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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/2010/030 NL/Noord-Holland and Flevoland 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) 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 20 December 2010, the Netherlands submitted application EGF/2010/030 NL/Noord-Holland and Flevoland Division 18 for a financial contribution from the EGF, following redundancies in 26 enterprises operating in the NACE Revision 2 Division 18 ('Printing and reproduction of recorded media')³ in the NUTS II regions of Noord-Holland (NL32) and Flevoland (NL23) in the Netherlands.

This application is part of a package of four interrelated applications, all of which concern redundancies in six different NUTS II regions in the Netherlands in enterprises operating in the printing and reproduction of recorded media sector.

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/2010/030
Member State	Netherlands
Article 2	(b)
Enterprises concerned	26
NUTS II regions	Noord-Holland (NL32) Flevoland (NL23)
NACE Revision 2 Division	18 ('Printing and reproduction of recorded media')
Reference period	16.1.2010 – 16.10.2010
Starting date for the personalised services	16.1.2010
Application date	20.12.2010
Redundancies during the reference period	551
Redundant workers targeted for support	551
Expenditure for personalised services (EUR)	2 730 959

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).

Expenditure for implementing EGF ⁴ (EUR)	113 789
Expenditure for implementing EGF (%)	4,0
Total budget (EUR)	2 844 748
EGF contribution (65 %) (EUR)	1 849 086

1. The application was presented to the Commission on 20 December 2010 and supplemented by additional information up to 3 March 2011.
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 graphic media industry. As a consequence the turnover in the graphic industry decreased by 8,6 % in 2009. The orders from other economic sectors for printed advertising material, which represents 35 % of the total turnover of the printing and publishing sector, decreased dramatically 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 33,2 % and in consumer electronics by 30,6 %. In addition, the economic crisis negatively affected demand for various types of printed media material: in 2009, demand for popular magazines decreased by 25,7 %, for newspapers by 24,4 %, for commercial newspapers distributed free of charge by 10,54 % and for professional magazines by 23,4 %.
4. In its assessment on an EGF application related to the same sector and regions⁵, the Commission has already stated the impact of the economic and financial crisis on the enterprises operating in the NACE Revision 2 Division 18 ('Printing and reproduction of recorded media') in the NUTS II region of Noord-Holland.

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

5. 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.

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

⁵ COM(2010)530. Proposal for a Decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund [...] application EGF/2009/026 NL/Noord-Holland and Utrecht Division 18.

6. The application cites 551 redundancies in 26 enterprises operating in the NACE Revision 2 Division 18 ('Printing and reproduction of recorded media')⁶ in the NUTS II regions of Noord-Holland (NL32) and Flevoland (NL23) during the nine-month reference period from 16 January 2010 to 16 October 2010. Three hundred of these redundancies occurred in eight enterprises and were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006. A further 251 redundancies occurred in 18 enterprises and were calculated in accordance with the second indent of the same paragraph.

Explanation of the unforeseen nature of those redundancies

7. The Dutch authorities argue that the financial and economic crisis and its impact on the sector could not have been 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 competitive with enterprises from outside the EU. The sector was transformed from a demand driven to a supply oriented industry which meant a great deal of effort to prepare employees for the new way of working. 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

8. The application relates to 551 redundancies (all of whom are targeted for assistance) in the following 26 enterprises:

Enterprises and number of dismissals			
Kwak, Van Daalen & Ronday te Zaandam	25	Onkenhout Almere	3
AKS Grafische Afwerking & Drukveredeling, Amsterdam	35	Plantijn Casparie Almere	85
Boekbinderij Mirenta BV, Amsterdam	5	Plantijn Casparie Beheer Almere	9
Beursdrukkerij Costra, Diemen	80	Thieme Grafimedia Groep Flevoland	24
Multiscreen Zwanenburg BV, Zwanenburg	7	Grey Amsterdam	1
Noordhoek Offset BV, Aalsmeer	13	Joh. Enschede Amsterdam	2
Rotatiedrukkerij Voorburgwal (TMG) Amsterdam	42	Persgroep Nederland, Amsterdam	1
Thieme Rotatie BV Amsterdam	48	Remmert Dekker, Wormer	1
Thieme Amsterdam BV	70	Sixtyseven BV, Beverwijk	2
Thieme Print 4U Amsterdam	24	Stadtman BV, Hoorn	1
Ten Klei DM, Amsterdam	25	Stolwijk Grafax BV, Diemen	27

⁶ 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).

Enterprises and number of dismissals			
Drukkerij Raat & De Vries, Amsterdam	15	Uitgeverij Buijten & Schipperheijn, Amsterdam	1
Grafisch Bedrijf W&E BV, Almere	4	Indrukwekkend BV, Heiloo	1
Total enterprises: 26		Total dismissals: 551	

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

Category	Number	Percent
Men	358	65,0
Women	193	35,0
EU citizens	518	94,0
Non EU citizens	33	6,0
15-24 years old	99	18,0
25-54 years old	303	55,0
55-64 years old	138	25,0
> 64 years old	11	2,0

10. Of the targeted workers 22 are disabled.

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

Category	Number	Percent
Manager	39	7,1
Professional	110	20,0
Technicians	116	21,1
Clerical support workers	66	12,0
Service and sales workers	66	12,0
Plant and machine operators and assemblers	154	27,9

12. In accordance with Article 7 of 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

13. The territory concerned covers the provinces of Noord-Holland and Flevoland. Noord-Holland is the province situated in the north-western part of the Netherlands. With more than 2,5 million people sharing an area of 2 670 km², Noord-Holland is the country's second most densely populated province. Flevoland, the youngest province of the Netherlands, consists almost entirely of polders. It was created during the last century with the exception of the former islands of Urk and Schokland. Flevoland borders the provinces of Friesland and Overijssel and is connected to Gelderland, Utrecht and Noord-Holland by bridges and dams.

14. The main authorities concerned are the Ministry for Social Affairs and Employment (SZW) and the Training Fund for the graphics and media sector (A&O Fonds Grafimedia) on behalf of Raad for Overleg in de Grafimedia Branche-ROGB (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 centre; ROC van Amsterdam (government vocational training centre at regional level) and the Grafisch Lyceum Rotterdam; the organisation for SMEs (MKB-ondernemingen); the social partner organisations: FNV Kiem (trade union), CNV Media (trade union), Koninklijk Verbond van Grafische Ondernemingen-KVGO (employers' organisation) for the districts Gelderland/Utrecht, Den Haag and Rotterdam; and NUV (employers' organisation).

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

15. The economic situation of both provinces deteriorated in 2009 and its economic growth was negative (-3,9 % in Noord-Holland and -2,8 % in Flevoland) compared with the previous year. Of the almost 2 000 graphic media enterprises in the Netherlands 20 % are located in Noord-Holland and represent 20 % of the jobs in the graphic media sector while in Flevoland there are 51 graphic media enterprises representing 2,3 % of the jobs in the sector. During 2008 and 2009 employment in the graphic media enterprises located in Noord-Holland contracted by 15,5 %. In the neighbouring province of Flevoland the job contraction was 3,2 %. 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. Thus between February 2009 and February 2010 the number of people searching for a job increased by 10,1 % in Noord-Holland and 10,4 % in Flevoland. Furthermore, as there are service companies and suppliers which are extremely dependent on the graphic media industry the risk of bankruptcies is high and could cause further problems in the future, even after the crisis.

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

16. 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 Creative Career Centre (C3).

Preparatory activities

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

Counselling

- Work to work counselling: This job to job accompaniment covers an individualised programme including screening, the establishment of a career and vocational action plan, labour market orientation and initial counselling at the new workplace.

- Outplacement: This seeks to give active support to dismissed workers in their exploration of new job opportunities.
- Job interview training: This covers the analysis of available job vacancies, support for the drafting of a CV and an application letter and preparation for job interviews.
- Guidance for starting one's own company: The 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

- 'Education': This covers vocational training and re-training, management and social skills training and specific technical re-training for workers whose technical training has become obsolete.
 - Recognition of prior experience (APL): This covers the evaluation of prior knowledge and experience of individual workers as well as the identification of areas where further training is required.
17. 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.
 18. 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 2 730 959 and the expenditure for implementing the EGF at EUR 113 789 (4 % of the total amount). The total contribution requested from the EGF is EUR 1 849 086 (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)			
Intake and registration	551	193	106 456
Information and helpdesk	551	86	47 314
Work to work counselling	207	3 606	746 355
Outplacement	165	4 479	738 981
Job interview training	165	1 419	234 203
Guidance for starting one's own company	28	4 578	128 191
Education	231	2 495	576 281
Recognition of prior experience (APL):	55	2 785	153 178
Sub total personalised services			2 730 959
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Management			28 447
Information and publicity			28 447
Control activities			56 895
Sub total expenditure for implementing EGF			113 789
Total estimated costs			2 844 748
EGF contribution (65 % of total costs)			1 849 086

* Totals do not tally due to rounding

19. The Netherlands confirms that the measures described above are complementary with actions funded by the Structural Funds. ESF measures are available only for workers in employment while EGF actions aim to bring back to employment workers already made redundant. 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

20. The Netherlands started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 16 January 2010. 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

21. 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 (Creative Career Centre). The aim of this mobility centre is to coordinate the various active labour market measures in consultation with the social partners.
22. The Dutch 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

23. 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 EU financial instruments.

Management and control systems

24. 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

25. On the basis of the application from the Netherlands, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 1 849 086, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by the Netherlands.
26. 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.

27. 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.
28. 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.
29. The Commission presents separately a transfer request in order to enter in the 2011 budget specific payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

30. An amount of EUR 2 657 165 remains available on the EGF Budget line 04.0501 after adoption by both arms of the Budgetary Authority of three Decisions totalling an amount of EUR 10 371 321, and taking into account the eight cases currently discussed by the Budgetary Authority for a total amount of EUR 34 580 464. This available amount will be used to cover the amount of EUR 1 849 086 needed for the present application.

Proposal for a

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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 management⁷, 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 Fund⁸, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission⁹,

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 26 enterprises operating in the NACE Revision 2 Division 18 ('Printing and reproduction of recorded media') in the NUTS II regions of Noord-

⁷ OJ C 139, 14.6.2006, p. 1.

⁸ OJ L 406, 30.12.2006, p. 1.

⁹ OJ C [...], [...], p. [...].

Holland (NL32) and Flevoland (NL23), on 20 December 2010 and supplemented it by additional information up to 3 March 2011. 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 1 849 086.

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

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2011, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 849 086 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