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PROPOSAL

From: Secretary-General of the European Commission,
signed by Mr Jordi AYET PUIGARNAU, Director

date of receipt: 8 November 2016

To: Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of
the European Union

No. Cion doc.: COM(2016) 708 final

Subject: Proposal for a Decision of the European Parliament and of the Council on
the mobilisation of the European Globalisation Adjustment Fund following
an application from Spain – EGF/2016/004 ES/Comunidad Valenciana
automotive

Delegations will find attached document COM(2016) 708 final.

Encl.: COM(2016) 708 final



Brussels, 8.11.2016
COM(2016) 708 final

Proposal for a

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund following an application from Spain – EGF/2016/004 ES/Comunidad Valenciana automotive

EXPLANATORY MEMORANDUM

CONTEXT OF THE PROPOSAL

1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund (EGF) are laid down in Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006¹ (the ‘EGF Regulation’).
2. On 21 June 2016, Spain submitted an application EGF/2016/004 ES/Comunidad Valenciana automotiva for a financial contribution from the EGF, following redundancies² in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and semi-trailers) in the NUTS level 2 region of Comunidad Valenciana (ES52) in Spain.
3. Following its assessment of this application, the Commission has concluded, in accordance with all applicable provisions of the EGF Regulation, that the conditions for awarding a financial contribution from the EGF are met.

SUMMARY OF THE APPLICATION

EGF application	EGF/2016/004 ES/Comunidad Valenciana automotiva
Member State	Spain
Region(s) concerned (NUTS ³ level 2)	Comunidad Valenciana (ES52)
Date of submission of the application	21 June 2016
Date of acknowledgement of receipt of the application	21 June 2016
Date of request for additional information	5 July 2016
Deadline for provision of the additional information	16 August 2016
Deadline for the completion of the assessment	8 November 2016
Intervention criterion	Article 4(2) of the EGF Regulation
Number of enterprises concerned	29
Sector(s) of economic activity (NACE Revision 2 Division) ⁴	Division 29 (Manufacture of motor vehicles, trailers and semi-trailers)

¹ OJ L 347, 20.12.2013, p. 855.

² Within the meaning of Article 3 of the EGF Regulation.

³ Commission Regulation (EU) No 1046/2012 of 8 November 2012 implementing Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as regards the transmission of the time series for the new regional breakdown (OJ L 310, 9.11.2012, p. 34).

Reference period (nine months):	30 June 2015 – 30 March 2016
Number of redundancies during the reference period	250
Total number of eligible beneficiaries	250
Total number of targeted beneficiaries	250
Budget for personalised services (EUR)	1 334 000
Budget for implementing EGF ⁵ (EUR)	94 000
Total budget (EUR)	1 428 000
EGF contribution (60 %) (EUR)	856 800

ASSESSMENT OF THE APPLICATION

Procedure

4. Spain submitted application EGF/2016/004 ES/Comunidad Valenciana automotive within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met, on 21 June 2016. The Commission acknowledged receipt of the application on the same date, and requested additional information from Spain on 5 July 2016. Such additional information was provided within six weeks of the request. The deadline of 12 weeks of the receipt of the complete application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 8 November 2016.

Eligibility of the application

Enterprises and beneficiaries concerned

5. The application relates to 250 workers made redundant in the economic sector classified under the NACE Revision 2 Division 29 (Manufacture of motor vehicles, trailers and semi-trailers) in the NUTS level 2 region of Comunidad Valenciana (ES52).

Enterprises and number of dismissals within the reference period			
ANADIA FUNDICION	1	INDUSTRIAS DOLZ SA	1
AUTOMOVILES BLAM SL	1	INDUSTRIAS DOLZ SL	1
BENIMAR-OCARSA SA	1	INDUSTRIAS OCHOA SL	1
BERGE AUTOMOTIVE LOGISTICS SL	1	LEAR EUROPEAN HOLDING SLU	1
BOSAL ESPAÑA SA	1	MAGNA SEATING SPAIN SAU	2
BOSAL MADRID SL	1	MODULAR LOGISTICA VALENCIANA SL	1
BOSAL VALENCIA SAU	215	MUELLES Y BALLESTAS HISPANO ALEMANAS SL	1
ELECTRO CASTELLAR SL	2	RADIADORES ORDOÑEZ SA	2
ESTAMPACIONES METALICAS MOYMA SL	1	SAS AUTOSYSTEMTECHNIK VALENCIA SLU	1
FABRICACION MODULAR VALENCIANA	1	SICAL SL	1

⁴ OJ L 393, 30.12.2006, p. 1.

⁵ In accordance with the fourth paragraph of Article 7 of Regulation (EU) No 1309/2013.

SL			
FAURECIA AUTOMOTIVE EXTERIORES ESPAÑA SAU	1	SPANIA GTA TECNOMOTIVE SL	1
FAURECIA EMISSION CONTROL TECHNOLOGIES PAMPLONA	1	STIL CONVERSION SL	1
FAURECIA INTERIOR SYSTEMS SALC ESPAÑA SL	1	TALENTO Y EXPERIENCIA SL	1
FEU VERT IBERICA SA	1	TECNOVE SL	1
FORD ESPAÑA SL	5		
Total no. of enterprises: 29		Total no. of dismissals:	250
Total no. of self-employed persons whose activity has ceased:			0
Total no. of eligible workers and self-employed persons:			250

Intervention criteria

6. Spain submitted the application under the intervention criteria of Article 4(2) derogating from the criteria of Article 4(1)(b) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of nine months in enterprises operating in the same economic sector defined at NACE Revision 2 Division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State. There were 250 redundancies in the NUTS level 2 region of Comunidad Valenciana (ES52)
7. The reference period of nine months for the application runs from 30 June 2015 to 30 March 2016.

Calculation of redundancies and of cessation of activity

8. All the redundancies during the reference period have been calculated as from the date of the de facto termination of the contract of employment or its expiry.

Eligible beneficiaries

9. The total number of eligible beneficiaries is 250.

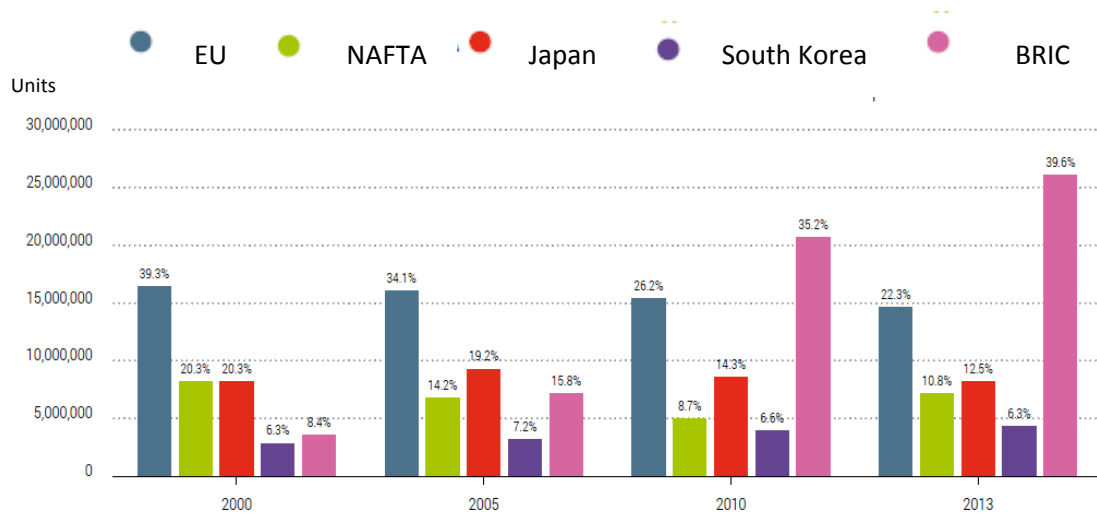
Link between the redundancies and major structural changes in world trade patterns due to globalisation

10. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Spain argues that the European automotive industry has lost significant market share within the past decade.
11. In absolute terms, while the EU-27 faced a production decline for motor vehicles in 2015 compared with 2006 by 0,5 million units (from 18,7 million units in 2006 to 18,2 in 2015) or -2,8 %, global production increased by 31,1 % (from 69,2 million units in 2006 to 90,9 in 2015)⁶, notably in China as well as other South-East Asian economies.

⁶ OICA data base

12. The graph below shows the decline in the EU market share for passenger cars from 2000 until 2013. The EU market share dropped from 39,3 % in 2000 to 22,3 % in 2013 representing a decline of 17 percentage points.

Passenger car production – International comparison (% share) – 2000-2013



Source: OICA

13. In 2015 China is the biggest producer accounting for 26 % of world car production, while EU, the second biggest, accounts for 22 % of a global car production of 73,5 million passenger cars⁷. This decrease in EU market share is part of a longer trend, as has been stated by the Commission in its assessments of previous EGF automotive cases based on trade related globalisation⁸.
14. A main driving force behind this trend is the geographical shift in consumption linked to globalisation, in particular the rapid growth in demand on the Asian market from which EU manufacturers are less able to benefit, being traditionally less well positioned on these markets.
15. The European car industry has also been hit by the decline in domestic demand resulting from the economic and financial crisis. Passenger car registrations in the EU have continually declined between 2008 and 2013. Since 2014 the trend has reversed. However the total number registrations is still behind the levels reached in the years previous to the economic and financial crisis⁹.

⁷ ACEA The automobile Industry Pocket Guide 2016-2017

⁸ See footnote no 10.

⁹ ACEA The automobile Industry Pocket Guide 2016-2017

**New passenger car registrations in the EU in million units,
% change / 2004 – 2015**



16. In Spain, the decline in car production triggered a reduction of both enterprises and jobs. Over the period 2008-2014 the number of automotive enterprises declined from 901 to 806 (-10,5 %) and the jobs in the sector decreased from 164 038 to 135 997 (-17 %). In Comunidad Valenciana 62 automotive enterprises stopped activities of a total of 187. This represents a decline of 33,16 %.
17. To date, the Manufacture of motor vehicles, trailers and semi-trailers sector has been the subject of 23 EGF applications, 13 of which based on trade related globalisation and 10 on the global financial and economic crisis¹⁰.

¹⁰ Based on trade related globalisation: EGF/2016/004 ES Comunidad Valenciana automotive industry, (the case object of this proposal for decision), as well as, EGF/2007/001 FR PSA suppliers. COM(2007) 415; EGF/2007/010 PT Lisboa Alentejo. COM(2008) 94; EGF/2008/002 ES Delphi. COM(2008) 547; EGF/2008/004 ES Castilla y León Aragón. COM(2009) 150; EGF/2009/013 DE Karmann. COM(2010) 007; EGF/2012/005 SE Saab, COM(2012) 622; EGF/2012/008 IT De Tomaso; COM(2013) 469; EGF/2013/006 PL Fiat Auto Poland, COM(2014) 699, EGF/2013/012 BE Ford Genk, COM(2014) 532; EGF/2014/006 FR PSA, COM(2014) 560; EGF/2015/003 BE Ford Genk, COM(2015) 336 and EGF/2015/009 SE Volvo Trucks, COM(2016) 61
Based on the global financial and economic crisis: EGF/2009/007 SE Volvo, COM(2009) 602 EGF/2009/009 AT Steiermark, COM(2009) 602; EGF/2009/019 FR Renault, COM(2011) 420; EGF/2010/002 ES Cataluña automotive, COM(2010) 453; EGF/2010/004 PL Wielkopolskie, COM(2010) 616; EGF/2010/015 FR Peugeot, COM(2012) 461; EGF/2010/031 BE General Motors Belgium, COM(2011) 212; EGF/2011/003 DE Arnsberg and Düsseldorf automotive, COM(2011) 447;

Events giving rise to the redundancies and cessation of activity

18. The events giving rise to these redundancies are the bankruptcy and closure of Bosal S.A., the enterprise which made redundant most of the workers concerned by this application.
19. Bosal S.A. started operations in the town of Sagunto in 1986. Its core business was the manufacture of parts and accessories for motor vehicles (in particular automotive exhaust systems, catalytic converters, etc.). Bosal started producing mainly for the Spanish automotive market. However, production was diversified later and the enterprise manufactured original components also for other automotive markets.
20. Since 2012, the enterprise has been in difficulties due to the decline in vehicle production in the EU. To adjust production capacity to demand and reduce costs, Bosal made use of compulsory reduced work schedules, which were applied to all staff. However, these measures did not work out and on 15 January 2015 the enterprise declared bankruptcy and was put under special administration. In November 2015 Bosal made redundant the entire workforce (215 workers) and entered in liquidation proceedings.

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

21. In the 80s, the economy in Sagunto, the territory affected by the redundancies, was mainly linked to Altos Hornos del Mediterráneo (blast furnace). After its closure, the territory was declared 'Preferential Reindustrialization Area' and a variety of incentives were granted to new businesses settling there. A majority of the enterprises which set up businesses in Sagunto were linked to the automotive industry. Since 2008, due to the combined effect of the economic and financial crisis and globalization in car manufacture, many of these companies have closed or reduced strongly their activity, this resulting in reduced working time and redundancies. The slowdown of the industrial activity has had a ripple effect in the economy and employment of Sagunto. In 2015 compared to 2007, the number of unemployed persons in Sagunto increased threefold, from 2 778 persons to 6 437. The 250 redundant workers concerned by this application will further aggravate the already fragile employment situation of the affected territory.

Explanation of the exceptional circumstances underlying the admissibility of the application

22. Spain argues that, despite the fact that fewer than 500 redundancies occurred within the nine-month reference period, this application should nevertheless be assimilated to an application under Article 4(1)(b) of the EGF Regulation due to exceptional circumstances having a serious impact on employment and the local, regional or national economy. To this end, they cite the fact that 250 jobs lost in Sagunto is a large number in the circumstances of this small-town and rural area which has severely suffered the consequences of the economic and financial crisis, along with the effects of globalisation, on sectors like automotive of great importance for the

EGF/2011/005 PT Norte-Centro automotive, COM(2011) 664; and EGF/2015/002 DE Adam Opel, COM(2015) 342.

economy of the territory. Although employment has shown signs of recovery in the last year, unemployment rate in Comunidad Valenciana is still at 21,8 %¹¹.

23. Data affiliation to social security show a decline by 15 % (-296 952 persons) in the number of people employed in Comunidad Valenciana in 2015 compared to 2008, while in Sagunto the number of people employed declined by 28,5 % (-5 939 persons) i.e. a difference of 13,5 percentage points compared to the values of the region¹².
24. Citing Eurostat unemployment data of towns with population similar to Sagunto, Spain argues that only towns located in ultra-peripheral territories (such as Le Tampon-Reunion: 26,8 %) or which have been the subject of several EGF cases (Central Macedonia-Greece: 28,7 %), have unemployment rates exceeding Sagunto's (25,8 %).
25. Comunidad Valenciana is one of the EU regions hit hardest by the effects of the economic and financial crisis and globalization. Since 2009 Spain has submitted nine EGF applications¹³ in support of workers made redundant in this region, in a variety of sectors. In total 1 560 enterprises, mostly SME's, were concerned by almost 7 600 redundancies. Furthermore, Sagunto and its county Camp de Morvedre are still struggling with the effects of the mass redundancies for which an EGF application was submitted and approved in 2014¹⁴.
26. Due to the economic situation of recent years leading to the closure of a large number of businesses, industrial sites in the territory are mainly unoccupied. There have been no recent plant openings in the area which might provide new employment opportunities for the workers. To reverse this trend, Sagunto has been included in the regional government's action plan aimed at the industrial revival of the territory. Four million euro are budgeted for this purpose in 2016 budget.
27. Almost 20 % of the population in Sagunto are elderly persons and 5,8 % are over 80 years. Among unemployed people long term unemployed represent 38,5 % whilst long-term unemployed persons in the age group over 45 rises up to 58,7 %. Of the redundant workers concerned by this application, 71 % are over 45 years old, 78 % had been employed by the same enterprise for at least 15 continuous years and 50 % has no educational qualifications, which made them highly vulnerable in a context of jobs scarcity. In addition, the 2014 census shows that Sagunto has dependency ratio by 53,7 %, which is higher than the EU-28 average of 51,8 %¹⁵.

¹¹ EPA Q2 2016. <http://www.datosmacro.com/paro-epa/espana-comunidades-autonomas/valencia>

¹² Instituto Nacional de la Seguridad Social.

¹³ EGF/2009/014 ES Comunidad Valenciana ceramics, COM(2010) 216;
EGF/2010/005 ES Comunidad Valenciana natural stone COM(2010) 617;
EGF/2010/009 ES Comunidad Valenciana textil, COM(2010) 613;
EGF/2011/006 ES Comunidad Valenciana construcción, COM(2012) 53;
EGF/2011/020 ES Comunidad Valenciana footwear, COM(2012) 204 ;
EGF/2013/004 ES Comunidad Valenciana building materials, COM(2013) 635;
EGF/2013/008 ES Comunidad Valenciana textil, COM(2014) 45;
EGF/2014/004 ES Comunidad Valenciana metal, COM(2014) 515
EGF/2016/004 ES Comunidad Valenciana automotive industry, (the case object of this proposal for decision).

¹⁴ EGF/2014/004 ES Comunidad Valenciana metal, COM(2014) 515.

¹⁵ http://ec.europa.eu/eurostat/statistics-explained/index.php/Population_structure_and_ageing

Targeted beneficiaries and proposed actions

Targeted beneficiaries

28. All the redundant workers are expected to participate in the measures. The breakdown of these workers by sex, citizenship and age group is as follows:

	Category	Number of targeted beneficiaries	
Sex:	Men:	241	(96,4 %)
	Women:	9	(3,6 %)
Citizenship:	EU citizens:	249	(99,6 %)
	non-EU citizens:	1	(0,4 %)
Age group:	15-24 years:	0	(0,0 %)
	25-29 years:	1	(0,4 %)
	30-54 years:	191	(76,4 %)
	55-64 years:	58	(23,2 %)
	over 64 years:	0	(0,0 %)

Eligibility of the proposed actions

29. The personalised services to be provided to redundant workers consist of the following actions:
- Welcome and information sessions: This is the first measure to be offered to all redundant workers and includes: (1) general information sessions and individual information sessions on skills and training requirements; on available counselling and training programmes; and on allowances and incentives; (2) enrolment procedure.
 - Occupational guidance: This involves the profiling of the participant workers and the design of the customised reintegration pathway; workshops on entrepreneurship and job-search techniques; and counselling and follow-up of the personalised support throughout the implementation period. The participants can avail of tutoring services also after their reintegration into employment.
 - Job placement: This will involve an intensive and proactive search for local and regional employment opportunities by the job placement facilitators and subsequent job-matching. This measure is aimed to complement the individual job-search of the beneficiaries.
 - Training: The training measures will include a variety of training courses grouped into vocational training and training in transversal skills. Vocational

training will focus on vocational licensing, such as that required for passenger transport CPC¹⁶, and on sectors or areas where opportunities exist or will arise, such as the food sector (food safety, HACCP¹⁷, etc.), cooking, occupational risk prevention and quality control and environmental standards (ISO 9001¹⁸, ISO 14000¹⁹, EFQM²⁰, etc.), HVAC²¹ projects, maintenance of industrial equipment, etc. The offer of training in transversal skills will include training in a variety of skills that contribute to better job performance such as ICT, foreign languages, business management, etc.

- Promotion of entrepreneurship: This measure seeks to assist dismissed workers who envisage creating their own business covering elements such as development of a business idea, planning, carrying out feasibility studies, raising finance, etc.; personalized tutoring will be made available during the whole process of starting the business as well as support regarding administrative requirements. The participants can avail of tutoring services also after the start-up of their business.
- Contribution to business start-up: The workers who set up their own businesses will receive up to EUR 15 000 as a contribution to cover setting-up costs. One of the major difficulties that entrepreneurs face when starting up a business is access to funding. This measure aims to promote entrepreneurship through this financial support.
- Participation allowance: The participants, after reaching the agreed milestones of their pathway to reinsertion, will receive a single allowance of EUR 600.
- Contribution to commuting expenses: Workers participating in the measures will receive a contribution to their commuting expenses. The final amount will be calculated according to the actual days of participation and the distance commuted. It is estimated that on average the participants could receive EUR 300.
- Assistance for carers of dependent persons: Workers with dependent persons (children, old or disable persons) will receive a contribution to their expenses for carers, 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.
- Contribution to the expenses for change of residence: Those workers who accept a job involving a change of residence will receive a lump sum of EUR 3 000 to cover the necessary expenditure.

¹⁶ Certificate of professional competence (CPC)

¹⁷ Hazard analysis critical control point (HACCP).

¹⁸ ISO 9001 sets out the requirements of a quality management system.

¹⁹ The ISO 14000 family addresses various aspects of environmental management.

²⁰ EFQM quality model defined by the European Foundation for Quality Management

²¹ Heating, ventilation and air conditioning (HVAC)

- Contribution to the Internet flat rate. The workers who do not have Internet at home and install it, in order to avail of training or other measures on digital platforms, will receive up to 75 % of the monthly flat rate cost.
- Hiring benefit. This payment benefits the redundant workers by facilitating their re-employment under fix-term or permanent contracts in a different enterprise. For re-employment under permanent contracts the hiring enterprise will receive EUR 3 000 per worker while for re-employment under fixed-term contracts of at least 12 months, the hiring enterprise will receive EUR 1 000 per worker.

30. The proposed actions, here described, constitute active labour market measures within the eligible actions set out in Article 7 of the EGF Regulation. These actions do not substitute passive social protection measures.

31. Spain has provided the required information on actions that are mandatory for the enterprise concerned by virtue of national law or pursuant to collective agreements. They have confirmed that a financial contribution from the EGF will not replace such actions.

Estimated budget

32. The estimated total costs are EUR 1 428 000, comprising expenditure for personalised services of EUR 1 334 000 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 94 000.

33. The total financial contribution requested from the EGF is EUR 856 800 (60 % of total costs).

Actions	Estimated number of participants	Estimated cost per participant (EUR) (*)	Estimated total costs (EUR) (**)
Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation)			
Welcome and information sessions (<i>acción de acogida</i>)	250	204	51 000
Occupational guidance (<i>orientación, asesoramiento laboral e itinerario personalizado de inserción</i>)	250	408	102 000
Job placement (<i>job placement</i>)	250	476	119 000
Training (<i>formación</i>)	230	2 000	460 000
Promotion of entrepreneurship (<i>emprendimiento</i>)	30	2 000	60 000

Contribution to business start-up (<i>incentivo para establecimiento de negocio</i>)	16	13 400	214 400
Sub-total (a):			1 006 400
Percentage of the package of personalised services		–	(75,44 %)
Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation)			
Participation allowance (<i>incentivo para participar</i>)	170	600	102 000
Contribution to commuting expenses (<i>incentivo para desplazamiento</i>)	50	300	15 000
Assistance for carers of dependent persons (<i>Incentivos que remuevan obstáculos que impidan la participación</i>)	50	1 500	75 000
Contribution to the expenses for change of residence (<i>incentivo por traslado</i>)	5	3 000	15 000
Contribution to the Internet flat rate (<i>incentivo para disponer de acceso a Internet en el domicilio</i>)	150	404	60 600
Hiring benefit (<i>incentivo empleadores</i>)	25	2 400	60 000
Sub-total (b):			327 600
Percentage of the package of personalised services:		–	(24,56 %)
Actions under Article 7(4) of the EGF Regulation			
1. Preparatory activities		–	0
2. Management		–	90 000
3. Information and publicity		–	4 000
4. Control and reporting		–	0
Sub-total (c):			94 000
Percentage of the total costs :		–	(6,58 %)
Total costs (a + b + c):		–	1 428 000
EGF contribution (60 % of total costs)		–	856 800

(*) To avoid decimals, the estimated costs per worker have been rounded. However the rounding has no impact on the total cost of each measure which remains as in the application submitted by Spain.

(**) Totals do not tally due to rounding.

34. The costs of the actions identified in the table above as actions under Article 7(1)(b) of the EGF Regulation do not exceed 35 % of the total costs for the coordinated package of personalised services. Spain confirmed that these actions are conditional on the active participation of the targeted beneficiaries in job-search or training activities.
35. Spain confirmed that the costs of investments for self-employment, business start-ups and employee take-overs will not exceed EUR 15 000 per beneficiary.

Period of eligibility of expenditure

36. Spain started providing the personalised services to the targeted beneficiaries on 20 September 2016. The expenditure on the actions will therefore be eligible for a financial contribution from the EGF from 20 September 2016 to 20 September 2018.
37. Spain started incurring the administrative expenditure to implement the EGF on 1 October 2015. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 1 October 2015 to 20 March 2019.

Complementarity with actions funded by national or Union funds

38. The source of national pre-financing or co-funding is public funding from the SERVEF²² (public labour offices of the autonomous government).
39. Spain has confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

Procedures for consulting the targeted beneficiaries or their representatives or the social partners as well as local and regional authorities

40. Spain has indicated that the co-ordinated package of personalised services has been drawn up in consultation with the workers representatives, the social partners, the relevant employer's association and the local (Sagunto) authorities.
41. Concerned about the vulnerable situation of the workers after the announcement of the enterprise closure, the representatives of the former workers of Bosal (the enterprise which made redundant a majority of the workers concerned by this application) informed SERVEF about their willingness to support an application for EGF funding. In a meeting on 1 October 2015, it was decided to apply for assistance from the EGF. In subsequent meetings the measures to be offered to workers were defined along with their schedule.

Management and control systems

42. The application contains a description of the management and control system which specifies the responsibilities of the bodies involved. Spain has notified the Commission that the financial contribution will be managed and controlled by the

²² Servicio Valenciano de Empleo y Formación de la Generalitat Valenciana (SERVEF).

same bodies that manage and control the European Social Fund (ESF) in Spain. The Dirección General de Financiación y Fondos Europeos will be the intermediate body for the managing authority.

Commitments provided by the Member State concerned

43. Spain has provided all necessary assurances regarding the following:
- the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation,
 - the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,
 - The dismissing enterprises, which have continued their activities after the lay-offs, have complied with their legal obligations governing the redundancies and provided for their workers accordingly,
 - the proposed actions will not receive financial support from other Union funds or financial instruments and any double financing will be prevented,
 - the proposed actions will be complementary with actions funded by the Structural Funds,
 - the financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

BUDGETARY IMPLICATION

Budgetary proposal

44. The EGF shall not exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020²³.
45. Having examined the application in respect of the conditions set out in Article 13(1) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed actions and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 856 800, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.
46. The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and

²³ OJ L 347, 20.12.2013, p. 884.

the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management²⁴.

Related acts

47. At the same time as it presents this proposal for a decision to mobilise the EGF, the Commission will present to the European Parliament and to the Council a proposal for a transfer to the relevant budgetary line for the amount of EUR 856 800.
48. At the same time as it adopts this proposal for a decision to mobilise the EGF, the Commission will adopt a decision on a financial contribution, by means of an implementing act, which will enter into force on the date at which the European Parliament and the Council adopt the proposed decision to mobilise the EGF.

²⁴ OJ C 373, 20.12.2013, p. 1.

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund following an application from Spain – EGF/2016/004 ES/Comunidad Valenciana automotive

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 Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006²⁵, and in particular Article 15(4) thereof,

Having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management²⁶, and in particular point 13 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Globalisation Adjustment Fund (EGF) aims to provide support for workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, as a result of a continuation of the global financial and economic crisis, or as a result of a new global financial and economic crisis, and to assist them with their reintegration into the labour market.
- (2) The EGF is not to exceed a maximum annual amount of EUR 150 million (2011 prices), as laid down in Article 12 of Council Regulation (EU, Euratom) No 1311/2013²⁷.
- (3) On 21 June 2016, Spain submitted an application to mobilise the EGF, in respect of redundancies in the economic sector classified under the Statistical classification of economic activities in the European Community ('NACE') Revision 2 Division 29 (Manufacture of motor vehicles, trailers and semi-trailers) in the Nomenclature of Territorial Units for Statistics ('NUTS')²⁸ level 2 region of Comunidad Valenciana

²⁵ OJ L 347, 20.12.2013, p. 855.

²⁶ OJ C 373, 20.12.2013, p. 1.

²⁷ Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).

²⁸ Commission Regulation (EU) No 1046/2012 of 8 November 2012 implementing Regulation (EC) No 1059/2003 of the European Parliament and of the Council on the establishment of a common classification of territorial units for statistics (NUTS) as regards the transmission of the time series for the new regional breakdown (OJ L 310, 9.11.2012, p. 34).

(ES52) in Spain. It was supplemented by additional information provided in accordance with Article 8(3) of Regulation (EU) No 1309/2013. That application complies with the requirements for determining a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) No 1309/2013.

- (4) In accordance with Article 4(2) of Regulation (EU) No 1309/2013, the application from Spain is considered admissible since the redundancies have a serious impact on employment and the local, regional or national economy.
- (5) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 856 800 in respect of the application submitted by Spain.
- (6) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the Union for the financial year 2016, the European Globalisation Adjustment Fund shall be mobilised to provide the amount of EUR 856 800 in commitment and payment appropriations.

Article 2

This Decision shall enter into force on the day of its publication in the Official Journal of the European Union. It shall apply from *[the date of its adoption]**.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

* *Date to be inserted by the Parliament before the publication in OJ.*