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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 (application EGF/2009/021 IE/SR Technics from Ireland)

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 management[1] allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) 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 Fund[2].

On 9 October 2009, Ireland submitted application EGF/2009/021 IE/SR Technics for a financial contribution from the EGF, following redundancies in the enterprise SR Technics Ireland Ltd in Ireland (hereafter 'SR Technics').

After a thorough examination of this application, the Commission has concluded in accordance with Article 10 of Regulation (EC) No 1927/2006 that the conditions for a financial contribution under this Regulation are met.

SUMMARY OF THE APPLICATION AND ANALYSIS

Key data:	
EGF Reference no.	EGF/2009/021
Member State	Ireland
Article 2	(a)
Enterprises concerned	SR Technics Ireland Ltd
Suppliers and downstream operators	None
Reference period	3/4/2009 to 2/8/2009
Starting date for the personalised services	25/3/2009
Application date	9/10/2009
Redundancies during the reference period	800
Redundancies before and after the reference period	335
Total eligible redundancies	1 135
Redundant workers targeted for support	850
Personalised services: budget in EUR	11 015 174
Expenditure for implementing EGF[3]: budget in EUR	440 000
% expenditure for implementing EGF	3,8
Total budget in EUR	11 455 174
EGF contribution EUR (65 %)	7 445 863

1. The application was presented to the Commission on 9 October 2009 and supplemented by additional information up to 18 May 2010.

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[1] OJ C 139 of 14/6/2006, p. 1.

[2] OJ L 406 of 30/12/2006, p. 1.

[3] In accordance with the third paragraph of Article 3 of Regulation (EC) No 1927/2006.

2. The application meets the conditions for deploying the EGF as set out in Article 2(a) of Regulation (EC) No 1927/2006, and was submitted within the deadline of 10 weeks referred to in Article 5 of that Regulation.

Link between the redundancies and major structural changes in world trade patterns due to globalisation or the global financial and economic crisis

3. Ireland argues that the redundancies in SR Technics can be directly linked to the reduction in air transport activity as a result of the global financial and economic crisis. It has provided statistics from Eurostat that show a decline in turnover in the air transport sector between 2008/Q1 and 2009/Q3 of over 9 % (EU-27). For the Euro zone the decline was even greater; during the same period turnover declined by 15,9 %.

The decline in air transport turnover placed enormous cost pressures on airlines, as well as reducing the actual volume of maintenance, repair and overhaul (MRO) activities worldwide. The move by airlines to reduce their costs by sourcing their suppliers of MRO services in lower-cost countries had already been visible before the crisis. MRO activities in Eastern Europe were predicted to grow by 10,8 % per annum between 2007 and 2017, and the Middle East by 5,3 % per annum. In Western Europe, however, growth rates of 3,8 % were predicted. The reasons cited by industry experts were largely related to labour costs in Western Europe. The global financial and economic crisis reversed even these low-growth projections, and led to a steep decline in MRO activity in the EU.

More recent projections, outlined at an MRO industry convention in September 2008, are for a decline in the Western European market share by 2 % per annum from 2008 to 2018, while the share of the market of lower-cost countries in Eastern Europe would increase by 3 % per annum.

4. The model followed by airlines also changed, from one of 'full service' MRO contracts to specialisation and contract division. In this way the airlines replace a single MRO contract with several smaller ones, selected for cost advantage.

SR Technics lost two significant contracts in this way; one with Aer Lingus and one with Gulf Air. The Aer Lingus contract, when it came up for renewal, was split into several smaller contracts and put out to tender, leading to a gain of over EUR 20 million annually to Aer Lingus, but a significant loss to SR Technics. The Gulf Air contract was won by a firm based in Bahrain.

Ireland argues that the global financial and economic crisis exacerbated an already difficult situation for MRO operators in high cost regions, and led airlines to pursue cost-cutting more vigorously.

Demonstration of the number of redundancies and compliance with the criteria of Article 2(a)

5. Ireland submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise and in its suppliers and downstream producers.

6. The application cites 800 redundancies in SR Technics during the four-month reference period from 3 April 2009 to 2 August 2009. All of the redundancies were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

Explanation of the unforeseen nature of those redundancies

7. The Irish authorities argue that the global economic and financial crisis had a severe impact on the aviation industry, and that the numbers of passengers, air-miles and aircraft in service all declined. As a result the industry was forced to seek cost savings in its maintenance, repair and overhaul (MRO) sector, and as contracts came up for renewal airlines sought the cheapest alternative. SR Technics lost important contracts with Aer Lingus and Gulf Air in the period leading up to the redundancies. Although the aviation industry had already suffered from a global downturn as a result of 9/11, there was no prior warning of the severity of the current global economic and financial crisis. Therefore, a planned and gradual response was not possible. Faced with the loss of contracts and strong competition from lower-cost regions, SR Technics had no alternative than to close their operation in Dublin.

Identification of the dismissing enterprises and workers targeted for assistance

8. The application cites a total of 1 135 redundancies, all in SR Technics in Dublin. This number includes 800 during the four-month reference period, and 335 after that period, but who are also eligible for assistance from the EGF.

Ireland estimates that 850 of the redundant workers will receive assistance from the EGF. The remaining workers are expected to find employment through their own initiative without requiring assistance from the EGF, or to leave the labour market.

9. The break-down of the targeted workers is as follows :

Category	**Number**	**Percent**
Men	797	93,8
Women	53	6,2
EU citizens	850	100,0
Non EU citizens	0	0,0
15 to 24 years old	32	3,8
25 to 54 years old	808	95,1
Over 54 years old	10	1,2

10. In terms of professional categories, the break-down is as follows :

Category	**Number**	**Percent**
Managers	173	20,4
Professionals	24	2,8
Technicians and associate professionals	152	17,9
Clerical support workers	99	11,6
Craft and related trades workers	402	47,3

11. In accordance with Article 7 of Regulation (EC) No 1927/2006, Ireland has confirmed that a policy of equality between women and men as well as non-discrimination has been applied, and will continue to apply, during the various stages of the implementation of and, in particular, in access to the EGF.

Description of the territory concerned and its authorities and stakeholders

12. The territory concerned is the north of the geographic county of Dublin, within the NUTS III region IE021 Dublin, where the SR Technics plant is situated at Dublin Airport. The Dublin Region consists of four local authority areas (administrative counties): Dublin City, South Dublin, Fingal and Dun Laoghaire-Rathdown. The vast majority of the SR Technics workers live in the Dublin region and counties Meath, Kildare and Louth. All four Dublin administrative counties and Kildare and Meath represent six of the seven most populated counties in the State with a combined population of 1 536 342 people or 36,2 % of the national population. Of the 639 redundant workers interviewed by the national training authority FÁS by May 2009, only 17 (2,7 %) lived in a county not listed above.

13. The principal stakeholder is the Department of Enterprise, Trade and Employment. Responsibility at operational level resides in Foras Aiseanna Saothair (FÁS), the National Training and Employment Authority. FÁS North Dublin region offices provides a range of labour market services and programmes to unemployed jobseekers and to persons in employment on the north side of Dublin City.

Additional stakeholders include: Enterprise Ireland (EI), the State authority with the mandate to assist the growth of Irish enterprises by providing locally controlled businesses with a single, integrated source of development advice, funding and support services; and the Department of Education and Science, which is responsible for policy formulation and national funding of education in Ireland. Operational responsibility resides (at lower educational qualifications level) with the Vocational Education Committees in terms of the provision of adult learning and (at higher levels of educational qualifications) in a number of higher educational institutions including universities and institutes of technology. These higher education bodies fall under the remit of the Higher Education Authority (HEA), which in turn reports to the Department of Education and Science.

The higher education institutions – Dublin City University (DCU), Dublin Institute of Technology (DIT), the Institute of Technology Blanchardstown (ITB) and the Institute of Technology Tallaght (ITTD) collectively serve the general catchment area in which the SR Technics workers live. These institutions collaborate on a number of initiatives including the Dublin Region Higher Education Alliance, the Learning Innovation Network and projects funded by the HEA under its Strategic Innovation Fund such as the Education in Employment (EIS) project and Roadmap for Employment-Academic Partnership (REAP).

14. Trade unions representing workers are UNITE, AGEMO, ATGWU, IMPACT, IEI, SIPTU, UCATT and TEEU.

15. Other stakeholders include the Fingal Task Force, IDA, North Dublin Development Coalition (NorDubCo), Dublin Area Partnerships and Local Enterprise Boards..

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

16. Ireland expects the impact of the redundancies to be locally significant. The redundancies amount to over 1 % of the total labour force in the Fingal County Council area. The numbers on the 'Live Register' (a measure of those in receipt of social welfare payments used as a barometer of unemployment levels ahead of the

more precise quarterly statistics from the Central Statistics Office contained in the National Household Quarterly Survey) rose from 7 562 to 9 057 (+19,8 %) during the period March to September 2009 in the Social Welfare North County Dublin region (in which SR Technics is situated). The highest national Live Register increase at a Social Welfare local office for this period was recorded at Balbriggan, north County Dublin (+21,9 %).

17. The March-September 2009 period coincides with the period during which 838 SR Technics workers were made redundant. As at early October 2009, 593 former SR Technics workers were signing on the Live Register and 442 (75 %) of these reside in a Dublin region.

18. Whilst no redundancies directly linked to SR Technics have been reported at suppliers or downstream producers, the loss in revenues owing to the SR Technics redundancies is expected to generate significant losses in indirect employment through the loss in workers' incomes and through a reduction in SR Technics purchases of goods and services locally and regionally. In this regard, the value of payroll at EUR 69 million in 2007 and volumes of materials and services purchases at EUR 24,9 million and EUR 18,1 million in 2007 respectively was considerable.

The SR Technics redundancies come on top of other recent significant job losses at traditional manufacturing enterprises in the food production sector in the region.

Co-ordinated package of personalised services to be funded and a breakdown of its estimated costs, including its complementarity with actions funded by the Structural Funds

19. Ireland proposes a package of measures in favour of the redundant workers that is built around five pillars; FÁS Guidance and Training, Redundant Apprentice On- and Off-the-job training, VEC training, Entrepreneurship/Self-employment, and Third-level education.

20. The pillar FÁS Guidance and Training includes basic occupational guidance for the majority of the redundant workers, in addition to a number of training courses designed either to provide basic computer or life skills, or alternative career paths for the workers. Each person undertaking a full-time FÁS course is also eligible for a training allowance.

It is estimated that 850 workers will avail of occupational guidance at an estimated cost of EUR 100 per worker. An estimated 789 workers will participate in FÁS training courses, at an estimated cost of EUR 784 per worker. Of these, an estimated 70 will receive a training allowance of EUR 3 863 per worker.

The total cost for this pillar is estimated at EUR 973 710.

21. The pillar Redundant apprentice on- and off-the-job training is designed to allow existing apprentices at SR Technics to complete their apprenticeships. The Standards Based Apprenticeship System is based on seven alternating phases of on-the-job (odd numbers) and off-the-job (even numbers) training. SR Technics apprentices, who had already finished phases 1 to 4 before SR Technics closed down, need to complete phases 5 and 7 'on-the-job' with a break in between to complete phase 6 'off-the-job' training. Seventy apprentices are expected to complete the off-the-job element of

their apprenticeships, at a cost per apprentice of EUR 7 699, and 37 apprentices are expected to complete the on-the-job element of their apprenticeships, at a cost per apprentice of EUR 6 886.

The total cost for this pillar is expected to be EUR 793 714.

22. The pillar VEC training will be provided by the Vocational Education Committees of the surrounding areas, including Counties Dublin, Meath and Louth. It includes activities tailored to the redundant workers' technical backgrounds, including an initial induction programme, a skills transfer programme, a digital competence for work programme, and a module on self-employment.

The initial induction programme, which aims to provide recognition of prior learning, psychometric testing and educational guidance support, will benefit an estimated 480 workers, at an estimated cost of EUR 250 per worker.

The package plans skills transfer courses, as appropriate, in Green Technology, PC maintenance, Business and Accounting Skills, Business Through Computers, Microsoft Certified Professional and Communication Skills, at an estimated cost of EUR 7 000 per worker for 162 workers.

An estimated 108 workers will benefit from the digital competence for work programme, which includes modules on IT and Reception Skills, IT Retail Sales and Customer Care, Warehousing and Data Skills, IT Office Administration and Design, IT and Communications Skills and Communications in E-Commerce. The estimated cost per participant is EUR 7 000.

Finally, an estimated 90 workers will benefit from courses in Computers for Business, Accounts for Small Business, Manual and Computerised Accounts and Communications for Business, in order better to be able to start up their own businesses. The estimated cost per worker is EUR 7 000.

The estimated total cost of this pillar is EUR 2 640 000.

23. The pillar Entrepreneurship and Self-employment will be provided by Enterprise Ireland (EI) in cooperation with Fingal County Enterprise Board (CEB) and a number of other actors. It includes an initial promotion of entrepreneurship though Business Information Workshops, at which an estimated 850 workers will participate at an estimated cost of EUR 50 per worker.

The number who will progress to participation in the short EI/CEB Entrepreneurship Programme is estimated at four, at a cost of EUR 3 000 per worker.

An estimated five workers will receive an Enterprise Ireland Feasibility Grant, to enable potential start-up company promoters who have or are developing a business proposal to ascertain whether or not there is a niche in the market for their product offering; to then validate the actual market potential and fine-tune their proposition before finalizing an investment-ready proposal to investors. The promoters are expected have significant background work done on their proposal and have a strong management team behind the business. The level of grant available will be maximum EUR 15 000.

A further five are expected to participate in the more demanding CORD (coordinated research and development) campus programme for entrepreneurs who attend a full time third level Enterprise Platform Programme delivered by Blanchardstown Institute of Technology or the Institute of Technology, Tallaght. This programme is restricted to start-ups that are deemed to be a High Potential Start Up (HPSU – i.e. with the potential to grow sales/exports of EUR 1 million and employ 10 or more staff within three years of commencement). If the entrepreneur is accepted after assessment by Enterprise Ireland his/her company will be entitled to a maximum grant of EUR 30 000 (or 50 % of their salaries for the previous three years, whichever is the lesser).

An estimated 20 workers are expected to apply for Employment Grants, designed to encourage the recruitment of employees by start-up companies, at an estimated cost of EUR 10 000 per employee.

The total cost of the Entrepreneurship and Self-employment pillar is estimated at EUR 479 500.

24. The fifth pillar providing third level education as appropriate to the redundant workers will be delivered by the higher education institutions (HEIs) which collectively serve the area in which the SR Technics workers live. These include Dublin City University (DCU), Dublin Institute of Technology (DIT), the Institute of Technology, Blanchardstown (ITB) and the Institute of Technology, Tallaght (ITTD).

Ireland estimates that 250 workers could benefit from an activity under this pillar. All of these 250 workers will be offered a preparatory course of seminars, workshops and information sessions, which will address areas such as financial planning and budgeting, personal and professional development, returning to education advice and preparation, entrepreneurship amongst others. The cost per worker for this preparatory course is estimated at EUR 150.

Three different National Framework of Qualifications (NFQ) levels of third level education will be made available, either full-time or part-time as appropriate; Level 6 (Advanced Certificate and Higher Certificate awards enabling development of a variety of skills which may be vocationally specific and/or of a general supervisory nature), Level 7 (Ordinary Bachelor Degree), and Level 8 (Honours Bachelor Degree). As none of the targeted workers already hold a primary degree, no Masters or Post-Graduate education is foreseen in the package.

The HEIs will primarily offer programmes and awards aligned with Irelands ‘Smart Economy’ policy, focussing in particular on Business, Engineering and Computing at the three NFQ levels:

The estimated cost per worker (full-time) is EUR 7 500, and the numbers expected to participate are; Level 6, 20 workers; Level 7, 70 workers; Level 8, 110 workers.

The remaining 50 workers who will benefit from this activity will participate in the courses at Levels 6, 7 and 8 on a part-time basis, and the estimated cost per worker is EUR 2 750.

In addition to the cost of the courses, the package includes the cost of support and learning materials, at an estimated cost of EUR 163 per participant.

All 250 expected participants in the third-level education pillar will be included in a Recognition of Prior Learning (RPL) process in order to identify the learning relevant for particular programmes. The process includes a general information session where the HEIs provide an overview of their respective offerings and more detailed information on the courses being provided and supports for recognition of prior learning. Those who are interested in pursuing third level courses may then avail of a two-day RPL process in the form of Learning Assessment sessions. Participants will be assisted to define educational goals and to understand how the learning options available can be used to achieve these goals. Individuals may then choose to apply for a place on a third level course. The RPL process will enable each participant to map their formal and experiential learning in order to identify appropriate disciplinary areas to pursue, verify equivalent standards for entry to a particular award and demonstrate award outcomes already achieved through other experience or learning in order to gain advanced access into a programme. The cost per participant is estimated at EUR 750.

Finally, the package includes the cost of allowances to the workers who are participating in third level education. All of the estimated 250 workers will benefit from such allowances at a cost of EUR 16 900 per worker.

The total cost of the third level education pillar is estimated at EUR 6 128 250.

25. The expenditure for implementing EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers preparatory, management and control activities as well as information and publicity.

26. The personalised services presented by the Irish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Irish authorities estimate the total costs of these services at EUR 11 015 174 and the expenditure for implementing EGF at EUR 440 000 (=3,8 % of the total amount). The total contribution requested from the EGF is EUR 7 445 863 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national co-financing) (in EUR)
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006))			
FÁS Occupational guidance	850	100	85 000
FÁS Training courses	789	784	618 310
FÁS Training Allowances	70	3 863	270 400
Apprentices - off the job training	70	7 699	538 930

Apprentices - on the job training	37	6 886	254 784
VEC Induction Programme	480	250	120 000
VEC Skills Transfer Programme	162	7 000	1 134 000
VEC Digital Competence for Work	108	7 000	756 000
VEC Skills for Self Employment	90	7 000	630 000
EI/CEB entrepreneurship promotion	850	50	42 500
EI Entrepreneurship Programme	4	3 000	12 000
EI Feasibility Grants	5	15 000	75 000
Campus Enterprise Programme (CORD)	5	30 000	150 000
EI/CEB for self employment grants	20	10 000	200 000
Third level preparatory courses	250	150	37 500
Third level NFQ Level 6 Certificate courses in Computing, Engineering, Business, Social studies	20	7 500	150 000
Third level NFQ Level 7 Degree courses in Computing, Engineering, Business, Social studies	70	7 500	525 000
Third level NFQ Level 8 Degree courses in Computing, Engineering, Business, Social studies	110	7 500	825 000
Third level Certificate & Degree NFQ Levels 6-8 p/t courses in Computing, Engineering, Business, Social studies	50	2 750	137 500
Third level Mature Student Support and Learning Materials	250	163	40 750
Third level - Recognition of Prior Learning (RPL)	250	750	187 500
Third level – Income support allowance	250	16 900	4 225 000
Sub total personalised services			**11 015 174**
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Preparatory activities			40 000
Management			230 000
Information and publicity			80 000

Control activities			90 000
Sub total expenditure for implementing EGF			**440 000**
Total estimated costs			**11 455 174**
EGF contribution (65 % of total costs)			***7 445 863***

27. Ireland confirms that the measures described above are complementary with actions funded by the Structural Funds. The managing authority for the EGF, which is also managing authority for the ESF, has put in place the necessary control procedures to eliminate any risk of double funding.

Date(s) on which the personalised services to the affected workers were started or are planned to start

28. Ireland started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 25 March 2009. This date therefore represents the beginning of the period of eligibility for any assistance that might be awarded from the EGF.

Procedures for consulting the social partners

29. Upon receiving notification of proposed SR Technics redundancies, FÁS met with SR Technics trades union representatives. While the discussions focused primarily on approaches to ensuring SR Technics or other interested parties would continue to operate at Dublin Airport. FÁS and the Department of Enterprise, Trade and Employment have continued to liaise with trade union representatives on all aspects of the SR Technics redundancies. Informal discussions between FÁS and SR Technics trade unions on the proposed coordinated package of personalised services continue.

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

30. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Irish authorities in their application:

- confirmed that the financial contribution from the EGF does not replace measures which are the responsibility of companies by virtue of national law or collective agreements;
- demonstrated that the actions provide support for individual workers and are not to be used for restructuring companies or sectors;
- confirmed that the eligible actions referred to under points 20 to 28 above do not receive assistance from other Community financial instruments.

Management and control systems

31. Ireland has notified the Commission that the financial contributions will be managed and controlled by the same bodies that manage and control the European Social Fund (ESF) funding in Ireland.

Financing

32. On the basis of the application from Ireland, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 7 445 863, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Ireland.

33. Considering the maximum possible amount of a financial contribution from the EGF under Article 10(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 above, to be allocated under heading 1a of the financial framework.

34. The proposed amount of financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12(6) of Regulation (EC) No 1927/2006.

35. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue 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 trialogue meeting will be convened.

36. The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

37. In the current state of implementation, it is foreseeable that the payment appropriations available under the budget line 01.04 05 'Completion of programme for enterprises: improvement of the financial environment for small and middle-sized enterprises (SMEs)' in 2010 will not be fully used this year.

38. Payment appropriations are transferred to trust accounts as required to ensure that the European Investment Fund (EIF) is at all times in a position to make disbursements to the financial intermediaries. The financial crisis had a major effect on the disbursement profile of financial instruments, particularly those in the area of venture capital. According to the European Venture Capital Association (EVCA), investments and divestments (exits) were more than halved between 2007 and 2009 compared to the pre-crisis situation. These developments had also a substantial impact on the forecasts in terms of disbursements for 2010. As a consequence of the above elements, payment appropriations foreseen in the 2010 budget will not be fully

needed in 2010. The amount of EUR 7 445 863 can therefore be made available for transfer.

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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 (application EGF/2009/021 IE/SR Technics from Ireland)

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 Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management[4], 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 Fund[5], and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission[6],

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 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) Ireland submitted an application to mobilise the EGF, in respect of redundancies in SR Technics on 9 October 2009 and supplemented it with additional information up to 18 May 2010. 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 7 445 863.

[4] OJ C 139 of 14/6/2006, p. 1.
[5] OJ L 406 of 30/12/2006, p. 1.
[6] OJ C […], […], p. […].

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

HAVE DECIDED AS FOLLOWS:

Article 1

For the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 7 445 863 in commitment and payment appropriations.

Article 2

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

Done at,

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