



**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 20 August 2012

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PROPOSAL

from:	European Commission
dated:	10 August 2012
No Cion doc.:	COM(2012) 451 final
Subject:	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/2011/019 ES/Galicia Metal from Spain)

Delegations will find attached a proposal from the Commission, submitted under a covering letter from Mr Jordi AYET PUIGARNAU, Director, to Mr Uwe CORSEPIUS, Secretary-General of the Council of the European Union.

Encl.: COM(2012) 451 final



EUROPEAN COMMISSION

Brussels, 9.8.2012
COM(2012) 451 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund in accordance with point 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/2011/019 ES/Galicia Metal from Spain)

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 28 December 2011, Spain submitted application EGF/2011/019 ES/Galicia Metal for a financial contribution from the EGF, following redundancies in 35 enterprises operating in the NACE Revision 2 Division 25 ('Manufacture of fabricated metal products, except machinery and equipment')³ in the NUTS II region of Galicia (ES11) in Spain.

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/2011/019
Member State	Spain
Article 2	(b)
Enterprises concerned	35
NUTS II region	Galicia (ES11)
NACE Revision 2 Division	25 ('Manufacture of fabricated metal products, except machinery and equipment')
Reference period	23.3.2011 – 23.12.2011
Starting date for the personalised services	23.3.2012
Application date	28.12.2011
Redundancies during the reference period	878
Redundant workers expected to participate in the measures	450
Expenditure for personalised services (EUR)	3 001 900
Expenditure for implementing EGF ⁴ (EUR)	120 000
Expenditure for implementing EGF (%)	3,84
Total budget (EUR)	3 121 900
EGF contribution (65 %) (EUR)	2 029 235

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).

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

1. The application was presented to the Commission on 28 December 2011 and supplemented by additional information up to 28 May 2012.
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, Spain explains that the shipbuilding industry consists of three main areas of activity: manufacture of other transport equipment (NACE Revision 2 Division 30), repair and installation of machinery and equipment (NACE Revision 2 Division 33) and manufacture of fabricated metal products, except machinery and equipment (NACE Revision 2 Division 25). The enterprises concerned by the application are manufacturers of fabricated metal products which operate in the shipbuilding ancillary industry. Citing data from the Community of European Shipyards Association (CESA)⁵ and the Gerencia del Sector Naval (GSN)⁶, which is a body under the Spanish ministry of industry, the Spanish authorities argue that the global financial crisis changed several of the conditions and expectations for the future development of the shipbuilding market. Order books of European yards decreased both in CGT⁷ and value terms as an effect of the global economic crisis. The European order book dropped from 13,69 million CGT to 9,47 million CGT between 2008 and 2009, and further to 6,39 million CGT in 2010. In September 2011 the order book was of 5,95 million CGT. In value terms the European order book dropped from EUR 52 616 million to EUR 36 558 million between 2008 and 2009, and further to EUR 27 031 million in 2010.
4. New orders, having fallen from 2 144 000 CGT to 561 000 CGT between 2008 and 2009, recovered to 2 459 000 CGT in 2010 and fell again in 2011. In September 2011 the new orders amounted to 1 402 000. All this is far from the pre-crisis level of 5 425 000 CGT in 2007.
5. The CESA annual reports for 2009, 2010 and 2011 show that the shipbuilding workforce in Europe declined by 23 % over the past three years, from 148 792 workers in 2007 to 114 491 in 2010. The workforce on new buildings dropped even more sharply, by 33 %, from 93 832 in 2007 to 62 854 in 2010.
6. The evolution of shipbuilding in Spain has followed the negative trend observed at European level. The Spanish order book dropped from 1 052 805 CGT to 815 134 CGT between 2008 and 2009, and further to 549 963 CGT in 2010. In September 2011 the order book was of 282 339 CGT. This represents an accumulated decline of 73,18 % compared with 2008.

⁵ http://www.cesa.eu/links_downloads# (annual reports).

⁶ <http://www.gernaval.org/> (annual reports).

⁷ Compensated Gross Tonnage (CGT) is an indicator of the amount of work that is necessary to build a given ship and is calculated by multiplying the tonnage of a ship by a coefficient, which is determined according to type and size of a particular ship.

7. New orders, having fallen from 363 595 CGT to 61 880 CGT between 2008 and 2009, recovered to 148 051 CGT in 2010 and fell again in 2011. In September 2011 the new orders only amounted 9 477 CGT.
8. The Galician shipbuilding sector represents 45 % of the Spanish shipbuilding sector. As a direct consequence of the decrease of new orders, the shipbuilding workforce in Galicia declined by 30 % over the past three years, from 10 000 workers (3 500 direct jobs and 6 500 jobs in the ancillary industry) at the end of 2008 to 7 000 in October 2011.
9. In addition to the arguments presented by the Spanish authorities, those developed in previous cases related to shipbuilding and related industries (EGF/2010/001 DK/Nordjylland, EGF/2010/006 PL/H. Cegielski-Poznan, EGF/2010/025 DK/Odense Steel Shipyard and EGF/2011/008 DK/Odense Steel Shipyard⁸) remain valid.

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

10. Spain 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.
11. The application cites 878 redundancies in 35 enterprises operating in the NACE Revision 2 Division 25 ('Manufacture of fabricated metal products, except machinery and equipment') in the NUTS II region of Galicia (ES11) during the nine-month reference period from 23 March 2011 to 23 December 2011. All of these redundancies were calculated 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

12. The Spanish authorities argue that the forecast at EU level about the recovery of the shipbuilding sector were reasonably optimistic. These positive expectations were fulfilled in 2010 when new orders, after having fallen by 76 % in 2009 compared with 2008, grew to exceed by 16 % the number of new orders in 2008. However the upward tendency unexpectedly reversed again in 2011 when new orders contracted by 43 %. This new recession in the sector had been impossible to predict.

Identification of the dismissing enterprises and workers targeted for assistance

13. The application relates to 878 redundancies in the following 35 enterprises.

Enterprises and number of dismissals			
Aluminios Alca S.L.	20	Inasus S.L.	5
Ardagh Metal Packaging Iberica, SAU	72	Industria de Ferralla El Casar S.L.	7
Baysega S.L.	4	Industrias Pesadas de Galicia	1
Bodeal SLU	43	Islas Montajes y Talleres	68

⁸ Respectively COM(2010) 451, COM(2010) 631, COM(2011) 251 and COM(2012) 272.

Enterprises and number of dismissals			
Calderería y Estructuras del Noroeste SLU	1	Cabinas Betancar S.L.	11
Cerceda Estructuras Metálicas, S.A.	13	MRF – Mecanizados Rodríguez Fernández S.L.	30
Clavimar Galicia S.L.	2	Metal-Moaña S.L.	8
Construcciones y Transformaciones Navales, S.A.	67	Mintucal, S.L.	29
Cometal Laro	5	Montajes Industriales Catisa	22
CTM Montajes S.L.	85	Navaliber, S.L.	16
Dalp Ingeniería y Automatización, S.L.	3	Sumtec, S.L.	15
Demacar S.L.	7	Talleres Bastos Redondela, S.L.	5
Elaborados Metálicos EMESA, S.L.	86	Talleres Hermida S.L.	1
Elaborados y Montajes S.A.	104	Talleres Navales Vinacal, S.A.	14
Estampaciones Técnicas de Galicia S.L.	1	Tuycalde S.L.	7
Ferralla Taboada, S.L.L.	1	Vallados y Enrejados del Noroeste, S.L.	11
Formoso Estructuras metálicas, S.L.	84	Xanela Arquitectura en Aluminio	20
Hierros Santa Cruz Santiago, S.L.	10		
Total enterprises: 35		Total dismissals: 878	

14. All the redundant workers will be offered the possibility to participate in the measures. However, the Spanish authorities, based on their previous experience in managing EGF cases, estimate that about 450 workers will opt to participate in the EGF measures.

15. The break-down of the dismissed workers is as follows:

Category	Number	Percent
Men	825	93,96
Women	53	6,04
EU citizens	878	100,00
Non EU citizens	0	0,00
15-24 years old	18	2,05
25-54 years old	808	92,02
55-60 years old	35	3,99
> 60 years old	17	1,94

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

Category	Number	Percent
Managers	9	1
Physical, mathematical and engineering science professionals	35	4
Other professionals	9	1
Clerks	105	12
Heads of specialist working teams	88	10
Welders and flame cutters	123	14
Sheet-metal workers	141	16
Assembler of metal structures	123	14
Mechanics and fitters of electrical and electronic equipment.	96	11
Other craft and related trades workers	105	12
Mobile plant operators	44	5

17. In terms of educational level⁹, the break-down is as follows:

Educational level	Number	Percent
Basic education (to end of compulsory education)	465	52,96
Upper secondary education	151	17,20
Tertiary education	132	15,03
Uneducated or early school leavers	130	14,81

18. In accordance with Article 7 of Regulation (EC) No 1927/2006, Spain 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

19. Galicia is the seventh region of Spain by area and the fifth by population. Located in the western tip of the Iberian Peninsula is bounded on the north and the west by the Atlantic Ocean, on the south by Portugal and on the east by Castilla y León and Principado de Asturias. Galicia can be regarded as a small labour market due to its peripheral location and difficult access, due to the range of mountains which separates this region from the rest of Spain, and its situation as a border region.
20. Galicia contributes 5,2 % to the Spanish GDP. The contribution by sector to the regional GDP is as follows: service sector 65,9 %, industry 12,5 %, construction 12,2 %, energy 4,9 %, and agriculture and fisheries 4,5 %. The business model in Galicia is characterised by a high presence of small and medium-sized enterprises (98,6 % of enterprises have fewer than 100 workers).
21. The main public authority concerned is the Xunta de Galicia (Galicia autonomous government) and in particular the 'Conselleria de Traballo e Benestar' (regional ministry of labour and welfare) and the 'Conselleria de Economía e Industria' (regional ministry of economy and industry).
22. Stakeholders include ASIME¹⁰ (association of Galician metal companies); CEG¹¹ (employers confederation of Galicia); FORMEGA¹² (Galician Foundation for training, skills and employment) as well as the trade unions MCA-UGT¹³ Galicia, CCOO-Galicia¹⁴ and CIG¹⁵.

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

23. The redundancies in the shipbuilding ancillary industry will further exacerbate the difficult employment situation of the region. In Galicia 6 839 enterprises out of 203 374 have closed down since 2008 and unemployment has consequently

⁹ Categories based on the International Standard Classification of Education (ISCED-97).

¹⁰ Asociación de Industriales Metalúrgicos de Galicia (ASIME).

¹¹ Confederación de Empresarios de Galicia (CEG).

¹² Fundación Galega do Metal para a Formación, Cualificación e Emprego.

¹³ Federación del Metal, Construcción y Afines de la Unión General de Trabajadores de Galicia (MCA-UGT Galicia).

¹⁴ Comisiones Obreras Galicia (CCOO Galicia).

¹⁵ Confederación Intersindical Galega.

increased. The unemployment rate rose from 8 % at the end of 2008 to 17,25 % in Q3/2011. The economic and financial crisis and its consequences seem to have hit male jobs harder. In the pre-crisis years female unemployment in Galicia was 11,79 % while male unemployment was 6,26 %. However in Q3/2011 the difference between male and female unemployment was just of 2 %, as female unemployment was 18,18 % and male unemployment 16,32 %.

24. Traditionally the major economic sectors in Galicia have been fisheries along with automotive, textile, natural stone (mining and quarrying of slate and granite) and shipyards. However, given the impact of the crisis on construction related sectors like natural stone and traditional sectors such as textiles or the automotive industry, the perspectives for future reintegration into employment of the dismissed workers in this territory do not seem very encouraging.
25. Furthermore, following mass redundancies in the textile sector in Galicia, Spain submitted an application for a financial contribution from the EGF for these workers¹⁶ in February 2010.

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

26. All the following measures combine to form a co-ordinated package of personalised services aimed at re-integrating the workers into the labour market:

Preparatory activities

- Information and welcome session: The first measure provided to all participants concerns a general presentation on the EGF measures, information on available training programmes, on skills and training requirements, and an initial profiling of the workers.
- Preparatory workshops: As part of the preparatory activities there will be four workshops: (1) Change management: aimed at helping the workers in the bereavement process after losing their jobs and preparing them to face the future with more self-esteem. (2) Recognition and certification of prior experience: Participants will be informed of the advantages of having an official attestation of skills and knowledge covering the activities carried out during working life and encouraged to participate in the attestation procedure. (3) Back to school: Participants will be informed about the labour market requirements regarding compulsory education; how to get the compulsory education certificate (ESO certificate¹⁷) and what are the measures, within the EGF co-financed package, that could help them to obtain the ESO certificate. (4) Introduction to entrepreneurship: this workshop will be focused on promoting business initiatives for self-employment. Around 280 workers, 70 per workshop, will participate in this measure.

¹⁶ COM(2010) 437 final.

¹⁷ Título de graduado en educación secundaria obligatoria para personas mayores de dieciocho años.

Guidance

- Occupational guidance: This comprises the profiling of the workers, the identification and preparation of personalised re-integration itineraries for the workers targeted for assistance. On the basis of these pathways individual workers are advised on how to improve their occupational capacities and thus enhance their opportunities for access to the labour market.
- Accompaniment towards business creation or self-employment: The participants who during the profiling phase show an interest in becoming self-employed will be guided through the various steps towards business creation or self-employment. This aims to develop, produce and guide viable business or self-employment projects.

Training

- Training towards ESO certification. The aim of this measure is to train participants to pass tests to obtain the certification of Graduate in Secondary Education, for people over eighteen.
- Training on job search techniques: The workers will be coached on active job-search, networking, personal marketing, etc. This measure will aim to improve the self-knowledge and social skills of the participants and to reinforce their self-esteem.
- Training on horizontal skills: This measure aims to train workers in key competences for lifelong learning¹⁸ such as communication in the mother tongue; communication in foreign languages; digital competence, etc. Participants will be given the opportunity to follow one or more of these training courses of short duration.
- Training in vocational skills: The participants will be trained in job-skills currently in demand. The training courses will be oriented towards certifiable training activities referenced in the national catalogue of job qualifications and designed to cater for the identified needs of local enterprises.
- Training for skills upgrading: The workers with the best perspectives to be reintegrated into employment in the same sector will be trained to reinforce or upgrade existing skills. The training will be focused in particular on the skills in demand due to technological advances in the metalworking industry.
- Training in entrepreneurship and business management: This course targets 30 workers and aims at providing participants with the basic skills to manage a small business. This will cover elements such as planning, carrying out feasibility studies, preparation of business plans and raising finance.

¹⁸

Recommendation of the European Parliament and of the Council of 18 December 2006 on Key Competences for Lifelong Learning. OJ L394/10, 30.12.2006.

Accompanying measures

- Intensive job-search assistance: This will involve an intensive employment searching (including active research of the local and regional employment opportunities) and the matching of available jobs with the job seekers. This will include the possibility of being accompanied by a counsellor during the job interview.
- Tutoring after reintegration into work: This will prevent possible problems arising in the new jobs: the workers reintegrated into employment will be guided during the first months in their new jobs as employees or self-employed.
- Accompaniment towards certification of prior experience. This covers the evaluation of prior knowledge and experience of each individual worker as well as the identification of areas where further training is required.
- Self-employment opportunities search assistance. The workers willing to make a fresh start as self-employed will be offered this service which includes active research of the local and regional self-employment opportunities and the matching of available opportunities with the candidates.
- On-the-job training: Participants will be trained in new vocational skills by tutors provided by the enterprises participating in the measure. They will be also given the opportunity of gaining some experience through an apprentice scheme for one to three months .

Incentives

- Job-search allowance: The workers completing the agreed pathway to reinsertion will receive an allowance of EUR 400. The allowance will be divided into several instalments to be paid once the participant reaches relevant milestones of his/her personalised pathway.
- Contribution to commuting expenses: Workers participating in the measures will receive up to EUR 180 as a contribution to their commuting expenses.
- Outplacement incentives: A wage subsidy of EUR 200 per month for a maximum of six months will be paid to those workers who return to employment as employees or self-employed. The subsidy is designed to encourage their quick reintegration into the labour market and to stimulate workers, particularly those who are older, to remain in the labour market.
- Assistance for carers of dependent persons: Workers with dependent persons (children, elderly or disabled persons) will receive 50 % of their monthly caretaker expenses up to EUR 300, conditional upon their participation in the measures. This aims to cover the additional costs faced by the workers with caring responsibilities in order to avail of training or other measures.
- On-the-job training allowance: The participants in the on-the-job training measure will receive EUR 300 per month while participating in the measure.

27. 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.
28. The personalised services presented by the Spanish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Spanish authorities estimate the total costs at EUR 3 121 900, of which the expenditure for personalised services at EUR 3 001 900 and the expenditure for implementing the EGF at EUR 120 000 (3,84 % of the total amount). The total contribution requested from the EGF is EUR 2 029 235 (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)			
<u>Information and welcome session</u> (<i>Acogida y diagnóstico inicial</i>)	450	90	40 500
<u>Preparatory workshops</u> (<i>Medidas de sensibilización</i>)	280	180	50 400
<u>Occupational guidance</u> (<i>Orientación laboral por cuenta ajena</i>)	400	600	240 000
<u>Accompaniment towards business creation or self-employment</u> (<i>Orientación laboral para el autoempleo</i>)	50	800	40 000
<u>Training towards ESO certification</u> (<i>Formación en competencias básicas</i>).	50	3 600	180 000
<u>Training on job search techniques</u> (<i>Formación para la activación laboral</i>)	250	400	100 000
<u>Training on horizontal skills</u> (<i>Formación transversal</i>)	150	1 800	270 000
<u>Training in vocational skills</u> (<i>Formación para la recualificación profesional fuera del sector</i>)	180	2 400	432 000
<u>Training for skills upgrading</u> (<i>Formación de especialización dentro del sector</i>)	80	3 600	288 000
<u>Training in entrepreneurship and business management</u>	30	2 400	72 000

<i>(Formación en autoempleo)</i>			
<u>Intensive job-search assistance</u> <i>(Apoyo a la recolocación)</i>	350	1 600	560 000
<u>Tutoring after reintegration into work</u> <i>(Seguimiento en el empleo)</i>	180	300	54 000
<u>Accompaniment towards certification of prior experience</u> <i>(Dispositivo de acreditación de certificaciones)</i>	150	300	45 000
<u>Self-employment opportunities search assistance</u> <i>(Búsqueda de oportunidades de negocio)</i>	30	3 000	90 000
<u>On-the-job training</u> <i>(Prácticas en empresas)</i>	100	300	30 000
<u>Job-search allowance</u> <i>(Incentivo a la participación activa)</i>	300	400	120 000
<u>Contribution to commuting expenses</u> <i>(Beca de desplazamiento)</i>	400	180	72 000
<u>Outplacement incentives</u> <i>(Incentivo para la reinserción laboral)</i>	150	1 200	180 000
<u>Assistance for carers of dependent persons</u> <i>(Incentivo para la conciliación)</i>	40	1 200	48 000
<u>On-the-job training allowance</u> <i>(Beca para periodos de prácticas en empresas)</i>	100	900	90 000
Sub total personalised services			3 001 900
Expenditure for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Management			66 000
Information and publicity			22 000
Control activities			32 000
Sub total expenditure for implementing EGF			120 000
Total estimated costs			3 121 900
<i>EGF contribution (65 % of total costs)</i>			<i>2 029 235</i>

29. Spain confirms that the measures described above are complementary with actions funded by the Structural Funds and that measures are in place to prevent double funding.

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

30. Spain started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 23 March 2012. 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

31. The package of measures aimed at the reintegration into employment of workers made redundant in enterprises manufacturing fabricated metal products, except machinery and equipment, in Galicia was planned in collaboration with the committee no 2 of Social Dialogue in Galicia which is the committee in charge of supporting measures for the shipbuilding industry in Galicia. Social Dialogue in Galicia is a dialogue between the trade unions UGT, CCOO and CIG, the employers' association CEG and the Xunta de Galicia. The sub-committee shipbuilding within Social Dialogue in Galicia will be monitoring the implementation of the measures and its results.
32. The Spanish 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

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

34. Spain 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 Spain. The Xunta de Galicia and in particular the Consellería de Facenda – Dirección Xeral de Planificación e Fondos in cooperation with the Consellería de Traballo e Benestar - Dirección Xeral de Relacións Laborais will be the intermediate body for the managing authority.

Financing

35. On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 2 029 235, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Spain.
36. 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.
37. 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.
38. 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.
39. The Commission presents separately a transfer request in order to enter in the 2012 budget specific commitment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

Source of payment appropriations

40. Appropriations from the EGF budget line will be used to cover the amount of EUR 2 029 235 needed for the present application.

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/2011/019 ES/Galicia Metal from Spain)

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 management¹⁹, 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 Fund²⁰, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission²¹,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) was established to provide additional support for workers made redundant as a result of major structural changes in world trade patterns due to globalisation and to assist them with their reintegration into the labour market.
- (2) The scope of the EGF was broadened for applications submitted from 1 May 2009 to 30 December 2011 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) Spain submitted an application to mobilise the EGF, in respect of 878 redundancies in 35 enterprises operating in the NACE Revision 2 Division 25 ('Manufacture of fabricated metal products, except machinery and equipment') in the NUTS II region of Galicia (ES11), on 28 December 2011 and supplemented it by additional information up to 28 May 2012. This application complies with the requirements for determining the financial contributions as laid down in Article 10 of

¹⁹ OJ C 139, 14.6.2006, p. 1.

²⁰ OJ L 406, 30.12.2006, p. 1.

²¹ OJ C [...], [...], p. [...].

Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 2 029 235.

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

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the European Union for the financial year 2012, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 2 029 235 in commitment and payment appropriations.

Article 2

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels,

For the European Parliament
The President

For the Council
The President