



Brussels, 22.8.2014
COM(2014) 532 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/2013/012 BE/Ford Genk from Belgium)

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund (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 23 December 2013, Belgium submitted application EGF/2013/012 BE/Ford Genk for a financial contribution from the EGF, following redundancies in the assembly plant of Ford-Werke GmbH² located in Genk (‘Ford Genk’) and in 10 suppliers of Ford Genk in Belgium. The application was supplemented by additional information up to 12 June 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/2013/012 Ford Genk
Member State:	Belgium
Date of submission of the application:	23.12.2013
Intervention criterion:	Article 2(c) of the EGF Regulation
Primary enterprise:	Ford-Werke GmbH
Number of suppliers and downstream producers:	10
Reference period:	1.7.2013-1.11.2013
Date on which the personalised services to the targeted workers were started:	1.7.2013
Number of redundancies during the reference period:	469
Number of redundancies before and after the reference period:	43
Total number of redundancies:	512
Number of persons expected to participate in the measures:	479
Budget for personalised services:	EUR 1 085 890
Budget for implementing the EGF:	EUR 56 000 (4.9 % of the total budget)
Total budget:	EUR 1 141 890
Financial contribution requested from the EGF:	EUR 570 945 (50 % of the total budget)

ANALYSIS OF THE APPLICATION

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

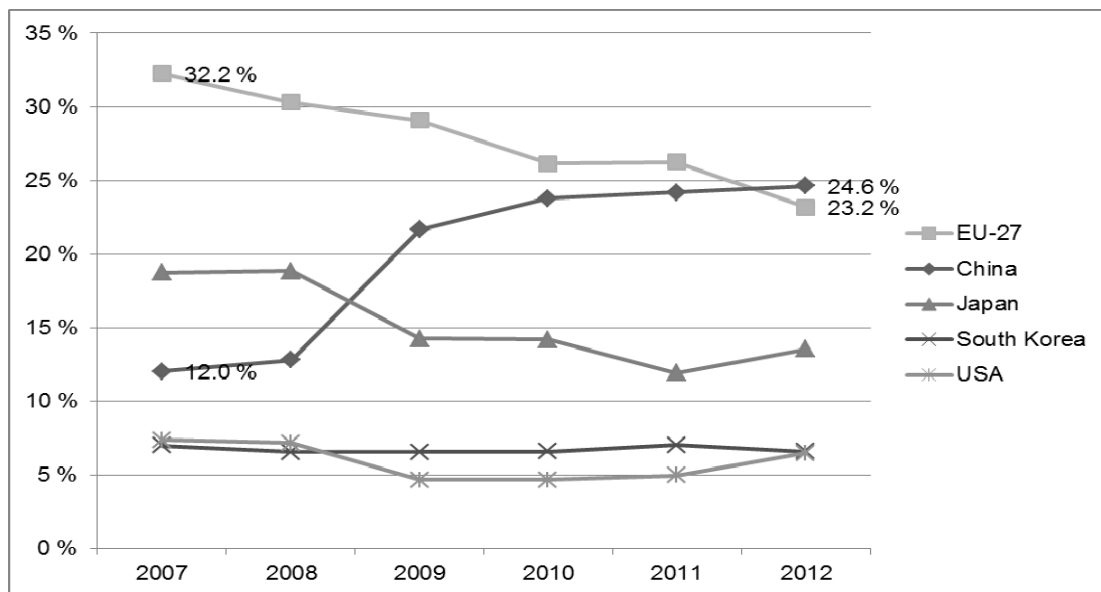
4. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, the Belgian authorities argue that the sector of the production of passenger cars, in which Ford Genk is active, has undergone serious economic disruption, in particular a rapid decline of the EU’s market share.

¹ OJ L 406, 30.12.2006, p. 1.

² Ford-Werke GmbH, a subsidiary of Ford of Europe AG, has its registered seat in Cologne (Germany). It operates the Ford production plants in Cologne and Saarlouis (Germany) and Genk (Belgium).

5. According to data referred to by the Belgian authorities³, as shown in the figure below, between 2007 and 2012, the production of passenger cars in the EU-27 decreased from 17.10 million units to 14.61 million units (– 14.6 %; – 3.1 % annual growth), whereas, during the same period, at worldwide level, the production of passenger cars increased from 53.05 million units to 63.07 million units (+ 18.9 %; + 3.5 % annual growth). This has led to a decrease of the EU-27’s market share in the production of passenger cars at worldwide level, measured in volume terms, from 32.2 % to 23.2 % (– 28.2 %; – 6.4 % annual growth). By comparison, during the same period, China’s market share increased from 12.0 % to 24.6 % (+ 104.6 %; + 15.4 % annual growth), whereas the market shares of the other main producers decreased (Japan: – 27.7 % / – 6.3 % annual growth; South Korea: – 5.9 % / – 1.2 % annual growth; USA: – 12.0 % / – 2.5 % annual growth) but, generally, to a lesser extent than for the EU-27. These data therefore show a rapid decline of the EU’s market share in the sector of the production of passenger cars at worldwide level.

Market share in the production of passenger cars at worldwide level (volume)



Source: OICA

6. The difficult economic situation of the car manufacturing sector in the EU, which is principally due to a consistent decline in sales of new passenger cars in the EU as a consequence of the economic crisis and to structural problems with overcapacity faced by some manufacturers in several Member States, has negatively affected the international competitiveness of the EU’s automotive industry as a whole. These factors have led to plant closures and restructuring by several car manufacturers and their suppliers, which have resulted in a high number of job losses in the car manufacturing sector in recent years. For instance, between 2008 and 2013, the number of persons employed in the car manufacturing sector (NACE Rev. 2 division 29 ‘Manufacture of motor vehicles, trailers and semi-trailers’) in the EU-27 decreased by approximately 220 000 from 3.16 million to 2.94 million (– 7.0 %)⁴.
7. The automotive industry has been the subject of 17 decisions on the mobilisation of the EGF since the start of the EGF in 2007⁵. In particular, the decline of the EU’s

³ Source: International Organisation of Motor Vehicle Manufacturers (OICA).

⁴ Source: Eurostat (online data code: lfsa_egan22d).

⁵ See EGF database, available at <http://ec.europa.eu/social/main.jsp?catId=582>.

market share in the production of the passenger cars has been referred to in eight previous EGF decisions⁶.

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

8. 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.
9. The application relates to 469 redundancies made during a period of four months from 1 July 2013 to 1 November 2013 (which includes 246 redundancies at Ford Genk and 223 redundancies at eight of its suppliers) and to 43 redundancies made after this period, between 1 November 2013 and 23 December 2013 (which includes 26 redundancies at Ford Genk and 17 redundancies at seven of its suppliers), but which are related to the same collective redundancies procedure. This total number of 512 redundancies during and after the reference period corresponds to a first wave of redundancies at Ford Genk and its suppliers⁷ and to reductions in workforce at Ford Genk's suppliers due to a reduction of activities at the Ford plant in preparation for its closure.

Enterprise	Number of redundancies:		
	during the reference period	after the reference period	Total
Ford Genk (Ford-Werke GmbH)	246	26	272
BASF Coatings Services NV	1	0	1
Belplas Industries BVBA	0	1	1
FACIL Europe BVBA	9	0	9
Henkel Industrieservice BVBA	7	0	7
IAC Group BVBA	46	4	50
Lear Corporation Belgium CVA	33	5	38
Service Magazijn Limburg NV	73	1	74
Syncreon Genk BVBA	42	3	45
Transport Service NV	0	2	2
Zender Industrie België NV	12	1	13
Total	469	43	512

10. All the redundancies have been calculated from the date of the de facto termination of the contract of employment before its expiry, as laid down in the second indent of the second paragraph of Article 2 of the EGF Regulation ('method 2').
11. The application therefore partly meets the intervention criteria laid down in Article 2(a) of the EGF Regulation, 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.

⁶ 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(2008) 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 (Decision COM(2009) 150 final of 26.3.2009), EGF/2009/013 DE/Karmann (Decision COM(2010) 7 final of 22.1.2010), 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/2012/008 IT/De Tomaso automobili (Decision COM(2013) 469 final of 28.6.2013).

⁷ Voluntary departures as part of the redundancy programme agreed between the social partners.

12. The Belgian authorities argue that exceptional circumstances are applicable because, although, for this first wave of redundancies, the number of redundancies during the reference period is below the threshold of 500 redundancies, two other waves of redundancies are expected to occur in 2014 (approximately 650 redundancies at Ford Genk and its suppliers) and at the closure of the plant at the end of 2014 (approximately 4 000 redundancies at Ford Genk and its suppliers), for which the Belgian authorities may submit EGF applications. As regards this first wave of redundancies, even though the threshold of 500 redundancies is not met, the Belgian authorities have wished to implement specific measures in favour of this first group of redundant workers as rapidly as possible, so as to increase the possibilities for them to find new employment and to give all redundant workers the same opportunity. In total, the number of direct redundancies expected to be caused by the closure of Ford Genk is very high (approximately 4 340 redundancies at Ford Genk and 2 820 redundancies at its suppliers located in the same geographical area). According to analyses referred to by the Belgian authorities⁸, these redundancies will have a serious impact on employment and the local economy.

Explanation of the unforeseen nature of those redundancies

13. The Belgian authorities argue that the closure of the Ford plant in Genk could not have been foreseen. In September 2010, the management of Ford and the trade unions represented at the Ford Genk plant concluded an agreement on investment commitments for the period 2010-2014 in which the management of Ford agreed to maintain the production of three car models (Mondeo, S-Max, Galaxy) in the Genk plant and to assign the production of future models in the same segment to the plant. The management of Ford also agreed to maintain the installed capacity at 225 000 units a year and to ensure that no collective redundancies would occur at Ford Genk throughout the duration of the agreement, in return for which the trade unions agreed to reductions in personnel costs⁹. According to the Belgian authorities, in September 2012, the management of Ford denied allegations concerning the closure of the plant and confirmed the planned production of the next-generation Mondeo model at the Genk plant as from October 2013. However, in October 2012, Ford announced its plan to close the Genk plant at the end of 2014 and to assign the production of new car models to other plants in the EU¹⁰.

Identification of the targeted workers

14. The Belgian authorities estimate that 479 of the 512 workers made redundant during this first wave of redundancies (i.e. the targeted workers) will participate in the measures to be cofinanced by the EGF¹¹.

⁸ See paragraphs 0-26.

⁹ See press announcement available at <https://media.ford.com/content/fordmedia/fna/us/en/news/2010/11/30/ford-genk-agreement-shows-confidence-and-commitment-to-flanders-.html>.

¹⁰ See press announcement available at <https://media.ford.com/content/fordmedia/fna/us/en/news/2012/10/24/ford-plans-to-restructure-european-manufacturing-operations.html>.

¹¹ In accordance with Article 3a(b) of the EGF Regulation, in cases where an application under Article 2(c) of the EGF Regulation derogates from the criteria set out in Article 2(a) thereof, workers made redundant after the reference period can be included in the group of eligible workers, provided that the redundancies occurred after the general announcement of the projected redundancies and a clear causal link can be established with the event which triggered the redundancies during the reference period. As these conditions are met, the 43 workers made redundant after the reference period can therefore benefit from the measures to be cofinanced by the EGF.

15. The breakdown of targeted workers by sex, nationality and age group is as follows:

Category		Number of targeted workers
Sex:	Men:	401
	Women:	78
Nationality:	EU nationals:	479
	Non-EU nationals:	0
Age group:	15-24 years old:	3
	25-54 years old:	470
	55-64 years old:	6
	Over 64 years old:	0

16. Seven of the targeted workers have a longstanding health problem or disability.

17. The breakdown of targeted workers by occupational category¹² is as follows:

ISCO-08 major group	Number of targeted workers
1 Managers	0
2 Professionals	39
3 Technicians and associate professionals	59
4 Clerical support workers	3
5 Service and sales workers	0
7 Craft and related trades workers	39
8 Plant and machine operators and assemblers	253
9 Elementary occupations	4
Unknown / not available	82

18. 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

19. The redundancies at Ford Genk and its suppliers primarily affect the province of Limburg, in the Flemish Region, in northeast Belgium. The province of Limburg is a former coal-mining area in which employment is strongly dependant on traditional industry. According to the Belgian authorities, in comparison to the Flemish average, the province of Limburg is characterised by a high level of unemployment, by lower qualification levels and skills levels, and by a less developed supply of education services. In addition, enterprises in the province of Limburg appear to be generally less innovative and to have a lower degree of internationalisation compared to the Flemish average (in terms of share of exports and level of inward foreign investments) and the number of start-up enterprises is also relatively low. According to the Belgian authorities, the province of Limburg is also relatively poorly accessible due to weak infrastructural development.
20. The authority responsible for the EGF application is the European Social Fund (ESF) Agency Flanders. The main bodies responsible for implementing the measures cofinanced by the EGF are the Flemish Service for Employment and Vocational Training (VDAB) and the National Employment Office (RVA).

¹² Major groups of the international standard classification of occupations (ISCO-08).

21. Other organisations involved in the general coordination and implementation of the proposed measures include:
- the Flemish Government (Minister-President, Minister for Work);
 - the Province of Limburg;
 - trade unions (ABVV, ACV, ACLVB);
 - the Regional Socioeconomic Consultation Committee (RESOC) and the Socioeconomic Council of the Limburg Region (SERR Limburg);
 - the Employment and Training Fund for the Limburg Metalworking Industry (FTML) and the Limburg Institute for the Training of Employees in the Metalworking Industry (LIMOB);
 - the ‘New Entrepreneurial Limburg’ platform (which brings together the Federation of Industrial Technology, the Flemish Farmers’ Union, the Limburg Builders’ Confederation, the Flemish Union of Self-Employed Employers – Limburg, the League of Christian Employers – Limburg, and the Flemish Chamber of Commerce and Industry – Limburg).
22. The Flemish Government has also established a specific taskforce which brings together all relevant stakeholders (social partners, employer groups, local and regional authorities, sectoral associations, etc.). The Commission’s services have been associated in the work of the taskforce.

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

23. Ford Genk has been the largest employer in the province of Limburg, representing 1.7 % of the total number of persons employed. It also accounted for 10 % of the total turnover of the 500 largest enterprises in Limburg.
24. According to a study referred to by the Belgian authorities¹³, for every 100 jobs expected to be lost at Ford Genk, there would be 65 jobs lost at its direct and indirect suppliers in Limburg and an additional 72 jobs lost at its suppliers located elsewhere in the Flemish Region. In terms of the number of persons employed, as shown in the table below, this would mean that the 4 340 direct jobs expected to be lost as a result of the closure of the Ford Genk plant would be accompanied by an additional loss of approximately 2 820 jobs at suppliers located in Limburg and 3 110 jobs at suppliers located elsewhere in the Flemish Region, bringing the total number of jobs losses in the Flemish Region to approximately 10 270 (job multiplier of 2.4). In addition, the reduction in purchasing power (consumption expenditure) is expected to lead to a loss of approximately 1 040 jobs in Limburg and 450 jobs in the rest of the Flemish Region, bringing the total number of jobs losses in the Flemish Region to approximately 11 760 (job multiplier of 2.7).

Type of effect on employment	Estimated number of job losses
Direct job losses (at Ford Genk)	4 340
Indirect job losses (at suppliers in Limburg)	2 820
Indirect job losses (at suppliers in the rest of the Flemish Region)	3 110
Induced job losses (in Limburg)	1 040

¹³ Peeters, L., Vancauteran, M., ‘Studie van de economische impact van de sluiting van Ford Genk’, Universiteit Hasselt, November 2013, available at <http://www.uhasselt.be/documents/kizok/impactstudie.pdf>.

Induced job losses (in the rest of the Flemish Region)	450
Total	11 760

25. As a whole therefore, approximately 8 200 jobs could be lost in the province of Limburg, which could lead to an increase of the unemployment rate in Limburg of between 1.8 and 2 percentage points (i.e. an increase of between 26.5 % to 29.4 % in the regional unemployment rate, from 6.8 % to 7.9 %, only for direct job losses at Ford Genk, or 8.6 % including indirect job losses at its suppliers, or 8.8 % including induced job losses).
26. More generally, the closure of Ford Genk is also expected to lead to a reduction in economic welfare of between 2.6 % and 2.9 % (due to reductions in output and purchasing power), and to a reduction of 10.9 % in labour productivity growth (in terms of value added).

Personalised services to be funded and breakdown of estimated costs

27. Only some of the measures which form part of the actions to be implemented by the Belgian authorities to support the workers made redundant due to the closure of the Ford Genk plant will be cofinanced by the EGF. Measures which are mandatory under collective redundancies procedures in Belgium¹⁴, as well as supplementary measures which are financed by other means than the EGF¹⁵, are therefore not included in this EGF application. The overall set of measures (mandatory measures, supplementary measures, EGF measures) is managed by VDAB.
28. The personalised services provided to the workers made redundant as part of the actions which will be cofinanced by the EGF for the first wave of redundancies¹⁶ consist of the following measures (grouped by category):
- (1) Job-search assistance:
- *Key Account Manager*: As part of the ‘Jobs voor Limburg’ initiative, an Account Manager in VDAB will ensure the coordination of job offers received from enterprises that have expressed an interest in recruiting workers made redundant by Ford Genk or its suppliers, and will develop initiatives to support this activity (e.g. managing the dedicated email contact service).
 - *Social Intervention Advisor (SIA)*: Social Intervention Advisors in VDAB will provide the following activities to all targeted workers: (i) information session before the dismissal (initial assistance provided by the Employment Units, completion of a basic administrative file as pre-registration for the

¹⁴ As part of the legal obligations for employers that carry out collective redundancies, Ford Genk and its suppliers have each had to set up an Employment Unit (*tewerkstellingscel*) which will provide outplacement services to the workers made redundant (job-search assistance and careers advice, activation allowance equivalent to three or six months’ wages, reduction of social security contributions for the worker and the employer if the worker finds a job with a new employer, partial reimbursement of outplacement costs for the dismissing employer). The Employment Units bring together the employer and the relevant trade unions; their activities are implemented by VDAB (certain activities are outsourced to outplacement agencies).

¹⁵ These measures include the setting-up and management of the ‘Werkpuntlimburg’ website (<http://herstructureringenlimburg.vdab.be>), the organisation of job fairs, training with mixed financing (VDAB / Province of Limburg), training courses in cooperation with sectoral training funds (e.g. FTML, LIMOB), a set of specific measures for young people, and support for entrepreneurship and setting-up own businesses.

¹⁶ Only the costs of the measures which concern the first wave of redundancies (479 targeted workers) have been included in this EGF application. Workers affected in the following waves of redundancies may be included in possible subsequent EGF applications.

unemployment system, information on rights and obligations under the general measures within the redundancy programme, outplacement guidance, etc.); (ii) information session after the dismissal (organised with RVA) on rights and obligations as a jobseeker, unemployment benefits, available help and support services, training opportunities, etc.; (iii) individual interviews with workers made redundant and presentation of VDAB services according to the needs of each worker; (iv) helpdesk function.

- *Information on vocational education and training options*: Potential employers will provide group information sessions at the workplace (Ford Genk plant, before or after the shifts) to all targeted workers; short-term internships took place at rail network operator Infrabel between July 2013 and autumn 2013 (80 targeted workers).
- *Active job-oriented guidance*: VDAB staff will provide the following services to approximately 150 targeted workers: (i) search for job offers; (ii) contacts with potential employers; (iii) organisation of enterprise visits; (iv) development of other promotion measures; (v) individualised guidance to persons who find a job (three months).

(2) Training and re-training:

- *Vocational training courses*: VDAB will provide vocational training courses in areas which correspond to the needs of the targeted workers, as identified during information, vocational guidance and counselling activity. The training courses will either be provided in-house by VDAB or will be outsourced to external training providers through a tendering procedure. The vocational training courses will be provided to approximately 100 to 110 targeted workers. In addition, approximately 30 targeted workers will participate in internships of between a few days to a few weeks; each internship will be monitored by a mentor at the enterprise where the internships is carried out and will be followed-up by a coach from VDAB or the external provider.
- *Employment through individual vocational training*: As part of a general scheme managed by VDAB ('individuele beroepsopleiding' – IBO), enterprises will provide individual workplace training courses of between one to six months (carried out by or under the supervision of a mentor) to approximately 75 targeted workers. At the end of the workplace training course, the enterprise must offer a fixed-term or indefinite employment contract to the participant in the course.
- *Application training*: External contractors will provide training on job search skills to approximately 75 targeted workers in the form of collective workshops (group exercises, simulations, etc.) with special attention to groups such as non-native Dutch speakers or older jobseekers; job applications will be followed-up by a coach.

29. These measures constitute active labour market measures within the eligible actions defined by Article 3 of the EGF Regulation.
30. The total costs of the measures are estimated at EUR 1 141 890, which includes expenditure for personalised services of EUR 1 085 890 and expenditure for implementing the EGF (preparatory activities, management, information and publicity, and control activities) of EUR 56 000 (4.9 % of total costs). The total financial contribution requested from the EGF is EUR 570 945 (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) Job-search assistance:			
– Key Account Manager	479	47	22 400
– Social Intervention Advisor (SIA)	479	184	88 000
– Information on vocational education and training options	479	4	1 900
– Active job-oriented guidance	150	1 000	150 000
(2) Training and re-training:			
– Vocational training courses	30-110	N/A	718 094
– Employment through individual vocational training	75	470	35 272
– Application training	75	936	70 224
Subtotal:	–	–	1 085 890
Expenditure for implementing the EGF:			
1. Preparatory activities	–	–	0
2. Management	–	–	40 000
3. Information and publicity	–	–	6 000
4. Control activities	–	–	10 000
Subtotal:	–	–	56 000
Total costs:	–	–	1 141 890
EGF contribution (50 % of total costs)	–	–	570 945

* Rounded figures.

31. 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

32. The Belgian authorities started to provide the personalised services to the targeted workers on 1 July 2013. Expenditure on these measures is therefore eligible for a financial contribution from the EGF from that date.

Procedures for consulting the social partners

33. VDAB has informed the social partners represented in SERR Limburg about the objectives and proposed measures of the EGF application. Representatives of each social partner represented in SERR Limburg participate in a Monitoring Committee specifically set up for the EGF application. In addition, the EGF application has been discussed with the social partners as part of the regular reporting on the implementation of the Limburg Strategic Action Plan ('Strategisch Actieplan Limburg in het Kwadraat' – SALK) which was set up to address the regional impact of the closure of the Ford Genk plant.
34. The Belgian authorities have 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

35. 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 agreements;
- 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 instruments.

Management and control systems

36. The application contains a detailed description of the management and control system which specifies the responsibilities of the bodies involved. 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 Flanders will act as managing authority and another separate entity within the ESF Agency Flanders will act as certifying authority.

Financing

37. Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020¹⁷ 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.
38. Considering the maximum possible amount of a financial contribution from the EGF and the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of the requested contribution (EUR 570 945), which represents 50 % of the total costs of the measures.
39. 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 management¹⁸.
40. The Commission presents separately a transfer request in order to enter in the 2014 budget specific commitment appropriations, as required under point 13 of the Interinstitutional Agreement of 2 December 2013.

Source of payment appropriations

41. Appropriations allocated to the EGF budget line in the 2014 budget will be used to cover the amount of EUR 570 945.

¹⁷ OJ L 347, 20.12.2013, p. 884.

¹⁸ OJ C 373, 20.12.2013, p. 1.

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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/2013/012 BE/Ford Genk 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 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 management¹⁹, and in particular point 13 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 Fund²⁰, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission²¹,

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 2014-2020²².
- (3) Belgium submitted an application to mobilise the EGF, in respect of redundancies in the enterprise Ford-Werke GmbH and 10 suppliers, on 23 December 2013 and supplemented it by additional information up to 12 June 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 570 945.
- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution for the application submitted by Belgium,

¹⁹ OJ C 373, 20.12.2013, p. 1.

²⁰ OJ L 406, 30.12.2006, p. 1.

²¹ OJ C [...], [...], p. [...].

²² 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 2014, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 570 945 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