



EUROPEAN COMMISSION

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Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2010/019 IE/Construction 41 from Ireland)

{SEC(2011) 1146 final}

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 9 June 2010, Ireland submitted application EGF/2010/019 IE/Construction 41 for a financial contribution from the EGF, following redundancies in 1 482 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings')³ in the NUTS II regions of Border, Midlands and Western (IE01) and Southern and Eastern (IE02) in Ireland. These two contiguous regions comprise the entire State of Ireland.

This application is part of a series of three, all concerning the construction sector in Ireland. The other two applications are in support of workers made redundant in NACE Revision 2 Divisions 43 ('Specialised construction activities') and 71 ('Architectural and engineering activities; technical testing and analysis').

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/2010/019 |
| Member State | Ireland |
| Article 2 | (b) |
| Enterprises concerned | 1 482 |
| NUTS II regions | Border, Midlands and Western (IE01) Southern and Eastern (IE02) |
| NACE Revision 2 Division | 41 ('Construction of buildings') |
| Reference period | 1.7.2009 – 31.3.2010 |
| Starting date for the personalised services | 1.7.2009 |
| Application date | 9.6.2010 |
| Redundancies during the reference period | 4 866 |
| Redundant workers targeted for support | 3 205 |
| Expenditure for personalised services (EUR) | 18 245 633,73 |

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) | 1 277 195,15 |
| Expenditure for implementing EGF (%) | 6,5 |
| Total budget (EUR) | 19 522 828,88 |
| EGF contribution (65 %) (EUR) | 12 689 838 |

1. The application was presented to the Commission on 9 June 2010 and supplemented by additional information up to 17 June 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, Ireland argues that the global financial and economic crisis started with the sub-prime mortgage crisis in the United States in mid-2007, with contagion rapidly spreading to the financial markets. As a small export-oriented economy, Ireland suffered from the effects of the credit crunch on its major trading partners, at a time when the world economy was experiencing its worst contraction in the post-war period. The credit crunch severely affected the banks in Ireland, with further effects on mortgage loans and building activity in the country.
4. Employment in the previously fast-growing building sector fell sharply. Ireland had been enjoying a building boom, with the ratio of housing investment to GDP peaking at 11 % of GDP in 2006 compared with a long-run EU housing investment to GDP average of around 6 % of GDP. When the crisis hit, the share of those employed in construction in Ireland dropped from 12,25 % in Q4 / 2007 to 9,2 % in Q1 / 2009 and 6,25 % by Q3 / 2010. Many of the redundancies in the sector were caused by the effective closure of the employing enterprise for reasons cited such as liquidation, receivership, closure, insolvency, end of contract and bankruptcy.
5. Following a decade of low unemployment (4 % - 6 %), the unemployment rate in construction increased over six-fold between Q2 / 2007 and Q2 / 2009. In mid-2009, one in three construction workers were unemployed. This compares to the overall national unemployment rate at that time of 12,4 %. In terms of construction sub-sectors, in Q4 / 2009, the greatest absolute unemployment levels were observed in the construction of buildings (NACE Revision 2 Division 41) and specialised construction (NACE Revision 2 Division 43) subsectors. In Q2 / 2009, unemployment rates in these subsectors was almost 40 %.

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

6. Ireland 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.

7. The application cites 4 866 redundancies in 1 482 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings')⁵ in the NUTS II regions of Border, Midlands and Western (IE01) and Southern and Eastern (IE02) during the nine-month reference period from 1 July 2009 to 31 March 2010. All of these redundancies were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

Explanation of the unforeseen nature of those redundancies

8. The Irish authorities argue that the global financial and economic crisis had been unforeseen by governments, financial institutions and commentators worldwide and the many small and medium-sized enterprises (SMEs) in the construction sector in Ireland could not have foreseen the extent to which the crisis would affect their own businesses.

Identification of the dismissing enterprises and workers targeted for assistance

9. The application relates to 4 866 redundancies in 1 482 enterprises spread throughout the two contiguous regions, which together constitute the whole of the State of Ireland. Almost 80 % of the enterprises are located in the Southern and Eastern region (IE02) while the remaining 20 % are located in the Border, Midlands and Western region (IE01). Of the 4 866 workers made redundant, 3 205 workers are targeted for the measures outlined below.

| Region | Number of enterprises | Number of dismissals |
|-------------------------------------|------------------------------|-----------------------------|
| Border, Midlands and Western (IE01) | 409 | 1 008 |
| Southern and Eastern (IE02) | 1 072 | 3 857 |
| N/A | 1 | 1 |
| Total | 1 482 | 4 866 |

The full list of enterprises mentioned in application EGF/2010/019 IE/Construction 41 from Ireland is attached in the Commission Staff Working Paper accompanying this Proposal.

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

| Category | Number | Percent |
|-----------------|---------------|----------------|
| Men | 2 945 | 91,89 |
| Women | 260 | 8,11 |
| EU citizens | 3 205 | 100,00 |
| Non EU citizens | 0 | 0,00 |
| 15-24 years old | 389 | 12,14 |
| 25-54 years old | 2 345 | 73,17 |
| 55-64 years old | 391 | 12,20 |
| > 64 years old | 80 | 2,50 |

⁵ 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).

11. There are no workers with longstanding health problems or disabilities among this group.
12. In terms of occupational categories, the break-down is as follows:

| Category | Number | Percent |
|---|--------|---------|
| Legislators, senior officials and managers | 225 | 7,02 |
| Professionals | 253 | 7,89 |
| Technicians and associate professionals | 301 | 9,39 |
| Clerks | 76 | 2,37 |
| Service workers and shop and market sales workers | 8 | 0,25 |
| Skilled agricultural and fishery workers | 1 | 0,03 |
| Craft and related trade workers | 889 | 27,74 |
| Plant and machine operators and assemblers | 255 | 7,96 |
| Elementary occupations | 1 052 | 32,82 |
| N/A | 145 | 4,52 |

13. The number of targeted workers within the overall number of workers made redundant may change, depending on the outcome of contacts with individual redundant workers. Within the targeted workers are 669 redundant apprentices, predominantly young males up to the age of 25, who are particularly at risk of falling into medium and even long-term unemployment.
14. In accordance with Article 7 of Regulation (EC) No 1927/2006, Ireland 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

15. The application covers the whole of the State of Ireland, which is organised into two contiguous regions at NUTS II level. Around 80 % of the former employers of the affected population were based in the Southern and Eastern region, in which the two largest cities of Dublin and Cork are located. While this may suggest that the other NUTS II region (Border, Midlands and Western) is less impacted on, short commuting times and distances, preparedness of workers to travel, and greater preponderance of construction projects in urban centres would make it likely that many workers resident in the Border, Midlands and Western region migrate or commute daily to employers based in the Southern and Eastern region for work.
16. Ireland had one of the world's most globalised and dynamic economies with extremely strong external trade and investment links until around 2008. However, from the last quarter of 2008 and the first quarter of 2009, the economic growth rate decelerated considerably, a process which continues even now. With a GDP decline of 3 % in 2008, Ireland was severely affected by the global financial and economic crisis. The entire Irish labour force is undergoing structural change primarily as a result of the collapse of the construction and banking sectors.
17. Employment did, however, increase in 2009 in the ICT sector, with modest increases also recorded in the transport, food and health sectors. In addition, as a result of the

deregulation and the growth of the renewable energy sector, employment increased in the energy sector (gas and electricity).

18. While in general labour supply exceeds demand, some areas of skills shortage exist in a small number of posts but are generally confined to specialists (e.g. electrical engineers with expertise in high voltage grids, senior personnel such as ICT project manager, niche areas (e.g. telesales with fluency in foreign languages) and specific skills mixes (e.g. ICT professionals with business development skills).
19. Responsibility for national employment and training policy formulation and national funding resides with the Department of Education and Skills. Responsibility at operational level lies with the national training and employment authority, Foras Áiseanna Saothair (FÁS). Through a network of 66 offices and 20 training centres, FÁS operates training and employment programmes, including apprenticeships, provides a recruitment service to jobseekers and employers, and an advisory service for industry, and it also supports community-based enterprises.

In addition, the Department of Education and Skills is responsible for policy formulation and funding of the public further and higher education system in Ireland. Operational responsibility for further education resides (at lower educational qualifications level) with the Vocational Education Committees (VECs) in terms of the provision of adult learning. The publicly funded higher education system includes 7 universities and 13 institutes of technology. The Higher Education Authority (HEA), which falls under the remit of the Department, is the funding body for these institutions. The institutes of technology work closely with FÁS in the delivery of apprenticeship training.

20. The 35 City and County Enterprise Boards (CEBs), which come under the remit of the Department of Enterprise, Trade & Innovation, provide support for micro enterprises with 10 employees or fewer at local level.
21. The Department of Social Protection formulates appropriate social protection policies and administers and manages the delivery of statutory and non-statutory schemes and services. It also has a job search and employment support function, including enterprise / start your own business support.
22. Finally, there are a number of private higher education providers in a position to provide educational opportunities for those formerly employed in the construction sector, which may be funded by FÁS through relevant grant systems.
23. Trade unions, sectoral bodies, local political representatives, local and regional development bodies, local area Partnerships and local Enterprise Boards are among the many other stakeholders.

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

24. Following a sharp contraction in construction activity in Ireland in 2008, employment in the construction sector continued to decline in 2009 and 2010. OECD Labour Force Statistics (MEI) statistics show that Ireland suffered a decrease in

employment in the construction industry of 19 % in the period from Q3 / 2009 to Q1 / 2010, the largest decrease in employment in that sector for any OECD country⁶.

25. Overall employment in the construction industry (all NACE Revision 2 Divisions) as a share of all national employment fell from 12,8 % at end Q2 / 2007 to 6,9 % at end Q1 / 2010. NACE Revision 2 Division 41 employment fell by 11 900 (16,6 %) between end Q2 / 2009 and end Q1 / 2010. At the end of Q1 / 2010, the unemployment rate for all workers in the NACE Revision 2 Division 41 was 39,9 %, i.e. more than three times the national unemployment rate of 12,9 %.
26. In recent years, the construction industry has generated in excess of 8 % of GDP, well above the average of 4 to 6 % for OECD countries. The reduction in demand for construction services and consequent redundancies have obvious negative impacts in terms of loss of direct wage income, loss in exchequer receipts through income and corporation taxes, increase in social welfare expenditure on the newly unemployed, reduction in demand for goods and services from suppliers to the industry including the important self-contractor cohort, less investment and / or hiring of new machinery and equipment. In addition, the loss of secondary consumption-related expenditure of former construction workers will have a wider impact on all sectors of the economy.

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

27. Ireland proposes a package of measures in support of the redundant workers that is built around six pillars: Occupational Guidance, Training Programmes and associated training allowances, Redundant Apprentices on- and off-the-job training and supports, Vocational / Second Level education and training programmes and income supports, Enterprise / Self-employment supports, and Third-level education and income supports :
 - Occupational Guidance: This consists of one-to-one occupational counselling and advice for the majority of the redundant workers, leading to an agreed range of steps to be taken towards a return to employment. The steps include not only training, but also support through group guidance, job clubs and education options.
 - Training programmes and associated training allowances: FÁS courses cover a wide range of relevant subjects, including energy conservation, green and sustainable energy technologies and structures, and the management of the environment. A strategy designed to augment the skills and qualifications of unemployed construction workers to enable them to obtain employment in these expanding areas is being pursued. Persons undertaking full time FÁS courses qualify for a training allowance in lieu of social welfare payment. Grant aid for assistance in attending privately provided training or educational courses not delivered by or through the national training agency will also be provided as appropriate. The design of specific internship, work placements and community-

⁶ OECD Labour Force Statistics (MEI), Q1/2010.

oriented training programmes will be a feature of training interventions as appropriate.

- Redundant Apprentice on- and off-the-job training and supports: This is designed to allow the 669 existing apprentices to complete their apprenticeships. The Standards Based Apprenticeship System is based on seven alternating phases of on-the-job (odd-numbered phases) and off-the-job (even-numbered phases) training. This measure will subsidise the employment of redundant apprentices during the required on-the-job phases 3,5 and 7 of apprenticeship, it will provide training and income maintenance to them during phases 2, 4 and 6, and it will provide in-centre training, assessment and income maintenance in partial substitution for the final on-the-job phase 7 of the apprenticeship.
- Vocational / Second Level education and training programmes and income supports: There is a growing recognition that upskilling is key to secure employment in the years ahead. Consequently, unemployed construction workers who, only a few years ago, may not have contemplated returning to education or training, are increasingly coming to realise that they must upskill to improve their chances of employment. It has been established that redundant construction workers, many of whom are highly technically skilled, are realistic about their situation and are open to considering alternative careers outside the construction sector. In doing so, they are aware of gaps in their education and training and welcome guidance about how these gaps might be eliminated. In this context, several options are being proposed, involving the Vocational Education Committees, Post Leaving Certificate courses, Vocational Training Opportunities Schemes, Intensive Tuition in Adult Basic Education, and the Back to Education Initiative. Many of these programmes count towards the award of nationally and internationally recognised certification.
- Enterprise / self-employment supports: Enterprise support bodies such as the City and County Enterprise Boards (CEBs) will promote the array of supports available to redundant workers who are contemplating starting their own businesses through, for example, the holding of information workshops, fairs and roadshows and other promotion related activities. Grant assistance will be offered in cases where business proposals conform with eligibility criteria. Such assistance includes priming and employment grants payable by CEBs to provide newly self-employed persons or small start-up companies with assistance for start-up costs and to recruit employees. The beneficiaries are generally sole traders or micro enterprises with a focus on manufacturing or on internationally traded services. The Department of Social Protection operates a number of schemes designed to provide income support for social welfare recipients to engage in self-employment. These include the Back to Work Enterprise Allowance and Short Term Enterprise Allowance whereby an unemployed person can set up as self-employed in a business that has been approved by a Department job facilitator or a local integrated development company. There is no restriction on the nature of the self-employed business, but it must be considered viable and sustainable by the job facilitator.
- Third Level Educational Programmes and income supports: Thousands of modules and programmes are available within the higher education sector which are relevant to the redundant construction workers, depending on their educational

background and skills levels. Some of these programmes are in the green technology area, which may be particularly relevant for people with a construction background. Considerable emphasis will be placed initially on assessing those considering higher education pathways, their skills sets and suitability to enter particular courses or whether preparatory courses or alternative options in other support areas are more appropriate. The higher education sector is in a position to provide transition programmes, short and medium duration full-time programmes and part-time programmes. All third level colleges provide opportunities for direct entry and advanced entry to programmes based on an individual's prior skills and work experience. In the context of increased flexibility of delivery modes, it is possible for students to take modules or minor awards of a shorter duration, with the option over time to build towards a major qualification. There are also opportunities for holders of craft certificates to gain advanced entry to a number of specific degree level programmes in the Institutes of Technology. However, the finite duration of the EGF implementation period does not generally facilitate the support of a full degree course in its entirety. Various income supports are available to help redundant construction workers to access and participate in third level programmes.

28. The expenditure for implementing the EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers preparatory, management and control activities as well as information and publicity. Since this case covers the whole of the State of Ireland, the Irish authorities have devoted the most significant part of the expenditure to management and oversight, as well as control, including audits. Regarding information and publicity, all measures provided under EGF assistance will be highlighted at national, regional and local levels to ensure that the EGF is attributed with such assistance. This will include publicity materials, logos, letterheads, posters, brochures and media advertisements etc. The Government, primarily through the Department of Education and Skills, and all relevant State agencies and educational institutions, will continue to highlight the assistance of the Community at all appropriate occasions, such as press briefings, parliamentary questions, debates, media events etc.
29. The personalised services presented by the Irish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Irish authorities estimate the total costs of these services at EUR 18 245 633,73 and the expenditure for implementing the EGF at EUR 1 277 195,15 (6,5 % of the total amount). The total contribution requested from the EGF is EUR 12 689 838 (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) | | | |
| Occupational guidance | 2 142 | 104,67 | 224 203,14 |
| Training programmes | 927 | 1 024,52 | 949 730,04 |
| Training allowances | 305 | 5 192,98 | 1 583 858,90 |
| Redundant apprentices training programmes and supports | 1 324 | 7 719,86 | 10 221 094,64 |
| Vocational / Second level educational and training programmes | 757 | 2 922,69 | 2 212 476,33 |
| Vocational / Second level educational and training supports | 89 | 10 941,26 | 973 772,14 |
| Enterprise / self employment creation | 779 | 1 542,63 | 1 201 708,77 |
| Third level educational programmes | 45 | 12 172,04 | 547 741,80 |
| Third level educational supports | 23 | 14 393,39 | 331 047,97 |
| Sub total personalised services | | | 18 245 633,73 |
| Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006) | | | |
| Preparatory activities | | | 116 097,04 |
| Management | | | 667 589,90 |
| Information and publicity | | | 232 194,08 |
| Control activities | | | 261 314,13 |
| Sub total expenditure for implementing EGF | | | 1 277 195,15 |
| Total estimated costs | | | 19 522 828,88 |
| <i>EGF contribution (65 % of total costs)</i> | | | <i>12 689 838</i> |

30. Ireland confirms that the measures described above are complementary with actions funded by the Structural Funds. The Irish authorities have established a Monitoring Committee for the Coordination of EU Funds under the National Strategic Reference Framework. The Department of Finance chairs the Committee which discusses any

issues of relevance including the demarcation of funds in operational programmes and any implementation issues that may arise and any plans for new programmes to ensure that Funds are not overlapping. In addition, as part of the implementation process for the ESF and ERDF a group was established and is chaired and co-ordinated by the Department of Finance, to deal with any issues relating to the implementation of the Structural Funds for the 2007-2013 period. Since 2010 the EGF has been included in this process.

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

31. Ireland started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 1 July 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

32. Upon receipt of notification from the Department of Enterprise, Trade and Innovation of impending collective redundancies, FÁS makes contact with the company management concerned to discuss the services available and the potential needs of employees. Trade Unions have also been consulted as appropriate.
33. The Irish 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

34. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Irish 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

35. Ireland 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 Ireland.

Financing

36. On the basis of the application from Ireland, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to

implement EGF) is EUR 12 689 838, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Ireland.

37. 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.
38. 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.
39. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified triologue 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 triologue meeting will be convened.
40. The Commission presents separately a transfer request in order to enter in the 2011 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

41. The amount of payment appropriations initially entered on the budget line 04.0501 will have been fully consumed after adoption by both arms of the budgetary authority of the proposals submitted to date for mobilising the EGF.
42. Amending budget 3/2011 increased EGF budget line 04.0501 by EUR 50 000 000 in payment appropriations. Appropriations from this budget line will be used to cover EUR 6 091 460 of the amount needed for the present application. As payment appropriations are available in 2011 under the budget line 04.0201 "Completion of the European Social Fund (ESF) – Objective 1 (2000 to 2006)", an additional amount of EUR 6 598 378 needed for the present application can therefore be made available for transfer.

Proposal for a

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on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2010/019 IE/Construction 41 from Ireland)

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) Ireland submitted an application to mobilise the EGF, in respect of redundancies in 1 482 enterprises operating in the NACE Revision 2 Division 41 ('Construction of buildings') in the NUTS II regions of Border, Midlands and Western (IE01) and Southern and Eastern (IE02), on 9 June 2010 and supplemented it by additional

⁷ OJ C 139, 14.6.2006, p. 1.

⁸ OJ L 406, 30.12.2006, p. 1.

⁹ OJ C [...], [...], p. [...].

information up to 17 June 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 12 689 838.

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

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 12 689 838 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