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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 (EGF/2010/000 TA 2010 - technical assistance at the initiative of the Commission)

EXPLANATORY MEMORANDUM

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

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

SUMMARY OF THE APPLICATION AND ANALYSIS

Key data:	
EGF Reference no.	EGF/2010/000
European Commission	Technical assistance
Administrative expenditure: budget in EUR	1,110,000
% administrative expenditure (ceiling : 0.35 %)	0.22 %

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

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

1. The contribution will be used for expenditure mentioned in Articles 8(1) and (4) as well as 9(2) of Regulation (EC) No 1927/2006, as detailed hereunder.
2. Monitoring: The Commission is planning a series of parallel studies on the implementation of ongoing EGF cases. These studies will monitor implementation, strengths and weaknesses, extracting successes and learning for future cases, and providing the evaluators with useful grassroots material. The first ten such studies will be launched in 2010 at a cost of approximately EUR 25 000 each, i.e. a total of EUR 250 000.
3. Information: The EGF web site, which the Commission is required to set up and maintain under Article 9(2) of Regulation (EC) No 1927/2006, will be regularly updated and expanded, each new element also being translated into all EU languages. The press folder will be printed, and the annual report of the EGF will be produced, translated, printed and distributed. General awareness of the EGF and its visibility will be enhanced. The EGF will be covered in various Commission publications and audio-visual activities. Costs for these items are estimated at EUR 240 000 in 2010.
4. Creation of a knowledge base: A study aimed at collecting data on the stages of redundancy cases and the experiences for individual workers during both the dismissal and the re-employment phases, will be carried out by means of a service

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406 of 30.12.2006, p. 1.

contract estimated at EUR 50 000. The Commission needs these studies in order to improve implementation of Regulation (EC) No 1927/2006 in the Member States.

5. Administrative and technical support: The Expert Group of Contact Persons of the EGF³, with 27 members, one from each Member State, will be holding two meetings in 2010, budgeted at EUR 35 000 per meeting. The two meetings are together estimated at EUR 70 000.
6. In addition, the Commission will be organising the exchange of successful practices among the Member States, enabling participants with experience of EGF implementation to network with each other, and be assisted by an expert preparing documentation and reports. In 2010, one of these meetings will be devoted to exchanges of information and experiences with the Member States' auditors responsible for EGF audits. The Member States' auditors are still very new to the EGF, given the time lag until cases are ripe for audit, and they have expressed a strong wish for an opportunity to exchange information and experience with each other and with the Commission auditors. This networking activity is estimated at EUR 200 000.
7. Evaluation: Activities for the mid-term evaluation of the EGF, as laid down in Article 17 paragraph 1(a) of Regulation (EC) No 1927/2006, will commence in 2010. The evaluation framework contracts were approved too late in 2009 for the EGF to have been able to start the work last year; hence the first commitments have been postponed, and will amount, as originally planned, to EUR 300 000.

Items	Estimated number	Estimated cost per item (in EUR)	Total costs (in EUR)
Monitoring : Implementation studies	10	25,000	250,000
Information activities	Various	Various	240,000
Creation of a knowledge base	1	50,000	50,000
Administrative and technical support : Meetings of the Expert Group of Contact Persons of the EGF	2	35,000	70,000
Administrative and technical support : Seminars on the Implementation of the EGF	2	100,000	200,000
Evaluation	1	300,000	300,000
Total estimated costs			1,110,000

³ <http://ec.europa.eu/transparency/regexpert/detail.cfm?ref=2100>

Financing

8. The total annual budget available for the EGF is EUR 500 million. Article 8(1) of Regulation (EC) No 1927/2006 states that 0.35 % of this amount (i.e. EUR 1 750 000) can be made available each year for technical assistance at the initiative of the Commission. Currently, the full amount for 2010 remains available; nothing has yet been allocated to technical assistance.
9. The proposed contribution for technical assistance at the initiative of the Commission in 2010 is EUR 1 110 000. Following the mobilisation of this amount, the amount of EUR 640 000 potentially remains available in case of further need at a later stage in the year.
10. Considering the maximum possible amount of a contribution from the EGF in accordance with Article 8(1) of Regulation (EC) No 1927/2006 as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.
11. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified dialogue 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 dialogue meeting will be convened.
12. 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.

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(EGF/2010/000 TA 2010 - technical assistance at the initiative of the Commission)**

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to the Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management⁴, 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 Fund⁵, and in particular Article 8(2) thereof,

Having regard to the proposal from the Commission⁶,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide additional support to redundant workers who suffer from the consequences of major structural changes in world trade patterns and to assist them with their reintegration into the labour market.
- (2) The scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.
- (3) The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.
- (4) Regulation (EC) No 1927/2006 provides that 0.35 % of the annual maximum amount can be made available each year for technical assistance at the initiative of the Commission. The Commission therefore proposes to mobilise an amount of EUR 1 110 000.

⁴ OJ C 139, 14.6.2006, p. 1.

⁵ OJ L 406, 30.12.2006, p. 1.

⁶ OJ C [...], [...], p. [...].

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

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 110 000 in commitment and payment appropriations.

Article 2

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

Done at Brussels,

For the European Parliament
The President

For the Council
The President