**COUNCIL OF
THE EUROPEAN UNION**

Brussels, 29 October 2012

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PROPOSAL

from:	Commission
dated:	19 October 2012
No Cion doc.:	COM(2012) 616 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/2011/026 IT/Emilia-Romagna Motorcycles from Italy)

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) 616 final

EUROPEAN
COMMISSION

Brussels, 19.10.2012
COM(2012) 616 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on 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/2011/026 IT/Emilia-Romagna Motorcycles from Italy)

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 management[1] 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 Fund[2].

On 30 December 2011, Italy submitted application EGF/2011/026 IT/Emilia-Romagna Motorcycles for a financial contribution from the EGF, following redundancies at ten enterprises operating in division 30 of NACE Revision 2 (Manufacture of other transport equipment)[3] in the NUTS II region of Emilia-Romagna (ITH5) in Italy.

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 AND ANALYSIS OF THE APPLICATION

Key data:	
EGF Reference No	EGF/2011/026
Member State	Italy
Article 2	b)
Enterprises concerned	10
NUTS II region	Emilia - Romagna (ITH5)
NACE Revision 2 division	30 (Manufacture of other transport equipment)
Reference period	28.2.2011 – 28.11.2011
Starting date for the personalised services	1.3.2012
Application date	30.12.2011
Redundancies during the reference period	512

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).

Redundant workers expected to participate in the measures	502
Expenditure for personalised services (EUR)	3 932 992
Expenditure for implementing EGF[4] (EUR)	157 000
Expenditure for implementing EGF (%)	3,84
Total budget (EUR)	4 089 992
EGF contribution (65%) (EUR)	2 658 495

1. The application was presented to the Commission on 30 December 2011 and supplemented by additional information up to 10 September 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 between the redundancies and the financial and economic crisis

3. In order to demonstrate the link between the redundancies and the global financial and economic crisis, Italy indicated that registrations of powered two-wheelers in Europe (representative of domestic demand) have fallen considerably (most significantly, a fall of 42 % for mopeds and 31 % for motorcycles between 2007 and 2010)[5].

Registration of powered two-wheelers in the EU

<table>
<tr><th></th><th colspan="3">Mopeds</th><th colspan="3">Motorcycles</th></tr>
<tr><th></th><th>Registrations</th><th>In comparison to previous year</th><th>2010 in comparison to 2007</th><th>Registrations</th><th>In comparison to previous year</th><th>2010 in comparison to 2007</th></tr>
<tr><td>2007</td><td>901 425</td><td></td><td rowspan="4">-42 %</td><td>1 520 030</td><td></td><td rowspan="4">-31 %</td></tr>
<tr><td>2008</td><td>876 102</td><td>-3 %</td><td>1 410 020</td><td>-7 %</td></tr>
<tr><td>2009</td><td>740 970</td><td>-15 %</td><td>1 230 043</td><td>-13 %</td></tr>
<tr><td>2010</td><td>523 397</td><td>-29 %</td><td>1 044 129</td><td>-15 %</td></tr>
</table>

4. Italy made the point that the manufacture of powered two-wheelers in Europe also fell sharply as a result of the global financial and economic crisis, in particular

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

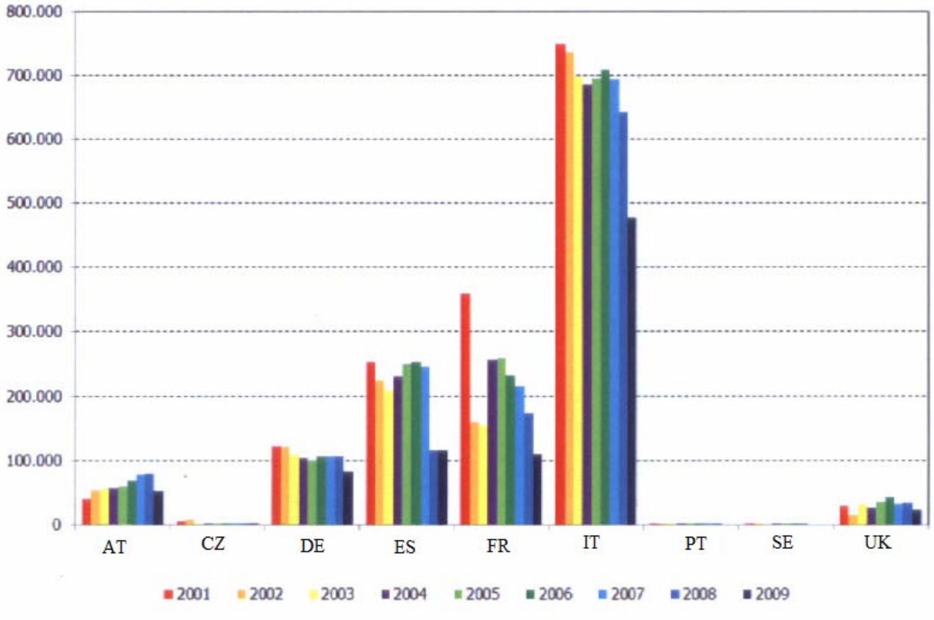
5 Source: ACEM (*the Motorcycle Industry in Europe* - http://www.acem.eu) *Registrations and deliveries* – Edition 2011.

between 2007 and 2009. According to statistics published by ACEM[6], production by the main European powered two-wheeler manufacturers[7] fell by 37 % between 2007 and 2009 and by 25 % between 2008 and 2009.

[6] Source: ACEM (*the Motorcycle Industry in Europe* - http://www.acem.eu) *Production* – Edition 2011.

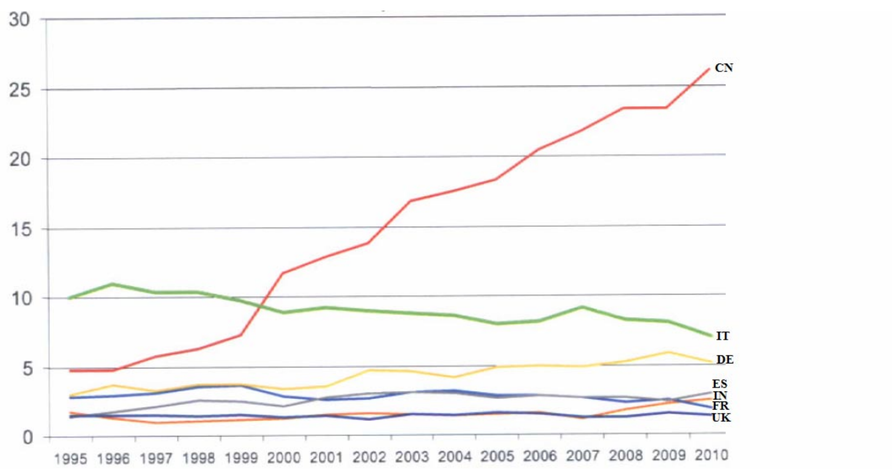
[7] Italy, Spain, France, Germany, Austria, United Kingdom, Czech Republic, Portugal and Sweden.

Production of powered two-wheelers by country[6]



5. The Italian authorities also mentioned that the European powered two-wheeler industry has also suffered as a result of the growth in exports of cycles and motorcycles by manufacturers based in Asia. China in particular, as the world's foremost exporter of cycles and motorcycles, accounting for 25 % of the market, and India, which is gradually catching up with China, are now the world's biggest manufacturers (India's share of the global export market rose from 1 % to 2.70 % between 2007 and 2010). The growing market share of these countries explains the overall reduction in the cycle and motorcycle exports of most European producers (Germany and Spain were the exceptions between 2009 and 2010), with France and Italy particularly affected (Italy's share of the international export market has fallen by over 30 % in ten years).

Export market share (cycles and motorcycles)[8]



China (CN) Italy (IT) Germany (DE) Spain (ES) India (IN) France (FR) United Kingdom (UK).

[8] Source: Available data on trade in motorcycles and cycles from the United Nations Conference on Trade and Development (UNCTAD).

6. Italy described how the value of cycle and motorcycle exports declined rapidly between 2008 and 2009 (a fall of 21.3 % for example between 2008 and 2009 for the EU and 25.9 % for Italy)[8]. The slight recovery in exports in 2010 widened the gap between the 'advanced' countries and emerging countries: the former are broadly returning to their level of exports prior to 2008 (although they are still on average 20 % down on 2008), the latter are achieving higher levels than in 2008 (China increased its export value by 32.4 % between 2009 and 2010, and India by 35.8 %, whereas the EU's export value grew only 9.5 % during the same period).

7. Italy, which is Europe's largest producer of powered two-wheelers, demonstrated that at national level, the production of motorcycles and mopeds, in which the region of Emilia Romagna is a major player (three of the companies covered in this application manufacture motorcycles under their own marque: *Morini, Malaguti* and *Minarelli*), has decreased (by 6 % between 2009 and 2010). The most significant reduction was in the total production of powered two-wheelers, which in Italy fell from 641 000 vehicles in 2008 to 448 100 in 2010 (-30 %)[9].

8. Italy noted that, since 2006, its imports of spare parts for motorcycles and mopeds (considering that seven of the companies covered in this application form part of the local fabric of companies specialising in the manufacture of spare parts or components for powered two-wheeler industries) have been higher than its exports (which had never happened in the previous ten years)[10].

9. Lastly, the Italian authorities stated that the significant reduction in motorcycle and moped registrations in Europe also affected Italy (motorcycle and moped registrations fell 27 % between 2009 and 2010)[11].

<u>Indication of the number of redundancies and compliance with the criteria of Article 2(b)</u>

10. Italy submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which makes a contribution from the EGT subject to 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.

11. The application cites 512 redundancies in ten enterprises operating in division 30 of NACE Revision 2 (Manufacture of other transport equipment) during the nine-month reference period between 28 February 2011 and 28 November 2011. Of these 512 redundancies, 63 were calculated in accordance with the second indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006, and 449 with the third indent of the same paragraph.

12. The Commission received confirmation on 19 July 2012 that the individuals recognised under the third indent of the second paragraph of Article 2 had been made redundant (*esuberi*).

<u>Explanation of the unforeseen nature of those redundancies</u>

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9 Source: *Associazione Nazionale Ciclo Motociclo Accessori* (ANCMA) - www.ancma.it.

10 Source: *ANCMA.*

11 Source: *ACEM.*

13. The financial crisis has weighed on the sector since 2008, and mainly benefited larger manufacturers, which were better able to adapt as a result of their size (for example *Ducati*). Italy reported that the situation was very different for small and medium-sized motorcycle and equipment manufacturers[12], which have been directly affected by the fall in motorcycle demand (registrations) since 2008 and the drop in production since 2008. They tried to adapt their production to maintain their market share (for example by producing four-stroke engines for *Motori Minarelli,* or by working with other marques for *Motori Malaguti*). In spite of their efforts, the ten companies concerned by the Italian application had to make some of their employees redundant or close permanently in 2011.

<u>Identification of the dismissing businesses and workers targeted for assistance</u>

14. The application covers 512 redundancies in ten enterprises:

Enterprises and number of redundancies			
ENGINES ENGINEERING	6	**MOTORI MALAGUTI S.P.A.**	150
F. FABBRI ACCESSORI	5	**MOTORI MINARELLI**	19
GALVANOTECNICA & PM	43	**PAIOLI COMPONENTS**	6
MASIERO ANTONIO CAMBI	16	**PAIOLI MECCANICA**	51
MOTO MORINI S.P.A.	38	**VERLICCHI NINO E FIGLI**	178
Total enterprises: 10		**Total redundancies: 512**	

15. Italy also stated that three of the ten enterprises concerned had not permanently closed or made all their employees redundant (*Engines Engineering, Motori Minelli* and *F. Fabbri Accessori*).

16. The 512 people made redundant during the reference period are eligible for assistance in accordance with Article 3(a) of Regulation (EC) No 1927/2006. Of the 512 workers made redundant, the 502 who have not yet found alternative employment are targeted for assistance.

17. The breakdown of the targeted workers is as follows:

Category	Number	Percentage
Male	294	58.6
Female	208	41.4
EU citizens	481	95.8
Nationals of third countries	21	4.2
15-24 years	2	0.4
25-54 years	416	82.9
55-64 years	82	16.3

[12] This application concerns 10 small and medium-sized enterprises with an average of 92 employees (minimum six, maximum 363).

Category	Number	Percentage
> 64 years old	2	0.4

18. None of the workers in question suffer from a long-term health problem or disability.

19. In terms of professional categories, the breakdown is as follows:

Category	Number	Percentage
Associate professionals	11	2.2
Clerical staff	200	39.8
Plant and machine operators and assemblers	291	58.0

20. In accordance with Article 7 of Regulation (EC) No 1927/2006, Italy has confirmed that a policy of non-discrimination and equality between women and men has been applied, and will continue to apply, during the various stages of the mobilisation of and, in particular, in access to the EGF.

Description of the territory concerned and its authorities and stakeholders

21. The territory covered by the application is the NUTS II region of Emilia-Romagna, a province in northeast Italy which had 4 432 418 inhabitants on 1 January 2011 and a population density of 197.49 inhabitants per square kilometre (close to the Italian average of 200 inhabitants per square kilometre).

22. The Italian authorities made the point that the population of Emilia-Romagna was falling faster than the Italian average (the natural growth rate is much lower than Italy's: -1.3 % compared to -0.4 % at national level in 2010[13]).

23. Emilia-Romagna is also a region where population ageing is more significant than the Italian average (the number of people over the age of 65 living there was two points higher than the Italian average in 2011, while the percentage of people between 0 and 14 years old, at 13.3 %, was below the national average of 14 %)[14].

24. The Italian authorities described the Emilia-Romagna region as having a viable economy (the wealth it created in 2009 corresponded to 8.7 % of Italian GDP, its GDP per inhabitant was EUR 30 493, above the national average of EUR 25 237)[15] which on average suffered more than other regions as a result of the economic and financial crisis.

25. Italy reported that between 2008 and 2009, the GDP per capita of Emilia-Romagna fell on average more than the national average (-4.89 %, against -3.6 %) and that the GDP also fell more sharply (-3.7 %) compared to the national trend (-3 %).

26. Emilia-Romagna is still the third largest Italian region in terms of exports and the fourth largest for imports. However, in 2010, Emilia-Romagna's exports to the rest of the world fell 10.8 % in comparison to 2008. Although Emilia-Romagna had a

[13] Source: ISTAT (Italian National Institute of Statistics) - Table 3 in http://demo.istat.it/altridati/indicatori/index.html#tabreg.

[14] Source: ISTAT - Table 6 in http://demo.istat.it/altridati/indicatori/index.html#tabreg.

[15] Source: Bank of Italy, Regional economies, the economy of Emilia-Romagna – 2011: http://www.bancaditalia.it/pubblicazioni/econo/ecore/2011/analisi_s_r/1131_emilia.

positive trade balance between 2008 and 2010, its trade surplus decreased significantly over the same period, by 16.5 %.

27. Emilia-Romagna also suffered from the national decline in the number of companies in business and the drop in the number of companies established (80 483 new enterprises were established in Italy in 2008, compared to 77 443 in 2011).

28. The main authorities and stakeholders are the Italian Ministry of Labour and Social Policy (*Ministero del Lavoro e delle Politiche Sociali*), the Region of Emilia-Romagna (*Regione Emilia-Romagna*), the National Association of Italian Municipalities (*ANCI - Associazione Nazionale Comuni Italiani*), the Union of Italian Provinces (*UPI: Unione delle Province d'Italia*), the local sections of the National Confederations of Crafts and Small and Medium-Sized Enterprises (*CNA: Confederazione Nazionale dell'Artigianato e della Piccola e Media Impresa Regionale dell'Emilia-Romagna* and *Confartigianato Bologna*), cooperative organisations and social enterprises (*Confcooperative* and *Legacoop Emilia-Romagna*), an organisation representing manufacturing and service enterprises in Italy (*Confindustria*), employers' organisations (*Unindustria Bologna* and *Unionapi*), and unions: CGIL (*Confederazione Generale Italiana del Lavoro*), CISL (*Confederazione Italiana Sindacati dei Lavoratori*), FIM (*Federazione Italiana Metalmeccanici*), FIOM (*Federazione Impiegati Operai Metallurgici*), UIL (*Unione Italiana del Lavoro*) and UILM (*Unione Italiana Lavoratori Metalmeccanici*).

<u>Expected impact of the redundancies as regards local, regional or national employment</u>

29. The redundancies in the powered two-wheeler sector occurred in the context of the national and regional economy's shift towards services (the manufacturing industry now accounts for only 11.6 % of jobs in the region) The Italian authorities made the point that enterprises will have to specialise in processes and components which combine innovation and skilled labour if they are to continue producing powered two-wheelers. They consider that there is no longer scope for local production of lower-end and mid-range scooters and mopeds and that the development of enterprises specialising in accessories and spare parts can no longer depend solely on traditional local marques such as *Ducati*.

30. The Italian authorities specified that the powered two-wheeler sector employs about 4 000 people, without taking into account the spare parts and equipment manufacturers associated with them but which are often classified in other NACE Revision 2 categories. They estimate that 1 382 people are affected by the crisis in this sector and expect further redundancies to occur in related sectors employing thousands of people[16].

31. The Italian authorities also stressed the decline in the employment situation in Emilia-Romagna, with an employment rate that has fallen by about three percentage points between 2008 and 2010 (from 70.2 % to 67.4 %). The unemployment rate, while among the lowest in Italy, has been rising steadily in the region (from 3.2 % in 2008 to 5.8 % in 2010) and particularly affects young people in the 15-24 age group,

16 Italy referred in particular to these NACE Revision 2 divisions: 24 (Metallurgy), 25 (Manufacture of fabricated metal products, except machinery and equipment), 26 (Manufacture of computer, electronic and optical products), 27 (Manufacture of electrical equipment), 28 (Manufacture of machinery and equipment n.e.c.) and 29 (Automobile industry).

where the unemployment figure rose by more than 11 percentage points between 2008 and 2010 (from 11 % to 22.3 %).

32. Lastly, Italy emphasised that, at this time of crisis for the region, extensive use was being made of assistance measures providing an income to employees of enterprises in difficulty in place of wages (such as the CIGS: *Cassa Integrazione Guadagni Straordinaria*) (*CIGS* hours increased 14-fold in the region between 2008 and 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

33. The proposed measures set out below constitute a coordinated package of personalised services intended to allow the occupational reintegration of the 502 workers concerned. The people targeted will be given the opportunity to choose the measures they want to participate in, according to the chronological sequence of the measures. This sequence is composed of basic minimum services aimed at all targeted workers (such as career guidance, active job search assistance and training/retraining) combined with specific services aimed at certain workers (outplacement assistance and promotion of entrepreneurship). Some of the workers targeted will also receive an allowance (for active job-seeking) if they participate in the proposed measures.

– Career guidance

This measure consists of a series of structured interviews (individually or in groups) to facilitate workers' personal awareness to enable them to identify their areas of interest, personal abilities and skills to improve, and to establish a personal record. This service will be offered to the 502 workers targeted.

– Active job search assistance:

This measure aims to encourage workers to develop a personal self-promotion strategy using practical job-searching techniques (looking for jobs, preparing for a job interview, writing a CV and covering letter) in the context of the employment available locally and, if necessary, accompanying the worker as far as the job interview. This service will be offered to the 502 workers targeted.

– Training and re-training:

This measure available to 400 workers consists of a training voucher with an average value of EUR 4 000 to be used strictly within the framework of the training pathway identified for each worker (which nonetheless allows a certain leeway for workers to identify their own needs in terms of training, work placements, career guidance, etc.).

– Outplacement assistance :

This specific incentive will cover the 260 most disadvantaged workers, who will be eligible to receive assistance with outplacements and placements within a public or private enterprise. A bonus of EUR 5 000 will be paid to companies or services whose assistance enables a worker to find a permanent job at the end of the period[17].

– Promotion of entrepreneurship:

This measure consists of a personalised service to assist workers (in accordance with their skills and possible use of their professional experience) with a view to understanding how to run a business and self-employment. This activity will take the form of a mentoring group to analyse the constraints and opportunities of self-employment and entrepreneurship (such as drawing up a business plan, start-up, etc.). The Italian authorities estimate that this service will be offered to 61 of the workers targeted.

– Active job-seeking allowance:

This measure, which will cover 216 of the workers targeted, will be paid in the form of a monthly allowance of EUR 500 on average, over a maximum period of five months, to workers actively participating in EGF measures, in proportion to the number of days per month of effective participation in EGF measures. Payment of this allowance will be strictly linked to the worker's commitment to actively participating in the process of reintegration into the labour market.

34. The expenditure for mobilising the EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers preparatory, monitoring, information and publicity and control measures.

35. The personalised services presented by the Italian authorities are active labour market measures coming under the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Italian authorities evaluate the total cost of these services at EUR 4 089 992, of which EUR 3 932 992 for personalised services and EUR 157 000 (3.84 % of the total amount) for expenditure for implementing the EGF. The total contribution requested from the EGF is EUR 2 658 495 (65 % of the total costs).

[17] The bonus will be paid only if it is not already due under the legislation to support regional policies to promote employment.

Measures	Estimated number of workers targeted	Estimated cost per worker targeted (EUR)	Total costs (EGF and national cofinancing) (EUR)
Personalised services (Article 3 (first paragraph) of Regulation (EC) No 1927/2006)			
Career guidance	502	186	93 372
Active job search assistance	502	310	155 620
Training and re-training	400	4 000	1 600 000
Outplacement assistance	260	5 000	1 300 000
Promotion of entrepreneurship	61	4 000	244 000
Job-seeking allowance	216	2 500	540 000
Sub-total for personalised services			**3 932 992**
Expenditure for implementing the EGF (Article 3 (third paragraph) of Regulation (EC) No 1927/2006)			
Preparation			7 000
Monitoring			80 000
Information and publicity			10 000
Control measures			60 000
Sub-total of expenditure for implementing the EGF			**157 000**
Estimated total cost			**4 089 992**
EGF contribution (65% of total cost)			***2 658 495***

36. Italy confirms that the measures described above are complementary with actions funded by the Structural Funds and guarantees there will be no double financing. Continuous monitoring of the measures financed by the ESF and the EGF for similar objectives or workers will prevent any overlap between the ESF (or any other EU instrument or programme) and the measures financed by the EGF.

<u>Date on which the personalised services to the workers concerned started or are due to start</u>

37. Italy started to provide the personalised services included in the coordinated package proposed for cofinancing by the EGF to the workers concerned on 1 March 2012. This date therefore represents the beginning of the period of eligibility for any assistance which might be granted under the EGF.

<u>Procedures for consulting the social partners</u>

38. The application for an EGF contribution was discussed with the authorities and other stakeholders listed in point 28 at meetings on 12 October 2011, 14 December 2011 and 16 January 2012.

39. The Italian authorities confirmed that the requirements laid down in national and EU legislation concerning collective redundancies have been complied with.

<u>Information on measures that are mandatory by virtue of national law or pursuant to collective agreements</u>

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

<u>Management and control systems</u>

41. Italy informed the Commission that the financial contribution would be managed as follows: the *Ministerio del Lavoro e delle Politiche Sociali – Direzione Generale per le Politiche Attive e Passive del Lavoro* (MLPS – DG PAPL) will be the managing, certifying and audit authority (with MLPS – DG PAPL *Ufficio A* as managing authority; MLPS – DG PAPL *Ufficio B* as certifying authority and MLPS – DG PAPL *Ufficio C* as audit authority). The region of Emilia-Romagna (*Direzione Generale Cultura Formazione e Lavoro*) will be the managing authority's intermediate body.

42. The Italian authorities stated that they would implement the management and control system for the EGF adopted by the Italian Ministry of Labour and Social Policy (see document *ref No 40/0002218* of 29 September 2011) and the operational manual for the managing, certifying and audit authority (see document *ref No 40/0005840* of 26 October 2011).

Funding

43. On the basis of the application from Italy, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement the EGF) is EUR 2 658 495, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Italy.

44. 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.

45. The proposed 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.

46. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue 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 on 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 the event of disagreement by either of the two arms of the budgetary authority, a formal trialogue meeting will be convened.

47. 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

48. The amount of payment appropriations initially entered under budget line 04 05 01 will be fully consumed once the budgetary authority adopts the proposals already presented for the mobilisation of the EGF and therefore insufficient to cover the amount needed for this application.

49. A transfer of EUR 1 160 745 from the European Progress Microfinance Facility budget line will be used to cover part of the amount required for this application.

50. The additional amount of EUR 1 497 750 required for this application will be covered by an additional appropriation requested in Amending Budget No 6.

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on 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/2011/026 IT/Emilia-Romagna Motorcycles from Italy)

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 management[18], 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 Fund[19], and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission[20],

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) Italy submitted an application to mobilise the EGF, in respect of redundancies in ten enterprises operating in division 30 of NACE Revision 2 (Manufacture of other transport equipment) in the NUTS II region of Emilia-Romagna (ITH5) in Italy on 30 December 2011 and supplemented it by additional information, the last of which was supplied on 10 September 2012. This application complies with the requirements for determining the financial contributions set out in Article 10 of Regulation (EC) No

[18] OJ C 139, 14.6.2006, p. 1.
[19] OJ L 406, 30.12.2006, p.1.
[20] OJ C […], […], p. […].

1927/2006. The Commission therefore proposes to mobilise an amount of EUR 2 658 495.

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

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 2 658 495 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	*For the Council*
The President	*The President*