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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/2009/026 NL/Noord Holland and Utrecht Division 18 from the Netherlands)

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) 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 30 December 2009, the Netherlands submitted application EGF/2009/026 NL/Noord Holland and Utrecht Division 18, for a financial contribution from the EGF, following redundancies in 79 enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media)³ in the two contiguous NUTS II regions Noord Holland (NL32) and Utrecht (NL31) in the Netherlands.

This application is part of a package of six interrelated applications, all of which concern redundancies in eight different NUTS II regions in the Netherlands in enterprises operating in the graphics sector, the activities of which are classified under two different NACE Revision 2 Divisions, namely Division 18 (printing and reproduction of recorded media) and Division 58 (publishing activities).

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/2009/026
Member State	Netherlands
Article 2	(b)
Enterprises concerned	79
NUTS II regions	Noord Holland (NL32) and Utrecht (NL31)
NACE Revision 2 Division	18 (printing and reproduction of recorded media)
Reference period	1/4/2009 to 29/12/2009
Starting date for the personalised services	1/4/2009
Application date	30/12/2009
Redundancies during the reference period:	720
Redundant workers targeted for support	720

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406 of 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 of 30.12.2006, p. 1).

Personalised services: budget in EUR	3 347 631
Expenditure for implementing EGF ⁴ : budget in EUR	139 485
% expenditure for implementing EGF	4,2 %
Total budget in EUR	3 487 116
EGF contribution EUR (65 %)	2 266 625

1. The application was presented to the Commission on 30 December 2009 and supplemented by additional information up to 6 May 2010.
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 the global financial and economic crisis, the Netherlands argues that the economic crisis resulted in a substantial decrease in demand for the printing and publishing sector. The orders from other economic sectors for printed advertising material, which represents 35 % of the total turnover of the printing and publishing sector, decreased by 5,6 % between 2008 and 2009 due to the reduction of budgets for media and advertising activities induced by the economic crisis. The application cites several examples. In the construction industry, the budget for information and publicity was cut by 36,8 % following the start of the crisis, in the financial sector by 33,3 % and in consumer electronics by 30,6 %. In addition, the economic crisis negatively affected demand for various types of printed media material: in the first six months of 2009, demand for popular magazines decreased by 18,2 %, for newspapers by 7,5 %, for commercial newspapers distributed free of charge by 16,4 % and for professional magazines by 16,5 % compared to the same period in 2008.

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

4. The Netherlands 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.
5. The application cites 720 redundancies in 79 enterprises operating in the same NACE Revision 2 Division during the nine-month reference period from 1 April 2009 to 29 December 2009 all located in the contiguous NUTS II regions Noord Holland (NL32) and Utrecht (NL31). Sixty-two redundancies were calculated in accordance with the first indent and 658 redundancies in accordance with the second indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

Explanation of the unforeseen nature of those redundancies

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

6. The Dutch authorities argue that the financial and economic crisis and its impact on the sector could not be foreseen. The application states that before the crisis the printing and publishing industry in the Netherlands went through an expensive restructuring process in order to remain technically competitive with enterprises from outside the EU, in particular in Turkey, China and India. The sector was transformed from a demand driven to a supply oriented industry. The current crisis bears the risk of cancelling out the benefits of the heavy investments and efforts made by the sector.

Identification of the dismissing enterprises and workers targeted for assistance

7. The application cites a total of 720 redundancies, all of whom are targeted for assistance in the following 79 enterprises:

Enterprises and number of dismissals			
Boom & Van Ketel Grafimedia BV, Haarlem	7	Van Tongeren BV, Haarlem	5
Cards & Cards, Haarlem	2	Avd Internet Services BV, Heemskerk	1
Crown Specilaity Packaging BV, Hoorn	10	Beijlsmit Prepress BV, Purmerend	3
Drij Keizer en Van Straten, Edam	1	Beijlsmit Prepress BV, Purmerend	2
Drukkerij Brummelkamp BV, Hoofddorp	3	Boekbinderij Meeuwis & Zn BV, Amsterdam Zuidoost	1
Drukkerij Dijkman BV, Diemen	14	Drukgoed BV, Amsterdam	2
Drukkerij Excelsior Haarlem BV, Haarlem	6	Drukkerij Kwak & Vandaalen & Ronda, Zaandam	1
Drukkerij Mart SpruijtBV, Amsterdam	5	Jurriaans Lindebaum Grafimedia BV, Amsterdam Zuidoost	7
Drukkerij Stuba, Wormerveer	2	Megaset design BV, Aalsmeer	9
Grafinoord BV, Krommenie	6	Multicopy H. Ambachtsheer BV, Hilversum	2
Grafisch Centrum Cornegge BV, Velsbroek	3	Noordhoek Offset BV, Aalsmeer	1
Offsetkopie BV, Hoofddorp	1	Pantheon Drukkers, Velsen-Noord	1
P. Vlaar & Zonen BV, Krommenie	8	Point Seven BV, Nieuw-Vennep	12
Projectcolor BV, Hoofddorp	2	Printshop De Koog BV, Purmerend	1
Safe Print BV, Heerhugowaard	1	Rosier Grafimedia BV, Grootebroek	1
Speciaal Etserij Schuts BV, Amsterdam	4	Central Station BV Thieme Groep, Amersfoort	6
Stadsdrukkerij Amsterdam, Amsterdam	11	Drukkerij & Uitg. G. van Dijk BV, Breukelen	6
Drukkerij Uitg. Idema BV, Medemblik,	4	Drukkerij De Bunschoter BV, Bunschoten	1
Renro Brinckman BV, Uithoorn	1	Drukkerij Grammé, Amersfort	1
Drukkerij Moria BV, Hilversum	2	Drukkeij Wilco BV, Amersfoort	10
Thieme Amsterdam, Amsterdam	1	Leeuw Industrie + Diensten BV, IJsselstein	7
Thieme Print 4U Amsterdam, Amsterdam	9	PC IJsselstein BV Thieme Groep, IJsselstein	4
Area 48 B.V.I.O, Amsterdam	1	Pfaff grafische Bindwerken, Woerden	4
Drukkerij De Beste V.O.F, Amsterdam	3	Roto Smeets groep, Utrecht	234
Drukkerij Koenders & Van Steyn BV, Badhoevedorp	10	Zeefdruk-Reclame Kunder, Twello	1
Drukkeij Over de Linden/Posthuma BV, Enkhuizen	24	Drukkerij Cunera BV, Rhenen	2

Enterprises and number of dismissals			
Drukkerij Van Den Bogaard Uitgeest BV, Uitgeest	7	Verweij Communicasa Groep BV, Mijdrecht	21
Drukkeij Fokker BV, Amsterdam	4	Wifac BV, Mijdrecht	16
DSB Bank N.V, Wognum	1	Drukkerij USP BV, Utrecht	7
Hollandia Media Groep BV, Heerhugowaard	6	Drukkerij Jansen & Van Driel, Groenekan	6
Hollandia Media Productions BV, Heerhugowaard	7	Flexpoint BV H/O-Oosterbeek Sport & Prijzen, Bunschoten-Spakenburg	1
Hollandia Print services BV, Heerhugowaard	5	Peha label BV, Houten	24
Hollandia Printing BV, Heerhugowaard	76	Repro Lageweide BVIO, Utrecht	5
Markus CTP BV, Amsterdam	5	Alrec Sign en Display BV, Mijdrecht	10
Multiforms BV, Heerhugowaard	1	De Heer J H Riepe H/O De Eeemdal, Soest	1
NB De Burght Zeefdrukkers BV, Zwanenburg	5	Handelonderneming en Binderij De L, Utrecht	1
Printing & Advertising Heerhugowaard BV, Heerhugowaard	5	Libertas grafische Communicatie BV, Bunnik	3
Rotatiedrukkerij Voorburgwal BV, Amsterdam	5	Lsc Litho Service Combinatie BV, Amersfoort	1
T & M Designgroup BV, Hilversum	9	Drukkerij Zaandam (Thiemegroep), Utrecht	10
VOF Perspective, Grootebroek	12		
Total enterprises: 79		Total dismissals: 720	

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

Category	Number	Percent
Men	468	65
Women	252	35
EU citizens	677	94
Non EU citizens	43	6
15 to 24 years old	130	18
25 to 54 years old	396	55
55 to 64 years old	180	25
Over 65 years old	14	2

There are 29 workers (4 %) with a longstanding health problem or disability included in the categories above.

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

Category	Number	Percent
Manager	50	7
Professional	144	20
Technicians	151	21
Clerical support workers	86	12
Service and sales workers	86	12
Plant and machine operators and assemblers	202	28

10. In accordance with Article 7 of the Regulation (EC) No 1927/2006, the Netherlands 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

11. The territory concerned covers the provinces Noord Holland and Utrecht. Both provinces belong to the Randstad, the most densely populated area in the Netherlands. Noord Holland is already concerned by the redundancies covered by application EGF/2009/024 NL/Division 58 Noord Holland and Zuid Holland, which relates to the publishing activities (NACE Revision 2 Division 58) of the graphics industry.
12. The main authorities concerned are the Ministry for Social Affairs and the Training Fund for the graphics and media sector (A&O Fonds Grafimedia) by order of the Council for consultation in the graphics and media sector. Other relevant stakeholders are the Institute for creative industry (GOC), the public organisation responsible for allowances (UWV werkbedrijf), UWV mobility centres Amsterdam, Zaanstreek, Utrecht/Flevoland, the organisation for SME's (MKB-ondernemingen), the municipalities Amsterdam, Utrecht, service point Grafimedia, and the social partner organisations: FNV Kiem (trade union), CNV Media (trade union), KVGGO (employers organisation) for the district Amsterdam, Groot-Noord Holland, NUV (employers organisation).

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

13. The Dutch authorities argue that the redundancies in the graphics sector will aggravate the unemployment situation, which has already deteriorated as a result of the economic and financial crisis. In the province of Noord Holland, which is also affected by the redundancies covered by application EGF/2009/024 NL/Division 58 Noord Holland and Zuid Holland, the unemployment rate increased from 5,7 % in October 2008 to 6,5 % in October 2009. For Utrecht this rate increased from 3,8 % to 4,7 % for the same period. The number of people searching for a job increased by 10,1 % between February 2009 and February 2010 in Noord Holland, for Utrecht the increase was 16,3 % for the same period. The applicant further refers to the fact that in the graphics sector there is a relatively high proportion of workers in the older age groups where unemployment is very high in the two provinces under consideration.

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

14. The following types of measures are proposed, all of which combine to form a coordinated package of personalised services aimed at re-integrating the workers into the labour market. They will be offered to the dismissed workers through a mobility centre, called C3: Centre Creative Careers (Centrum Creatieve Carrières).

Preparatory activities

- Intake and registration: covers an initial interview in order to register the dismissed worker and to identify the most suitable types of measures.
- Information and helpdesk: relates to collective meetings and a helpdesk function to provide information to the dismissed workers about the available measures.

Accompaniment

- Job to job accompaniment: covers an individualised programme including screening, the establishment of a career and vocational action plan and short time mentoring at the new workplace.
- Outplacement: seeks to give active support to dismissed workers in their exploration of new job opportunities.
- Application training: covers the analysis of available job vacancies, support for the drafting of a CV and an application letter and preparation for job interviews.
- Accompaniment towards business creation: seeks to assist dismissed workers who envisage creating their own business. This covers the provision of legal advice, assistance for the elaboration of a business plan, support on administrative requirements.

Training

- Training and re-training: covers vocational training, management and social skills training and specific technical re-training for workers whose technical training has become obsolete.
- Recognition of prior experience: covers the evaluation of prior knowledge and experience of each individual worker as well as the identification of areas where further training is required.

15. The expenditure for implementing 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.

16. The personalised services presented by the Dutch authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Dutch authorities estimate the total costs of these services at EUR 3 347 631,49 and the expenditure for implementing EGF at EUR 139 484,65 (=4 % of the total amount). The total contribution requested from the EGF is EUR 2 266 625 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national cofinancing) (in EUR) *
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
1. Preparatory activities			
1.1. Intake and registration (<i>intake en registratie</i>)	720	196,12	141 209,17
1.2. Information and helpdesk (<i>voorlichting en helpdesk</i>)	720	87,17	62 759,63

2. Accompaniment			
2.1. Job to job accompaniment (<i>werk naar werk begeleiding</i>)	252	3 793,98	956 082,44
2.2. Outplacement	203	4 538,20	921 254,39
2.3. Application training (<i>solicitatietraining</i>)	216	1 437,19	310 432,42
2.4. Accompaniment towards business creation (<i>begeleiding eigen onderneming</i>)	36	5 348,25	192 537,14
3. Training			
3.1. Training and retraining (<i>opleiding en omscholing</i>)	225	2 527,81	568 756,28
3.2. Recognition of prior experience (<i>erkenning verworven competenties</i>)	69	2 820,29	194 600,02
Sub total personalised services			3 347 631,49
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Management			34 871,16
Information and publicity			34 871,16
Control activities			69 742,32
Sub total expenditure for implementing EGF			139 484,65
Total estimated costs			3 487 116,00
EGF contribution (65 % of total costs)			2 266 625

* Totals do not tally due to rounding.

17. The Netherlands confirms that the measures described above are complementary with actions funded by the Structural Funds, in particular with a number of ESF training projects for workers in the graphics sector, the timing of which coincides with the EGF implementation period. 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

18. The Netherlands started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 1 April 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

19. The social partners were consulted through the Foundation Labour Market and Training Fund for the graphics and media sector (Arbeids & Opleidingsfonds Grafimedia branche), which in the light of the crisis agreed on the creation of a mobility centre for the sector named C3 (Centrum Creatieve Carrières). The aim of this mobility centre is to coordinate the various active labour market measures in consultation with the social partners.
20. The Dutch authorities confirmed that the requirements laid down in national and Community legislation concerning collective redundancies have been complied with.

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

21. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Dutch 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 Community financial instruments.

Management and control systems

22. The Netherlands has notified the Commission that the financial contribution will be managed and controlled by the same bodies that manage and control the European Social Fund (ESF) funding in the Netherlands. The Agency for Social Affairs and Employment (Agentschap SZW) will be the intermediate body for the managing authority.

Financing

23. On the basis of the application from the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 2 266 625, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by the Netherlands.
24. 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.

25. 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.
26. 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.
27. 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

28. In the current state of implementation, it is foreseeable that the payment appropriations available in 2010 under the budget line 01.0404 "Competitiveness and Innovation Framework Programme - Entrepreneurship and innovation programme" will not be fully used this year.
29. This line covers expenditure related to the implementation of the financial instrument of this programme, the main objective of which is to facilitate the access of SMEs to finance. Some time lag exists between transfers to the trust accounts managed by the European Investment Fund and disbursement to the beneficiaries. The financial crisis has a major effect on the forecasts in terms of disbursements for 2010. As a result, in order to avoid excessive balances on the trust accounts, the methodology for calculation of payment appropriations has been reviewed, taking into account the expected disbursements. The amount of EUR 2 266 625 can therefore be made available for transfer.

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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 management⁵, 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 Fund⁶, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission⁷,

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) The Netherlands submitted an application to mobilise the EGF, in respect of redundancies in 79 enterprises operating in NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the two contiguous NUTS II regions Noord Holland (NL32) and Utrecht (NL31) on 30 December 2009 and supplemented it by additional information up to 6 May 2010. This application complies with the

⁵ OJ C 139, 14.6.2006, p. 1.

⁶ OJ L 406, 30.12.2006, p. 1.

⁷ OJ C [...], [...], p. [...].

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 2 266 625.

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

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 2 266 625 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
The President

For the Council
The President