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Brussels, 10 November 2014  
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## PROPOSAL

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

date of receipt: 10 November 2014

To: Mr Uwe CORSEPIUS, Secretary-General of the Council of the European  
Union

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No. Cion doc.: COM(2014) 699 final

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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 13 of the Interinstitutional Agreement of 2 December  
2013 between the European Parliament, the Council and the Commission  
on budgetary discipline and sound financial management (application  
EGF/2013/006 PL/Fiat Auto Poland S.A. from Poland)

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Delegations will find attached document COM(2014) 699 final.

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Encl.: COM(2014) 699 final



Brussels, 10.11.2014  
COM(2014) 699 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 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2013/006 PL/Fiat Auto Poland S.A. from Poland)**

## EXPLANATORY MEMORANDUM

Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020<sup>1</sup> allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of EUR 150 million (2011 prices) over and above the relevant headings of the financial framework.

The rules applicable to the contributions from the EGF for applications submitted until 31 December 2013 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<sup>2</sup>.

On 29 July 2013, Poland submitted application EGF/2013/006 PL/Fiat Auto Poland for a financial contribution from the EGF, following redundancies in Fiat Auto Poland and 21 of its suppliers in Poland.

Following its assessment 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**

<b>Key data:</b>	
EGF Reference no.	EGF/2013/006
Member State	Poland
Article 2	(a)
Primary enterprise	Fiat Auto Poland S.A.
Suppliers and downstream producers	21
Reference period	21.1.2013 – 21.5.2013
Starting date for the personalised services	21.1.2013
Application date	29.7.2013
Redundancies before and after the reference period	0
Redundancies during the reference period	1 079 <sup>3</sup>
Total eligible redundancies	1 079
Redundant workers expected to participate in the measures	777
Expenditure for personalised services (EUR)	2 506 220
Expenditure for implementing EGF <sup>4</sup> (EUR)	13 000
Expenditure for implementing EGF (%)	0.52
Total budget (EUR)	2 519 220
EGF contribution (50 %) (EUR)	1 259 610

1. The application was presented to the Commission on 29 July 2013 and supplemented by additional information up to 16 June 2014.

<sup>1</sup> OJ L 347, 20.12.2013, p. 884.

<sup>2</sup> OJ L 406, 30.12.2006, p. 1.

<sup>3</sup> Number of redundant workers that have registered in the Labour Office

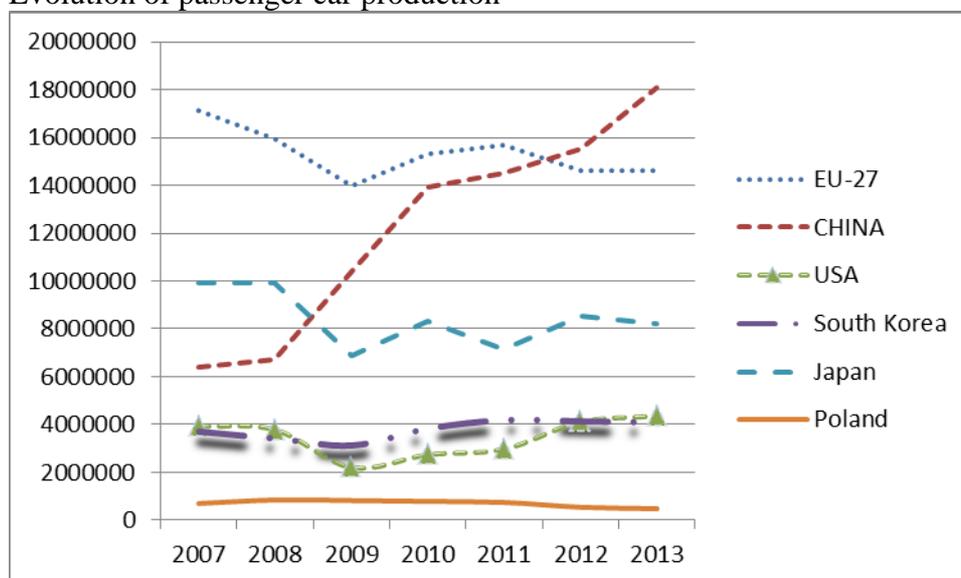
<sup>4</sup> In accordance with the third paragraph of Article 3 of Regulation (EC) No 1927/2006.

2. The application meets the conditions for deploying the EGF as set out in Article 2(a) 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**

3. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, Poland argues that the European automotive industry has lost market share since 2007<sup>5</sup>. That year European passenger car production accounted for 32.2% of global production, whereas in 2012 it had amounted to 23.2%<sup>6</sup>. The applicant adds that while world production levels increased by 5.3% from 2011 to 2012, EU-27 production decreased by 7% in the same period<sup>7</sup>. According to the Polish authorities, the situation was even worse at national level, where production volume decreased by almost a third in 2012 compared to 2011 levels<sup>8</sup>.

Evolution of passenger car production



Source: OICA

4. The impact of globalisation has been worsened by the effect of the financial crisis, which has reduced the sales of new passenger cars in the EU to the lowest level since records began. While demand for new cars slumped by 8.7% in the EU-27, global car sales registered a 5.1% increase in 2012.
5. The applicant shows the correlation between the declining car production and employment levels in Fiat Auto Poland. The plant in Tychy hired 6 422 workers in

<sup>5</sup> [http://www.acea.be/images/uploads/files/POCKET\\_GUIDE\\_13.pdf](http://www.acea.be/images/uploads/files/POCKET_GUIDE_13.pdf)

<sup>6</sup> [http://www.acea.be/uploads/publications/POCKET\\_GUIDE\\_13.pdf](http://www.acea.be/uploads/publications/POCKET_GUIDE_13.pdf)

<sup>7</sup> <http://www.oica.net/wp-content/uploads/2013/03/cars-production-2012.pdf>

<sup>8</sup> <http://www.oica.net/wp-content/uploads/cars-2012-2.pdf>

2009 in order to produce 606 000 cars<sup>9</sup>, while in 2012 production amounted to 361 000 units with 4 882 workers. Over the 2009-2013 period, while production decreased by 56%, employment dropped by only 46%. In Fiat Auto Poland the decrease in employment has therefore been less acute than the decrease in production. This was achieved by the factory operating a two shift basis instead of the regular practice of three shifts. The Polish authorities also provide Eurostat data on the employment situation in the automotive sector, where a continuous fall is demonstrated. Employment in the automotive industry in EU-27 at the end of 2009 was 12% lower than at the beginning of 2008.

6. This falling trend of the EU market share in passenger cars as well as sales of passenger cars was confirmed in the Cars 21 final report<sup>10</sup>, published on 6 June 2012. The trend is set to continue, with global sales expected to increase by more than 10% in 2020, when compared to 2008, as a result of the motorisation of emerging markets.
7. To date, the automotive sector has been the subject of 21 EGF applications, of which 12 are based on trade related globalisation, while the other 9 are based on the crisis criterion.

#### **Demonstration of the number of redundancies and compliance with the criteria of Article 2(a)**

8. Poland submitted this application under the intervention criteria of Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers and downstream producers.
9. The applicant explains that Fiat Auto Poland started to dismiss workers from June 2012 at the factory in Tychy. Since these dismissals were not considered as collective redundancies, the enterprise does not have the obligation to notify them to the labour office and these redundancies are not included in the EGF application. Fiat Auto Poland informed the Polish Authorities that 1 450 workers would be dismissed in the first quarter of 2013. This had a dramatic impact on the regional labour market, particularly employment in the 77 suppliers of Fiat Auto Poland, who were requested to estimate the spill over effect on their activities and the eventual consequences of downsizing. The application cites the final figure of 829 redundancies in Fiat Auto Poland and 250 from 21 suppliers and downstream producers. The redundancies took place during the four-month reference period from 21 January 2013 to 21 May 2013. The Polish Authorities have pointed out that the information in the EGF application is based on the number of unemployed people registered in the Labour Office and that, according to these data, they consider the 829 redundancies related to Fiat Auto Poland and 250 redundancies related to its suppliers to be eligible for the purposes of the EGF application. Their approach was to include in the EGF application dismissed workers who registered in the Labour Office, hence the number of people included in the application is lower than the figure initially provided by Fiat Auto Poland and suppliers.

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<sup>9</sup> <http://www.eurofound.europa.eu/eiro/2010/05/articles/pl1005019i.htm>

<sup>10</sup> [http://ec.europa.eu/enterprise/sectors/automotive/files/cars-21-final-report-2012\\_en.pdf](http://ec.europa.eu/enterprise/sectors/automotive/files/cars-21-final-report-2012_en.pdf)

10. The redundancies were calculated from the date of the facto termination of the contract of employment before its expiry, 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**

11. The Polish authorities argue that the decision to stop the production of the Panda Classic at the Tychy Plant was not expected, even though the manufacture of passenger cars at the Tychy Plant was subject to a downsizing trend since 2009, when the plant produced 606 000 vehicles, which declined to 300 000 in 2012 and fell below 250 000 in 2013<sup>11</sup>. Fiat Auto Poland suffered the consequences of the declining market share of the EU automotive industry and the increasing popularity of Asian cars. This decreasing level of production along with the EU automobile crisis had a negative impact on employment at the Tychy Plant, which has been cutting staff steadily since 2009.
12. The company endeavoured to adapt production to market demand and optimised workforce numbers in order to remain competitive and improve the chances of being selected as the manufacturer of new car models. For this reason, the announcement that 1 450 workers would be dismissed, came as a complete surprise to those potentially affected. The group decided to transfer the production of the Panda Classic to Campania in Italy from January 2013<sup>12</sup>. In addition to this decision, the group had already assigned the manufacture of the new generation of its Panda model to this site in order to generate employment in the home country. This reduced the shifts at the Tychy Plant and led to the decision to dismiss many of the staff. Eurofound<sup>13</sup> reported the reshoring trend of some firms that transferred jobs back to the home countries in 2013.
13. On 20 December 2012, Fiat Auto Poland reached an agreement with the trade unions by which they set the criteria that would be used to select the workers to be made redundant and agreed on the incentives that would be granted to workers who agreed to leave the firm voluntarily.
14. The situation at Fiat Auto Poland was also not expected by the suppliers who could not prepare themselves for this reduction in activity. Job reductions necessarily followed also among the suppliers.
15. Of the 1 450 workers from Fiat Auto Poland made redundant during the reference period, 829 registered in the Labour Office and are therefore included in the EGF application.

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<sup>11</sup> Poland produced 539 671 cars in 2012 and 475 000 in 2013 (-12.0%), <http://www.oica.net/wp-content/uploads/cars-2013.pdf>. The EU-27 produced in 2012 14,631,710 and in 2013 14,616,202 passengers' cars, that is to say -0.1%.

<sup>12</sup> <http://www.eurofound.europa.eu/emcc/erm/factsheets/23033/Fiat%20Auto%20Poland?template=searchfactsheets>

<sup>13</sup> <http://www.eurofound.europa.eu/pubdocs/2013/80/en/1/EF1380EN.pdf>

## **Identification of the dismissing enterprises and workers targeted for assistance**

16. The application relates to 1 079 redundancies, i.e. 829 workers made redundant by Fiat Auto Poland and 250 workers made redundant by suppliers (see table).

Suppliers of Fiat Auto Poland and number of dismissals			
Elektropoli Galwanotechnika	2	Plastic Components and Modules Poland	9
Delfo Polska S.A.	89	AURES Sp. z o.o.	12
Fiat Powertrain Technologies Poland	1	Firma "OK" Maciej Bilnik	2
Polmotors Sp. z o.o.	1	Sistema Poland Sp. z o.o.	21
Ti Poland Sp. z o.o.	1	Ceva Logistics Poland Sp. z o.o.	4
Cornaglia Poland Sp. z o.o.	1	DP Metal Processing Sp. z o.o.	1
Fastek Filing Polska Sp. z o.o.	2	Nexteer Automotive Poland Sp. z o.o.	2
DELPHI Poland S.A.	1	Proma Poland Sp. z o.o.	3
Johnson Controls Intl	23	TRW Braking Systems Polska Sp. z o.o.	69
Adler Polska Sp. z o.o. Bielsko Biała	1	Valeo Autosystem Sp. z o.o.	4
Boryszew S.A. Oddział Mafłow w Tychach	1		
<b>Total suppliers: 21</b>		<b>Total dismissals: 250</b>	

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

Category	Number	Percent
Men	602	77,5
Women	175	22,5
EU citizens	777	100
Non EU citizens	0	0
15-24 years old	19	2,4
25-54 years old	613	78,9
55-64 years old	145	18,7
> 64 years old	0	0

18. There are 6 workers with longstanding health problems or disabilities who will participate in the measures.

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

Category	Number	Percent
Professional	4	0,5
Technicians and associate professionals	64	8,2
Clerical support workers	10	1,3
Crafts and related trade workers	213	27,4
Plant and Machine Operators and assemblers	477	61,4
Elementary occupations	9	1,2

20. In accordance with Article 7 of Regulation (EC) No 1927/2006, Poland 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**

21. The territory concerned covers the Slaskian province, whose capital is Katowice. It is bordered by the Polish provinces of Łódzkie to the north, Świętokrzyskie to the northeast, Małopolskie to the east, and Opolskie to the west and by Slovakia and Czech Republic in the South. Slaskie has a total population of almost 5 million,

concentrated around the cities of Katowice, Częstochowa, Sosnowiec, Gliwice, Bytom, Zabrze and Bielsko-Biała.

22. Śląskie has a long and rich industrial tradition, including sectors such as power production or automobile production, and is also rich in minerals.
23. The greatest number of redundancies occurred in Bieruń and Łęzin District including the city of Tychy, Bielsko District, Pszczyna District, Częstochowa District, Mikołów District and particularly in the cities of Jaworzno, Sosnowiec and Mysłówice.
24. The local government of Tychy, in addition to the employment offices of Tychy, Mikołów, Częstochowa, Sosnowiec, Jaworzno, Mysłówice, Pszczyna, Bielsko-Biała and Katowice will be involved in providing support to the redundant workers.
25. As far as other stakeholders are concerned, the Regional Employment Council, advisory council to the Province Marshall in employment issues, covers employers' associations, academic community, trade unions and NGOs.

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

26. Since 2011 the unemployment rate has risen in Śląskie<sup>14</sup>. In addition, the number of workers affected by collective redundancies has increased: in 2011, 4 895 workers were affected by collective redundancies and this figure rose to 8 335 in 2012.
27. In January 2013, the Labour Services were informed that 3 805 dismissals would take place, including 3 309 workers from the private sector and 496 workers from the public sector. The figure corresponding to the private sector includes the dismissed workers of Fiat Auto Poland.
28. The Polish authorities stress the negative impact of Fiat Auto Poland redundancies in the area of Tychy, where the former workers of Fiat Auto Poland and suppliers represent 1/10 of all the unemployed people living in that area.

#### **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**

29. All the following measures combine to form a co-ordinated package of personalised services which aims at re-integrating the redundant workers into employment:
  - Training and training related cost: these include the cost of training and other expenses that may arise before or after participation in the training, such as medical or psychological checks, registration fees to sit examinations leading to certificates, diplomas or professional qualifications and licences required for certain occupations.
  - Entrepreneurial training: this action will provide participants with the skills to start their own businesses. The training courses will cover issues such as free

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<sup>14</sup> In 2011 unemployment rate amounted to 10,2%, in 2012 it was 11,1% and in 2013 11,2% according to the figures on: <http://katowice.stat.gov.pl/en/publications/folder/slaskie-in-numbers-2014,1,4.html>

market, procedures and requirements for the start-up of self-employed activity, preparing business plans and accounting.

- Training scholarships: this measure intends to provide a financial benefit related to the participation of the unemployed person in the training.
- Internship scholarships: this measure intends to provide a financial benefit related to the participation of the unemployed person in an internship in the workplace. During this period they will receive an allowance equal to 120 % of the unemployment benefit.
- Internship costs: this measure will cover health checks, incurred by workers involved in internships.
- Intervention works: employers are given the possibility to hire persons designated by the local unemployment services. The enterprise is granted the reimbursement of some of the costs linked to the person's wage, such as social security contributions. The potential employer concludes an agreement with the Labour Office. The measure is normally targeted to help long term unemployed, unemployed aged 50 and above, unemployed people with low qualifications, unemployed without work experience, young people up to 25 years old, single mothers, disabled people, social work clients and former inmates. In the context of this application, Poland wishes to use this measure specifically for redundant workers over 50 years of age.
- Grants for self-employment: unemployed workers from Fiat Auto Poland who want to start their own business will receive set-up funding for up to EUR 4 995. This will cover some of the setting-up costs, such as legal assistance, consultation and counselling for business start-up. The participants of this measure submit an application for a grant and once it is approved and they receive the grant, the participants can start their self-employed activity. Participants will record the expenses incurred within two months of the award of the grant. If the participant fails to comply with the provisions of the contract or if the self-employed activity is undertaken for less than 12 months, the funds must be returned to the Labour office. Such returned funds will not be eligible expenditure under EGF and will be reimbursed to the European Commission.
- Hiring incentive: this encourages the recruitment of Fiat Auto Poland workers by new employers. A subsidy of up to EUR 4 845 will be paid to employers that hire a former Fiat Auto Poland worker for 24 months. The scheme is aimed at employers with no financial difficulties who have complied with their social security contributions. The Labour Office performs an intermediary role by bringing in the former workers of Fiat Auto Poland who can best meet the needs of the new employer. In the event that the worker leaves for a better job during the first 12 months, he or she will be replaced by another former worker of Fiat Auto Poland. If the worker is not replaced and the Labour office fails to find another suitable worker from the group, the EGF will only cover a proportion of the costs.

30. The expenditure for implementing the EGF, which is included in the application in accordance with Article 3 of Regulation (EC) No 1927/2006, covers preparatory, management and control activities as well as information and publicity.

31. The personalised services presented by the Polish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Polish authorities estimate the total costs at EUR 2 519 220, of which the expenditure for personalised services at EUR 2 506 220 and the expenditure for implementing the EGF at EUR 13 000 (0.52 % of the total amount). The total contribution requested from the EGF is EUR 1 259 610 (50 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (EUR)	Total costs (EGF and national cofinancing) (EUR)
<b>Personalised services</b> (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Training and training related costs <i>(koszty szkoleń zawodowych)</i>	389	453	176 217
Entrepreneurial training <i>(szkolenia z zakresu przedsiębiorczości)</i>	110	217	23 870
Training scholarships <i>(stypendia szkoleniowe)</i>	389	261	101 529
Internship scholarships <i>(stypendia stażowe)</i>	48	1 910	91 680
Internship costs <i>(koszty stażowe – koszty badań lekarskich –)</i>	18	13	234
Intervention works <i>(prace interwencyjne)</i>	120	1 381	165 720
Grants for self employment <i>(środki na podjęcie działalności gospodarczej)</i>	189	4 995	944 055
Hiring incentives <i>(dopłaty do zatrudnienia)</i>	207	4 845	1 002 915
<b>Sub total personalised services</b>			2 506 220
<b>Expenditure for implementing EGF</b> (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Preparatory activities			2 000
Management			3 000
Information and publicity			5 000
Control activities			3 000
<b>Sub total expenditure for implementing EGF</b>			13 000
<b>Total estimated costs</b>			2 519 220
<b>EGF contribution (50 % of total costs)</b>			1 259 610

32. Poland confirms that the measures described above are complementary with actions funded by the Structural Funds. The Polish authorities will set up measures to prevent double funding. Both the ESF and the EGF are implemented by the district employment offices, and these entities will endeavour to separate the actions

financially. To meet this objective, the labour offices rely on a monitoring system to ensure the transparency of cash flows. This system is able to separate the incurred expenditure that will subsequently be charged to the EGF accounts.

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

33. Poland started the personalised services to the affected workers included in the co-ordinated package proposed for co-financing to the EGF on 21 January 2013. 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**

34. A meeting of the Regional Employment Council was held with a representative of Fiat Auto Poland. The possibility to apply for EGF funding was proposed during this meeting. The Regional Employment Council advises in the management and implementation of the Labour Fund, out of which the national cofinancing is covered. For this reason, the Regional Employment Council was involved in the preparation of the application of the EGF and its role was crucial in deciding the package of activities of the project.
35. During implementation, the Regional Employment Council does not intervene in the measures but may formulate proposals on the distribution of the Labour Fund in the region.
36. The Polish 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**

37. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Polish 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**

38. Poland has notified the Commission that the financial contribution will be managed and controlled by the same bodies as the European Social Fund. The Managing Authority, responsible for the implementation of the EGF, will be the Ministry of Infrastructure and Development, and specifically the Department for the European

Social Fund. The Managing Authority will transfer some of the tasks to the Intermediate Body, the Provincial Employment Office in Katowice.

39. The Paying Authority will be the Department of Payment Authority of the Ministry of Finance.
40. The Certifying Authority will be set up at the Department of Certification and Designation in the Ministry of Infrastructure and Development, in a different department from the Managing Authority.
41. The Department for the ESF and the Department of Certification and Designation are supervised by two independent members of the Ministry's management. The EGF contribution will be credited to a separate account of the Ministry of Finance which will transfer the funds to the income account of the State budget. The co-funding to implement the activities will come from national resources, including the Labour Fund.
42. The District Employment offices will keep a separate expenditure register. Once implementation comes to an end, the District Employment offices will submit a payment claim to the Provincial Employment Office, which will approve and submit the payment claim to the Managing Authority. The Managing Authority will submit the certificate and statement justifying the expenditure to the European Commission. The Managing Authority will carry out inspections to check the correct implementation of procedures by the Intermediate Body. In turn, the Intermediate Body will verify the method of providing assistance by the District Employment Offices. According to the control systems, upon receipt of a decision on reimbursement under the EGF, a timetable for inspections will be agreed. In case there have been irregularities during the implementation of the actions, an authority may decide to initiate additional verification activities.

### **Financing**

43. On the basis of the application from Poland, the proposed contribution from the EGF to the coordinated package of personalised services (including expenditure to implement EGF) is EUR 1 259 610, representing 50 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Poland.
44. Article 12 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020<sup>15</sup> allows for the mobilisation of the European Globalisation Adjustment Fund (EGF) within the annual ceiling of EUR 150 million (2011 prices) over and above the relevant headings of the financial framework.
45. Considering the maximum possible amount of a financial contribution from the EGF and the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount of the requested contribution (EUR 1 259 610), which represents 50 % of the total costs of the measures.

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<sup>15</sup> OJ L 347, 20.12.2013, p. 884.

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 the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>16</sup>.
47. The Commission presents separately a transfer request in order to enter in the 2014 budget specific commitment appropriations, as required under point 13 of the Interinstitutional Agreement of 2 December 2013.

#### **Source of payment appropriations**

48. Appropriations allocated to the EGF budget line in the 2014 budget will be used to cover the amount of EUR 1 259 610.

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<sup>16</sup> OJ C 373, 20.12.2013, p. 1.

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 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2013/006 PL/Fiat Auto Poland S.A. from Poland)**

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 (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund<sup>17</sup>, and in particular Article 12(3) thereof,

Having regard to Regulation (EU) N° 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Fund (2014-2020) and repealing Regulation (EC) N° 1927/2006<sup>18</sup>, and in particular Article 23, second subparagraph, thereof,

Having regard to the Interinstitutional Agreement between the European Parliament, the Council and the Commission of 2 December 2013 on budgetary discipline, on cooperation in budgetary matters and on sound financial management<sup>19</sup>, and in particular point 13 thereof,

Having regard to the proposal from the European Commission<sup>20</sup>,

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) Article 12 of Council Regulation (EU, Euratom) N° 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the year 2014-2020<sup>21</sup> allows the mobilisation of the EGF within the annual ceiling of EUR 150 million Poland submitted an application to mobilise the EGF, in respect of redundancies in the enterprise Fiat Auto Poland S.A. and 21 suppliers and downstream producers, on 29 July 2013 and supplemented it by additional information up to 16 June 2014. This application complies with the requirements for determining the financial contributions

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<sup>17</sup> OJ L 406, 30.12.2006, p. 1.

<sup>18</sup> OJ L 347, 20.12.2013, p. 855.

<sup>19</sup> OJ C 373, 20.12.2013, p. 1.

<sup>20</sup> OJ C [...], [...], p. [...].

<sup>21</sup> OJ L 347, 20.12.2013, p. 884.

as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission, therefore, proposes to mobilise an amount of EUR 1 259 610.

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

HAVE ADOPTED THIS DECISION:

*Article 1*

For the general budget of the European Union for the financial year 2014, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 1 259 610 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*