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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/2009/029 NL/Gelderland and Overijssel 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/2009/029 NL/Gelderland and Overijssel Division 18, for a financial contribution from the EGF, following redundancies in 45 enterprises operating in the NACE Revision 2 Division 18 (printing and reproduction of recorded media)³ in the two contiguous NUTS II regions Gelderland (NL22) and Overijssel (NL21) 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/2009/029
Member State	Netherlands
Article 2	(b)
Enterprises concerned	45
NUTS II regions	Gelderland (NL22) and Overijssel (NL21)
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:	650
Redundant workers targeted for support	650

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	2 973 960
Expenditure for implementing EGF ⁴ : budget in EUR	123 915
% expenditure for implementing EGF	4 %
Total budget in EUR	3 097 875
EGF contribution EUR (65 %)	2 013 619

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 650 redundancies in 45 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 Gelderland (NL22) and Overijssel (NL21). Ninety-three redundancies were calculated in accordance with the first indent, 556 redundancies in accordance with the second indent and one redundancy in accordance with the third 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 in 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 650 redundancies, all of whom are targeted for assistance in the following 45 enterprises:

Enterprises and number of dismissals			
Callenbach Van Wijk Boekbinder, Nijkerk	13	Linde Vouwkartonnage BV, Denekamp	2
Grafisch Bedrijf Bokhorst BV, Nunspeet	4	Lulof Druktechniek BV, Almelo	4
Grafische Service Doetinchem Bv, Doetinchem	2	Thieme Medical CT BV, Deventer	7
Meerpaal grafimedia BV, Tiel	8	Boekbinderij Gebr. G1A Kroeze BV, Almelo	9
Offsetdrukkerij De Rijn BV, Velp	2	Digi-Graphic BV, Enschede	3
Ratio grafisch Totaal, Doetinchem	3	Drukkeij Hoekman Genemuiden Bv, Genemuiden	24
Wegener, Apeldoorn	94	Drukkerij Hoekman Rijssen BV, Rijssen	8
TMC Nijmegen Thieme Groep, Nijmegen	52	Drukkerij Hooiberg BV, Deventer	58
Flevodruk BV, Harderwijk	21	Drukkerij Verhaag BV, Enschede	28
JP Tamminga Bv, Duiven	49	Grafische afwerking/ De Vaardige Handen BV, Enschede	9
Koninklijke drukkerij/ GJ Thieme BV, Nijmegen	56	Hoekman Centrale Diensten BV, Genemuiden	6
Unoprint BV, Elst GLD	2	Hoekman Grafimedia BV, Zwolle	13
Boekbinderij Van Den Burg BV, Weurt	7	Hoekman Verkoop BV, Zwolle	4
Drukkerij Robbine BV, Twello	1	Pre Press Service BV, Oldenzaal	3
Dukenburg Foliedruk BV, Nijmegen	4	SCA Oldemarkt BV, Oldemarkt	72
Grafisch Bedrijf Outhuis & Kem, Velp GLD	2	Zesvoud Computerformulieren H/O 6-Voud Label+, Enschede	31
Intermec Label Products BV, Nijmegen	3	Boekbinderij Beelen BV, Zutphen	1
VDA Beheer BV, Apeldoorn	1	De Heer F Veldman H/O Drukkerij, Ijsselmuiden	6
Van Der weerd Drukwerkfabriek, Oosterhout	6	Digi-Graphic BV, Enschede	6
Van Der Wiel 1 Rosmalen Drukkerij, Arnhem	3	Drukkerij Coenradi BV, Zwolle	1
Verenigde Drukkerijen Apeldoorn, Apeldorn	4	Grafische Afwerking/De Vaardig, Enschede	10
Nimax BV, Elst Gld	1	Hendriks Grafische Vormgeving	1
Kon. Wohnmann BV, Zutphen	6		
Total enterprises: 45		Total dismissals: 650	

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

Category	Number	Percent
Men	423	65
Women	227	35
EU citizens	611	94
Non EU citizens	39	6
15 to 24 years old	117	18
25 to 54 years old	357	55
54 to 64 years old	163	25
Over 65 years old	13	2

There are 26 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	46	7
Professional	130	20
Technicians	136	21
Clerical support workers	78	12
Service and sales workers	78	12
Plant and machine operators and assemblers	182	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 of Gelderland and Overijssel.
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 Rivierenland, Arnhem, Achterhoek, Overijssel-Noord, Twente, the organisation for SMEs (MKB-ondernemingen), the regional training centres Arnhem, Aventus, Nijmegen, Twente, Deltioncollege and the social partner organisations: FNV Kiem (trade union), CNV Media (trade union), KVGO (employers' organisation) for the district Utrecht/Gelderland, 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 Gelderland, the unemployment rate increased from 4,9 % in October 2008 to 5,9 % in October 2009. For Overijssel this rate increased from 5,3 % to 6,8 % for the same period. The number of people searching for a job increased by 16,8 % between February 2009 and February 2010 in Gelderland, for Overijssel this increase was 22,6 % 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 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 2 973 960,42 and the expenditure for implementing EGF at EUR 123 915,02 (=4 % of the total amount). The total contribution requested from the EGF is EUR 2 013 619 (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>)	650	196,92	127 998,00
1.2. Information and helpdesk (<i>voorlichting en helpdesk</i>)	650	87,52	56 888,00
2. Accompaniment			
2.1. Job to job accompaniment (<i>werk naar werk begeleiding</i>)	236	3 786,61	893 639,35
2.2. Outplacement	177	4 553,93	806 045,81
2.3. Application training (<i>solicitatietraining</i>)	195	1 443,26	281 436,23
2.4. Accompaniment towards business creation (<i>begeleiding eigen onderneming</i>)	33	5 401,63	178 253,77
3. Training			
3.1. Training and retraining (<i>opleiding en omscholing</i>)	180	2 538,10	456 857,16
3.2. Recognition of prior experience (<i>erkenning verworven competenties</i>)	61	2 833,48	172 842,10
Sub total personalised services			2 973 960,42
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Management			30 978,75
Information and publicity			30 978,75

Control activities			61 957,51
Sub total expenditure for implementing EGF			123 915,02
Total estimated costs			3 097 875
<i>EGF contribution (65 % of total costs)</i>			<i>2 013 619</i>

** 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 2 013 619, 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 2 013 619 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 45 enterprises operating in NACE Revision 2 Division 18 (printing and reproduction of recorded media) in the two contiguous NUTS II regions Gelderland (NL22) and Overijssel (NL21) 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 2 013 619.

- (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 2 013 619 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*