



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/2011/020 ES/Comunidad Valenciana footwear from Spain)

EXPLANATORY MEMORANDUM

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

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

On 28 December 2011, Spain submitted application EGF/2011/020 ES/Comunidad Valenciana Footwear for a financial contribution from the EGF, following redundancies in 146 enterprises operating in the NACE Revision 2 Division 15 ('Manufacture of leather and related products')³ in the NUTS II region of Comunidad Valenciana (ES52) in Spain.

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/2011/020
Member State	Spain
Article 2	(b)
Enterprises concerned	146
NUTS II region	Comunidad Valenciana (ES52)
NACE Revision 2 Division	15 ('Manufacture of leather and related products')
Reference period	25.1.2011 – 25.10.2011
Starting date for the personalised services	26.3.2012
Application date	28.12.2011
Redundancies during the reference period	876
Redundant workers expected to participate in the measures	350
Expenditure for personalised services (EUR)	2 392 100
Expenditure for implementing EGF ⁴ (EUR)	118 000
Expenditure for implementing EGF (%)	4,7
Total budget (EUR)	2 510 100
EGF contribution (65 %) (EUR)	1 631 565

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406, 30.12.2006, p. 1.

³ 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).

⁴ In accordance with the third paragraph of Article 3 of Regulation (EC) No 1927/2006.

1. The application was presented to the Commission on 28 December 2011 and supplemented by additional information up to 23 February 2012.
2. The application meets the conditions for deploying the EGF as set out in Article 2(b) 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. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, the application describes the redundancies in the Comunidad Valenciana region against a background of radical change in the distribution of footwear production. Third countries, specifically China and India, increasingly dominate the world trade in footwear, and countries such as Vietnam and Indonesia continue to increase their share of world production.
4. Spain argues that according to available data⁵ imports of footwear from non-EU countries into the EU increased almost 6 % during the period 2006-2009 while EU exports declined by 16,4 % during the same period. As a direct consequence of the fall in exports the number of footwear producers in EU-27 decreased: in 2008 there were only 24 000 producers in the EU while in 2005 there were still 27 125. This reduction (11,58 %) in the number of firms had a direct impact on employment: 78 800 direct jobs -- representing almost 20 % of the total -- were lost in the sector during the period 2005-2008.
5. The imports of footwear in Spain also followed an upward trend, growing by almost 20% during the period 2006-2010. However, the impact of the imbalance between imports and exports in the Spanish footwear industry was bigger than in the EU as a whole: the number of manufacturers decreased by 35,96 % during 2006-2010 (or 24,27 % if we consider only the period 2006-2009), as the number of firms fell from 2 283 to 1 462. Employment therefore contracted by 31,80 % and 10 663 direct jobs were lost during the same period.
6. The Spanish redundancies also follow the general trend in the footwear industry in the EU towards delocalisation to lower-cost non-EU countries of most of manufacturing sub-processes, keeping within the EU only the higher-value tasks such as product design and product marketing.

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

7. Spain submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level in a Member State.
8. The application cites 876 redundancies in 146 enterprises operating in the NACE Revision 2 Division 15 ('Manufacture of leather and related products') in the NUTS

⁵ http://ec.europa.eu/enterprise/sectors/footwear/files/statistics/footwear_en.pdf

II region of Comunidad Valenciana (ES52) during the nine-month reference period from 25 January 2011 to 25 October 2011. Of these redundancies 862 were calculated in accordance with the second indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006. A further 14 redundancies were calculated in accordance with the third indent of the same paragraph. The Commission has received the confirmation required under the third indent of the second paragraph of Article 2(2) that this is the actual number of redundancies effected.

Explanation of the unforeseen nature of those redundancies

9. The Spanish authorities argue that the footwear sector had already restructured to cope with market liberalization, opting to produce high value added items and focusing on exports. During the years prior to the economic and financial crisis this approach provided them with sustainable turnover. However the crisis and the tightening of credit that followed put many small and medium-sized enterprises into serious difficulties, as they did not have sufficient financial flexibility to cope with the new situation of falling exports and contraction of the domestic market. This resulted in enterprise closures: 188 enterprises representing 16,64 % of the total number of footwear manufacturers in Comunidad Valenciana stopped their activity and closed in 2010 with the consequent job losses.

Identification of the dismissing enterprises and workers targeted for assistance

10. The application relates to 876 redundancies in the following 146 enterprises:

Enterprises and number of dismissals			
ABACO SHOES S.L.	3	ILICESOLES S.L.	10
ADDI SHOES S.L.	1	INDALO SHOES S.L.	4
ADOANSA S.L.	5	INDUSTRIA AUXILIAR DEL CALZADO CRIMEA S.L.	1
ADORNOS LA TORRESTA S.L.U	26	IRAMEN CALZADOS S.L.U	26
ADRIANO SHOES S.L.U	13	IRONMATIC S.L.	1
AGNELLI INTERNACIONAL S.L.	1	JANDRO MODA S.L.	6
ALANDA SHOES S.L.	4	JESO CONFORT S.L.	1
ALFIE SHOES S.L.	2	J'HAYBER S.L.	3
ALUYTEC DEL SURESTE S.L Y ALUVEGA	1	JOROS SHOES S.L.	2
ANALPE SHOES S.L.	1	JOSE CANO PALAZON	1
ANTONIO ANDREU MACIÁ	1	JOSE FERRER CALZADOS S.L.	7
APARADOS DANISA S.L.	9	JOSE LOPEZ MARTINEZ	2
APARADOS CRIS S.L.	11	JOVIREN SHOES S.L.	64
APRILE INTERNACIONAL 2002 S.L	1	KILMAS S.L.	1
ARTESANIAS Y COMPLEMENTOS DEL CALZADO S.L.	4	KINSPARTEL S.L.	12
ARTESANOS DE SAX S.L.	1	KMB ROC S.L.	1
ASEPYME ELDA ASOCIADOS S.L.	1	KNOW SHOES DESIGN S.L.	1
ATHELETIC SPORT GROUP S.L.U	1	LINEA OCCIDENTAL S.L.	1
AUXILIAR DE CALZADO RICOCHI S.L.	8	LORTEL SHOES S.L.	1
AUXILIAR DEL CALZADO CRIMEA S.L.	2	MANKEITO S.L.	23
AUXILIARES DEL CALZADO ANTON S.L.	1	MANUEL GIMENEZ BARRAGAN	1
BABY PARDO S.L.U	4	MANUFACTURAS CARCOLA, S.L.	6
BESTINN SHOES S.L.	1	MANUFACTURAS NEWMAN S.L.U	2
BOLITRES S.L.U	1	MAPELL ELX 2010 S.L.	3

BONAFORMA S.L	1	MARIA TERESA NAVARRO YAÑEZ	2
CALZADOS BELMAR S.L	1	MARROQUINERIA LEYVA S.L.	1
CALZADOS DAURO S.L.	1	MARTINETTI THE BAGS CLUB S.L	4
		MECANIZADOS Y SUMINISTROS	
CALZADOS DEL PAS BLAN S.L	1	GUTIERREZ S.L	1
CALZADOS IGNACIO BERNABEU			
S.L.U	26	MOLDES JOFAN S.L	5
CALZADOS JOSE VICENTE E HIJOS			
S.L	31	MTNG EUROPE EXPERIENCE,S.L.	1
CALZADOS JOSEMI 2010 S.L	1	MUSTANG PRODUCTION S.L	1
CALZADOS LAMAR S.L	32	MUZZYPIEL S.L	9
CALZADOS LUCATONI .S.L	1	NARCO SHOES S.L	2
CALZADOS MAGIAN S.L	1	NATISAND SHOES S.L	16
CALZADOS MARIA GARCIA S.L	15	NEW GRABORD S.L	1
CALZADOS MAYFRAN S.A	56	NODO SHOES,S.LU	2
CALZADOS MONTIEL S.L	1	PADALIS SHOES S.L	29
CALZADOS SALEM SL	1	PANAMA JACK S.A	1
CALZADOS VALORI S.L	1	PAPI MODA S.L	14
CALZANETTO S.L	1	PASCO PRODUCCIONES S.L.U	3
CARMELA LUXE S.L	42	PATRICIA ROSALES S.L	3
CAT WOOMAN S.L	1	PEDRO MIRALLES S.L	1
CHILSYE SHOES S.L	6	PLANTIFLER S.L	1
CONFORFLEX SUMINISTRO			
INDUSTRIALES S.L.U	2	PLANTILLAS CABEZO S.L.U	1
CONFORSUELAS S.L.	15	PLANTILLAS PATRICIA S.L	9
COOLSHOE S.L	1	PREFABRICADOS VIENA S.L	8
COPRA PIEL S.L	2	RAIZA SHOES S.L.	1
CORTADOS Y APARADOS COCO S.L	1	RHINOS SHOES S.L	2
CREACIONES CARPENA S.L.	1	SANDEVAL SL	10
		SANTIAGO A. RAMIREZ	
CREACIONES DALISA S.L.U	2	GUTIERREZ	5
CREACIONES KING-BELT S.L	4	SIROKO SHOES S.L	25
CREVISA S.L	1	SOFAMVAL S.L	4
CRIMEA S.L	1	STRADIVARIUS ESPAÑA S.A	1
		SUACAL CALZADOS E	
CURTIDOS PIELES NATURALES S.L	14	INVERSIONES GILBERT	1
CUTI SHOES S.L.	17	SUELAS DESANZ S.L	7
DAF CALZADOS S.L	4	SUELAS DOMVER S.L	11
DAMAPIEL S.L	7	SUELAS PAMAR S.L	4
DESIVAL S.L	1	TACMOR S.L.U	4
		TACONES INYECTADOS PARA EL	
EBOLOTAC S.L.U	1	CALZADO S.L	5
		TALLER CORTADO (JOSE ANDRES	
EMBOGA S.A.	1	ALONSO)	1
		TENERIA INDUSTRIAL	
EUROELX S.L	9	VALENCIANA SA	2
EUROPLASTICA ESPAÑA S.A	1	TRIO SHOES 2000 S.L	1
FAMACAL S.L	1	UNIMOLDES S.L	1
		UNIVERSAL PREFABRICADOS	
FENADELFRI S.L.U	1	PARA EL CALZADO S.L	1
FINISAJE GALEÓN S.L	1	VAL DISME S.L	1
FO-PLANT 2001 S.L	1	VILLACALZA 2008 S.L	2
FORMATOS COLOR Y DISEÑO S.L	1	VIVER Y BERNA S.L	1
FORRADOS ODALYS S.L	15	VULCANIZADOS ELEVAN S.L	1
FRANCISCO JAVIER ROS MOYA	1	VULCANIZADOS LA ESTRELLA S.L.	1
FREE FASHION S.L	1	ZAPASTOCK S.L.	2
FULGEN SHOES S.L	31	ZAPATOS DACON S.L	1
HIJOS DE RAMON IBAÑEZ S.A	1	ZUHAL SHOES S.L.U	8
HORMAR XXI S.L.	2	5 FACTORIA 2009 S.L.U	14
Total no. of enterprises: 146		Total no. of Dismissals: 876	

11. All the redundant workers will be offered the possibility to participate in the measures. However, the Spanish authorities, based on their previous experience in managing EGF cases, estimate that about 350 workers will opt to participate in the EGF measures.

12. The break-down of the 876 workers is as follows:

Category	Number	Percent
Men	465	53,03
Women	411	46,97
EU citizens	872	99,54
Non EU citizens	4	0,46
15-24 years old	27	3,08
25-39 years old	427	48,74
40-54 years old	336	38,36
55-59 years old	65	7,42
> 60 years old	21	2,40

13. In terms of occupational categories, the break-down is as follows:

Category	Number	Percent
Technicians	8	0,91
Clerks	45	5,14
Craft and related trade workers	455	51,95
Elementary occupations	368	42,00

14. In terms of educational levels, the break-down is as follows:

Educational level	Number	Percent
Basic education (to end of compulsory education)	362	41,32
Upper secondary education	59	6,74
Tertiary education	27	3,08
Others (non formal education)	4	0,46
Uneducated or early school leavers	424	48,40

15. In accordance with Article 7 of Regulation (EC) No 1927/2006, Spain 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

16. The territory concerned by the redundancies is within the NUTS II region of Comunidad Valenciana, and is concentrated in the three comarcas (roughly equivalent to a county) Alto, Medio y Bajo Vinalopó in the NUTS III province of Alicante.

17. Of all Spanish enterprises 11,5 % are based in the Comunidad Valenciana. The manufacturing sector represents 26 % of total employment in this region; while the service sector represents 60 %, construction 10 % and the primary sector 4 %. The business model in Comunidad Valenciana is characterised by a high presence of small and medium-sized enterprises specialized mainly in the manufacture of

furniture, shoes, textiles, ceramics and toys. These industries are concentrated in districts around a limited number of municipalities.

18. The main stakeholders are the Generalitat Valenciana (Comunidad Valenciana autonomous government) and in particular the Regional Ministry of Education, Training and Employment; the SERVEF (labour public offices of the autonomous government); trade unions: FIA-UGT-PV and CCOO-PV⁶; and the association of Comunidad Valenciana footwear manufacturers (AVECAL).

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

19. Spain is the second EU producer of footwear, manufacturing almost 25 % of the whole EU production. Of the Spanish footwear manufacturers 64,43 % are located in Comunidad Valenciana, therefore the consequences for employment at local level due to changes in world trade patterns concerning footwear manufacture are truly significant and have a huge impact on Comunidad Valenciana. Furthermore the region was also affected by another four mass redundancy cases⁷, for which EGF applications were submitted to the Commission.
20. Within Comunidad Valenciana the territories most affected by the redundancies are Alto, Medio and Bajo Vinalopó, three counties highly dependent on the manufacture of footwear. The number of redundant workers increased by 83 % in Upper Vinalopó and it doubled in Medio and Bajo Vinalopó in 2011 compared to 2009. The perspectives for future reintegration into employment for the dismissed workers in this territory do not seem very encouraging, as Alto, Medio and Bajo Vinalopó were also affected by the redundancies covered by two of the previously mentioned applications for EGF support: EGF/2010/005 ES Comunidad Valenciana Natural Stone (528 redundancies in the sector of cutting, shaping and finishing of stone) and EGF/2011/006 Comunidad Valenciana Construction (1 138 redundancies in the construction sector).

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

21. All the following measures combine to form a co-ordinated package of personalised services aimed at re-integrating the workers into the labour market:
 - Welcome and information sessions and guidance: This is the first measure to be offered to all redundant workers and includes: (1) Information on skills and training requirements; on available counselling and training programmes; as well as allowances and incentives. (2) The profiling of the workers and the design, implementation and follow-up of personalised support. (3) Workshops on job interviews. Through role playing exercises the participants will learn how to avoid common mistakes during job interviews.

⁶ Federación de Industrias Afines de la UGT del País Valenciano (MCA-UGT-PV) and Comisiones Obreras del País Valenciano (CC.OO.-PV).

⁷ COM(2010) 216, COM(2010) 613, COM(2010) 617 and COM(2012) 053.

- Intensive job-search assistance: This will involve an intensive employment search, including both passive and active search of local and regional employment opportunities; workshops on job-search techniques; and mentoring (i.e individual follow-up on the job-search activities).
- Training in vocational skills related to the footwear sector: The participants in this measure will be trained in job-skills related to jobs with high added value and therefore with higher employability within the footwear sector. Since the jobs most in demand relate mainly to design and marketing, the various training courses will focus on footwear technology, computer aided design, biomechanics of the foot, benchmarking in footwear, etc.
- Training for specific vocational qualifications: The participants in this measure will be trained in sectors such as agri-food, plastics industry or catering and food services, where opportunities exist or will arise in the short or medium term.
- Promotion of entrepreneurship. This includes: (1) Counselling on projects and initiatives aimed to develop, produce and guide viable business or self-employment projects. The tutors will also try to find openings for self-employment within and outside the county and propose them to the participants in the measure. (2) Accompaniment towards business creation: This seeks to assist dismissed workers who envisage creating their own business and it will consist of personalized tutoring during the whole process of starting the business and support regarding administrative requirements. The personalized tutoring will continue to be available for the participants during their first year as self-employed. (3) Specific training activities for the workers who wish to start their own business. This will cover elements such as development of a business idea, planning, carrying out feasibility studies, preparation of business plans and raising finance.
- Training in horizontal skills such as basic training in ICT; training in personal development; training to acquire skills in managing teams; training for trainers aimed to provide those redundant workers whose work profiles recommend them as trainers with the necessary teaching skills.
- Training for recruitment. The training will be designed to cater for the identified needs of local enterprises, who will in turn undertake to employ at least one third of the workers participating in the training.
- Job-search allowance: The workers completing the agreed pathway to reinsertion will receive an allowance of EUR 400, paid in a single instament.
- Support for setting up a business: The workers who return to employment by starting their own businesses will receive a lump sum of EUR 3 000. This incentive is designed to cover setting-up costs.
- Contribution to commuting expenses: As a contribution to their commuting expenses, workers participating in the measures will receive a lump sum of up to EUR 300.

- Outplacement incentives: A wage subsidy of EUR 350 per month for a maximum of six months will be paid to those workers who return to employment as employees.
22. The expenditure for implementing the EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers management and control activities as well as information and publicity.
 23. The personalised services presented by the Spanish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Spanish authorities estimate the total costs of these services at EUR 2 392 100 and the expenditure for implementing the EGF at EUR 118 000 (4,7 % of the total amount). The total contribution requested from the EGF is EUR 1 631 565 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (EUR)	Total costs (EGF and national cofinancing) (EUR)
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Welcome & information sessions and guidance (<i>Acogida y orientación profesional</i>)	350	1 251 ⁸	438 000
Intensive job-search assistance (<i>Apoyo intensivo en la búsqueda de empleo</i>)	275	1 142 ⁹	314 250
Training in vocational skills related to the footwear sector (<i>Formación para la recolocación en el sector del calzado</i>)	120	2 500	300 000
Training for specific vocational qualifications (<i>Formación para la recolocación en otros sectores</i>)	150	2 500	375 000
Promotion of entrepreneurship (<i>Formación y asesoramiento al emprendedor</i>)	50	3 825	191 250
Training in horizontal skills (<i>Formación transversal para la mejora profesional</i>)	105	1 570	164 850
Training for recruitment. (<i>Formación para el empleo con prácticas</i>)	75	1 050	78 750
Job-search allowance (<i>Incentivo a la participación</i>)	350	400	140 000
Support for setting up a business (<i>Incentivo a la constitución de negocios</i>)	35	3 000	105 000
Contribution to commuting expenses (<i>Ayudas por desplazamiento</i>)	320	300	96 000
Outplacement incentives (<i>Incentivo a la inserción</i>)	90	2 100	189 000
Sub total personalised services			2 392 100

⁸ The real estimated cost per worker provided by the MS is EUR 1 251,4286. In order to simplify the presentation in the table this figure has been rounded down, without modifying the total estimated cost for the measure as calculated by the MS

⁹ Idem EUR 1 142, 7272

Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)		
Preparatory activities		0
Management		87 000
Information and publicity		21 000
Control activities		10 000
Sub total expenditure for implementing EGF		118 000
Total estimated costs		2 510 100
<i>EGF contribution (65 % of total costs)</i>		<i>1 631 565</i>

24. Spain confirms that the measures described above are complementary with actions funded by the Structural Funds and that measures are in place to prevent double funding.

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

25. Spain started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 26 March 2012. 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

26. The proposed application was discussed at several meetings with the social partners referred to under point 18 above. During the meetings held on 17 November 2011 and 2, 14 and 21 February 2012 the social partners were consulted on issues such as contents of the integrated package of measures; allocation of roles and distribution of tasks; and scheduling of actions.
27. The Spanish authorities confirmed that the requirements laid down in national and EU legislation concerning collective redundancies have been complied with.

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

28. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Spanish 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 above do not receive assistance from other EU financial instruments.

Management and control systems

29. Spain has notified the Commission that the financial contribution will be managed and controlled by the same bodies that manage and control the ESF. The General Directorate European Projects and Funds of the Regional Ministry of Finance and Government of the Comunidad Valenciana¹⁰ will be the intermediate body for the managing authority.

Financing

30. On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 1 631 565, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Spain.
31. 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 to above, to be allocated under heading 1a of the financial framework.
32. 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.
33. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified dialogue procedure, as required by Point 28 of the Interinstitutional 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.
34. The Commission presents separately a transfer request in order to enter in the 2012 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

¹⁰ Dirección General de Proyectos y Fondos Europeos de la Consellería de Hacienda y Administraciones Públicas de la Generalitat Valenciana.

Source of payment appropriations

35. Appropriations from the EGF budget line will be used to cover the amount of EUR 1 631 565 needed for the present application.

Proposal for a

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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/2011/020 ES/Comunidad Valenciana footwear from Spain)

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 management¹¹, 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 Fund¹², and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission¹³,

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 30 December 2011 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) Spain submitted an application to mobilise the EGF, in respect of redundancies in 146 enterprises operating in the NACE Revision 2 Division 15 ('Manufacture of leather and related products') in the NUTS II region of Comunidad Valenciana (ES52), on 28 December 2011 and supplemented by additional information up to 23 February 2012. This application complies with the requirements for determining the financial

¹¹ OJ C 139, 14.6.2006, p. 1.

¹² OJ L 406, 30.12.2006, p. 1.

¹³ OJ C [...], [...], p. [...].

contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 1 631 565.

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

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2012, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 631 565 in commitment and payment appropriations.

Article 2

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

Done at [Brussels/Strasbourg],

For the European Parliament
The President

For the Council
The President