREM through a Liaison Committee to ensure that the information on the workers is up to date and that the candidates put forward meet the skills profiles that potential employers are looking for.

(2) Training and retraining:

- *Integrated training*: A range of vocational training courses could be provided to potentially all 257 targeted workers (depending on the type of course) either by FOREM or by the *centres de competences* or IFAPME¹⁸. As an initial step, FOREM staff will help each participant to define their work-related goals and guide them towards one of three types of training module. Workers who could retrain for an occupation similar to the one they held in SGS Benelux could either follow a specific or specialisation module (40 hours) to adapt their competences and bring them up to date (e.g. lift truck operator, specific welding process, IT skills), or a supplementary course leading to new qualifications (320 hours), which would enable the workers to apply for jobs in a new occupation in the industrial sector. For retraining into an entirely different sector of activity, workers could follow an occupational training course (on average 960 hours) to acquire the competences required for this occupation. At the end of each training module, the new skills can be assessed and documented. Depending on the type of training and the field of competences, participants will be awarded either a formal certification of skills (i.e. a certificate of competence), a certificate of attendance (for competences or occupations for which no formal certification exists) or a validation of skills (for skills and competences acquired outside formal training courses). The

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IFAPME (Institut wallon de Formation en Alternance et des indépendants et Petites et Moyennes Entreprises) is a public training institute that provides work-linked dual training in the form of apprenticeships and specific courses for SME managers.

formal certification of skills is verified through assessment tests which lead to the award of a 'Certificate of Skills Acquired through Training' (*Certificat des Compétences Acquises en Formation – CECAF*). The validation of skills is verified through assessment tests which lead to the award of skills credentials (*titres de compétences*).

- *Specific training*: If a worker needs to acquire specific skills for a job (e.g. machine tool controls, IT programme, occupational specialisation, etc.) and such training is not offered by FOREM, the *centres de compétences* or IFAPME, SGD will cover the costs of such activities, which include training through the worker and mate system (*compagnonnage*), traineeships in companies, technical training, language training, etc. It is estimated that 200 persons will participate in the measure.
- *Transfer of experience*: Experienced workers can enhance their skills and know-how by becoming teachers or trainers in technical education. A specific awareness-raising and pre-training module will be developed by FOREM and the federations of the various branches of technical education to encourage certain workers to train to become vocational teachers. The module will include the provision of specific information, technical support, meetings with practitioners and site visits. The module will last for eight weeks and will target around 10 workers.

(3) Promotion of entrepreneurship:

- *Support for enterprise creation*: Workers who are considering setting-up their own business will receive guidance and support from a Business Creation Adviser from FOREM. This support includes two main activities: (i) collective information sessions to raise awareness on business creation opportunities, provide information on legal aspects and measures to support business creation; (ii) individual interviews with interested workers to review their project and put them in contact with business support organisations and service providers. The Adviser will work closely with the Redeployment Units to assist workers with their business projects. Around 60 workers are expected to attend the information sessions and around 20 would take part in the interviews and follow-up activities.
- *Support for self-employment*: For workers who would not be eligible for support under the 'Airbag' scheme for self-employed workers¹⁹, SGD will provide additional support in the form of advice from experts to assess the feasibility of each business creation project and to secure financing, including help to negotiate loans on favourable terms. Around five workers are expected to benefit from this measure. An amount of around EUR 10 000 per project is budgeted.
- *Support for collective projects*: Workers who might be considering setting-up a 'social' enterprise together as a group will receive guidance and support from a specialised consultancy (selected through a call for tenders) and from the Redeployment Unit. This support includes information and awareness-raising sessions on business creation and basic management skills, as well as advice on setting up the company (e.g. drawing up a business plan, drafting legal statutes,

¹⁹ The 'Airbag' scheme is run by the Walloon Region. It provides start-up grants of up to EUR 12 500 over two years to persons who wish to set-up as full-time self-employed workers.

marketing, etc.). Grants may be awarded to help cover the start-up costs of such business projects. The workers must submit an application which describes the project (e.g. workers' skills and experience, feasibility study, financial analysis, market potential, growth prospects, socioeconomic benefits, etc.). The Redeployment Unit's Support Committee, which brings together representatives from the employer, trade unions and FOREM, assesses the application and decides to award a grant or not. Each worker involved in the project may receive a grant of EUR 5 000 (with funds being pooled together among all workers taking part). The grants can be used to cover the purchase of equipment, merchandises, publicity, consultancy, training, etc. The consultancy will administer the grants and report to FOREM on the use of expenditure (invoices and supporting documentation). It is expected that around 30 workers will take part in this measure, with five support grants being awarded to the workers.

(4) Allowances:

- *Relocation allowance*: If a worker is offered a new job (through the SGS Benelux job-search team) which requires the worker to move residence, SGS Benelux may provide to this worker an allowance of up to EUR 5 000 to cover removal costs. The allowance will be paid by SGD on the basis of a settled invoice for the actual costs incurred (reimbursement). This measure could target up to 20 workers.
- *Recruitment incentive*: If a worker is offered a new job under an indefinite term contract, SGD may provide to the new employer a contribution to the worker's labour costs corresponding to one month of that workers' salary. The amount of the recruitment incentive paid to the employer will be representative of the employer's actual labour costs (including taxes and compulsory social security contributions)²⁰. SGD and the employer will sign an agreement regarding the recruitment incentive. The recruitment incentive will be paid by SGD when the job contract is signed, except if agreed otherwise with the new employer. This measure could target around 100 workers.

31. These measures constitute active labour market measures within the eligible actions defined by Article 3 of the EGF Regulation.

32. The total costs of the measures are estimated at EUR 2 679 856, which includes EUR 2 578 379 for personalised services and EUR 101 478 for implementing the EGF (3.8 % of total costs). The total financial contribution requested from the EGF is EUR 1 339 928 (50 % of total costs).

Measures	Estimated number of targeted workers	Estimated cost per targeted worker (EUR)*	Total costs (EGF and national cofinancing) (EUR)*
Personalised services: (1) Individual job-search assistance, case management and general information services: – Redeployment (support / guidance / integration)	257	2 263	581 556

²⁰ The number of targeted workers and the budget for this measure are estimated based on a similar measure carried out by Saint-Gobain France for which the average monthly salary was around EUR 4 500.

– Boosting job-search	257	175	45 000
– Proactive job-search	257	2 482	637 860
(2) Training and retraining:			
– Integrated training	257	1 293	332 263
– Specific training	200	1 500	300 000
– Transfer of experience	10	300	3 000
(3) Promotion of entrepreneurship:			
– Support for enterprise creation	58	388	22 500
– Support for self-employment	5	10 240	51 200
– Support for collective projects	30	1 833	55 000
(4) Allowances:			
– Relocation allowance	20	5 000	100 000
– Recruitment incentive	100	4 500	450 000
Subtotal:	–	–	2 578 379
Expenditure for implementing the EGF:			
1. Preparatory activities	–	–	30 000
2. Management	–	–	19 200
3. Information and publicity	–	–	18 500
4. Control activities	–	–	33 778
Subtotal:	–	–	101 478
Total costs:	–	–	2 679 856
EGF contribution (50 % of total costs)	–	–	1 339 928

* Rounded figures.

33. The Belgian authorities have confirmed that the measures are complementary with actions funded by the Structural Funds and that appropriate mechanisms are in place to prevent double financing.

Date on which the personalised services to the targeted workers were started or are planned to start

34. The Belgian authorities started to provide the personalised services to the targeted workers on 31 August 2013. Expenditure on these measures is therefore eligible for a financial contribution from the EGF from that date.

Procedures for consulting the social partners

35. The management of SGS Benelux and the trade unions concluded a social plan in July 2013 as part of the collective redundancies procedure. The social plan sets out the different measures agreed upon by the various social partners involved. As mentioned above, the trade unions and the former employer (SGS Benelux) are directly involved in the management of the Redeployment Unit and in the implementation of certain measures.
36. The Belgian authorities have confirmed that the requirements laid down in national and EU legislation regarding collective redundancies have been complied with.

Information on actions that are mandatory by virtue of national law or pursuant to collective agreements

37. Under Belgian federal legislation²¹, companies that carry out collective redundancies must provide outplacement services to the redundant workers. The duration of the outplacement services must be of at least 30 hours over three months for workers under the age of 45 and of at least 60 hours over six months for workers aged 45 and

²¹ *Arrêté royal relatif à la gestion active des restructurations du 9 mars 2006* (Belgisch Staatsblad / Moniteur Belge, 31.3.2006, éd. 2, p. 18309).

above. All non-temporary workers must take part in such outplacement services, except in the case of specific derogations. Under Walloon legislation²², workers' representative organisations can ask FOREM to set up a Redeployment Unit to provide support to the redundant workers. The decision by FOREM to set up a Redeployment Unit is discretionary and it is not mandatory for employers or for workers to take part in the measures carried out by a Redeployment Unit. However, the services provided by Redeployment Units can be considered as fulfilling the legal obligations regarding outplacement services.

38. The Belgian authorities have confirmed that:

- the financial contribution from the EGF will not replace measures which are the responsibility of enterprises by virtue of national law or collective agreements²³;
- the measures provide support for individual workers and are not used for restructuring enterprises or sectors;
- the measures will not receive financial support from other Union funds or financial instruments²⁴.

Management and control systems

39. The application contains a detailed description of the management and control systems which specifies the responsibilities of the bodies involved. A steering committee composed of all the organisations involved in the implementation of the EGF measures ensures overall follow-up and coordination. The financial contribution from the EGF will be managed and controlled by the same bodies as for the ESF. One entity within the ESF Agency of the Wallonia-Brussels Federation (formerly the French Community of Belgium) will act as managing authority and another separate entity within the ESF Agency will act as paying authority. The Secretariat-General of the Wallonia-Brussels Federation will act as certifying authority and FOREM will act as intermediary body.

Financing

40. Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020²⁵ allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of EUR 150 million (2011 prices) over and above the relevant headings of the financial framework.

41. Considering the maximum possible amount of a financial contribution from the EGF and the scope for reallocating appropriations, the Commission proposes to mobilise

²² *Décret de la Région wallonne relatif au plan d'accompagnement des reconversions du 29 janvier 2004* (Belgisch Staatsblad / Moniteur Belge, 10.3.2004, p. 13547).

²³ The financial contribution from the EGF will enable the Belgian authorities to extend the provision of outplacement services beyond the mandatory periods and to carry out additional measures. For calculating the costs allocated to the EGF, the Belgian authorities will take into account the measures carried out during the legal obligation period (this only relates to the measure 'Redeployment (support / guidance / integration)'. The number of hours of outplacement services carried out during the mandatory period will be deducted from the total number of hours of outplacement services that each targeted beneficiary will have benefitted from.

²⁴ Financial support from the ESF was awarded under Axis 2.2 of the Convergence Operational Programme for 2008-2013 to a project (EnTrain – En Transition-Reconversion-Accompagnement) which aimed to develop pedagogical methods for Redeployment Units in general.

²⁵ OJ L 347, 20.12.2013, p. 884.

the EGF for the total amount of the requested contribution (EUR 1 339 928), which represents 50 % of the total costs of the proposed measures.

42. 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 management²⁶.
43. The Commission presents separately a transfer request in order to enter in the 2015 budget specific commitment appropriations, as required under point 13 of the Interinstitutional Agreement of 2 December 2013.

Source of payment appropriations

44. Appropriations allocated to the EGF budget line in the 2015 budget will be used to cover the amount of EUR 1 339 928.

²⁶ OJ C 373, 20.12.2013, p. 1.

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/2013/011 BE/Saint-Gobain Sekurit from Belgium)**

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 (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund²⁷, and in particular Article 12(3) 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 management²⁸, and in particular point 13 thereof,

Having regard to the proposal from the European Commission²⁹,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation 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 2014-2020³⁰.
- (3) Belgium submitted an application to mobilise the EGF, in respect of redundancies in the enterprise Saint-Gobain Sekurit Benelux SA, on 19 December 2013 and supplemented it by additional information up to 4 July 2014. This application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 1 339 928.
- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution for the application submitted by Belgium,

²⁷ OJ L 406, 30.12.2006, p. 1.

²⁸ OJ C 373, 20.12.2013, p. 1.

²⁹ OJ C [...], [...], p. [...].

³⁰ OJ L 347, 20.12.2013, p. 884.

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2015, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 339 928 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