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COVER NOTE

From:	Mr Günther OETTINGER, Member of the European Commission
date of receipt:	23 March 2018
To:	Ms Marinela PETROVA, President of the Council of the European Union
Subject:	Proposal for transfer of appropriations No DEC 05/2018 within Section III - Commission - of the general budget for 2018

Delegations will find attached Commission document DEC 05/2018.

Encl.: DEC 05/2018



EUROPEAN COMMISSION

BRUSSELS, 23/03/2018

GENERAL BUDGET - 2018
SECTION III - COMMISSION TITLES: 04, 40

TRANSFER OF APPROPRIATIONS N° **DEC 05/2018**

FROM

CHAPTER - 4002 Reserves for financial interventions

ARTICLE - 40 02 43 Reserve for the European Globalisation Adjustment Fund	Commitments	-4 621 616,00
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TO

CHAPTER - 0404 European Globalisation Adjustment Fund (egf)

ARTICLE - 04 04 01 EGF -- to support workers and self-employed persons whose activity has ceased as a result of globalisation	Commitments	4 621 616,00
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Introduction:

The rules applicable to 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 1927/2006 (the 'EGF Regulation'). This Regulation covers applications for the mobilisation of the EGF submitted to the Commission after 1 January 2014.

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 sound financial management, sets the budgetary provisions related to the EGF.

The EGF/2017/010 BE/Caterpillar application was submitted under the intervention criteria of Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant over a reference period of four months in an enterprise in a Member State, including workers made redundant by suppliers and downstream producers and / or self-employed persons whose activity has ceased.

On the basis of the assessment carried out, the Commission concluded that the conditions for a financial contribution from the EGF to application EGF/2017/010 BE/Caterpillar, submitted by the Belgian authorities, are met.

Under application EGF/2017/010 BE/Caterpillar, an amount of EUR 4 621 616 (60% of total estimated costs) is requested by the Belgian authorities to contribute to the costs of a coordinated package of eligible personalised services for 2 587 targeted beneficiaries (including 300 young persons not in employment, education or training [NEETs]) following redundancies in Caterpillar and five suppliers. The aim is to provide assistance for re-integrating the affected persons into the labour market. The redundancies were caused by major structural changes in world trade patterns due to globalisation.

For an average amount of EUR 1 786 per worker, the coordinated package of eligible personalised services to be provided to redundant workers and NEETs will consist of the following actions: individual job search assistance (counselling, career guidance, open information services); vocational and continuing training; promotion of entrepreneurship including close collaboration with the regional authorities dedicated to support self-employment; contribution to business Start-up; conditional allowances (training, mobility, back to education, job search, entrepreneurship allowances).

I. DECREASE

I.1

a) Heading

40 02 43 - Reserve for the European Globalisation Adjustment Fund

b) Figure at 07/03/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	172 302 000,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	172 302 000,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	172 302 000,00
6 Requirements up to year-end	167 680 384,00
7 Proposed decrease	4 621 616,00
8 Decrease as percentage of appropriation in budget (7/1)	2,68 %
9 Decrease, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	0,00
2 Appropriations available on 07/03/2018	0,00
3 Rate of utilisation [(1-2)/1]	n/a

d) Detailed grounds for the transfer

Under point 13 of the Interinstitutional Agreement of 2 December 2013 on budgetary discipline and sound financial management, the Commission shall present to the European Parliament and the Council a proposal for a transfer of appropriations from the reserve for the EGF to the relevant budgetary line in parallel to the proposal for a decision to mobilise the EGF.

II. INCREASE

II.1

a) Heading

04 04 01 - EGF -- to support workers and self-employed persons whose activity has ceased as a result of globalisation

b) Figure at 07/03/2018

	Commitments
1 Appropriation in budget (Initial Budget + AB)	0,00
2 Transfers	0,00
3 Final appropriation for the year (1+2)	0,00
4 Utilisation of final appropriation	0,00
5 Amount not used/available (3-4)	0,00
6 Requirements up to year-end	4 621 616,00
7 Proposed increase	4 621 616,00
8 Increase as percentage of appropriation in budget (7/1)	n/a
9 Increase, as a percentage of the final appropriation for the year, in the sum of transfers referred to in Article 26(1)(b) of the Financial Regulation, calculated in accordance with Article 14 of the Rules of Application	n/a

c) Receipts arising from recovery (carried over from previous year)

	Commitments
1 Appropriations available at start of the year	24 932 890,19
2 Appropriations available on 07/03/2018	24 932 890,19
3 Rate of utilisation [(1-2)/1]	0,00 %

d) Detailed grounds for the transfer

In the proposal for Decision COM(2018) 156, the Commission concluded that the conditions for a financial contribution from the EGF to application EGF/2017/010 BE/Caterpillar, submitted by the Belgian authorities, are met.

The amount of EUR 4 621 616 requested by the Belgian authorities will contribute to the costs of a coordinated package of eligible personalised services for 2 287 targeted beneficiaries following redundancies in Caterpillar - Solar Gosselies and five suppliers, operating in the machinery and equipment industry, as well as 300 targeted young persons not in employment, education or training (NEETs) , with the aim of providing assistance for re-integrating the affected persons into the labour market.

The redundancies were caused by major structural changes in world trade patterns due to globalisation.

**TRANSFERS RELATED TO THE EUROPEAN GLOBALISATION ADJUSTMENT FUND COMMISSION
PROPOSALS AS OF 23/03/2018**

The table below shows the transfer proposals transmitted to the Budgetary Authority to date during 2018 which relate to the European Globalisation Adjustment Fund, and the amount of the EGF reserve which will remain should these proposals be approved.

Transfer Ref	Date sent to B.A.	Content	Amounts in EUR (Commitments from Reserve)
DEC 01*	15/01/18	EGF/2017/007 SE/Ericsson	2,130,400
DEC 02*	15/01/18	EGF/2017/006 ES/Galicia apparel	720,000
DEC 03*	09/02/18	EGF/2017/008 DE/Goodyear	2,165,231
DEC 05	23/03/18	EGF/2017/010 BE/Caterpillar	4,621,616
		Total of Proposals	9,637,247
		Remainder	162,664,753

* These transfers have been finally adopted by the Budgetary Authority.

At this stage, the levels of internal assigned revenue available payment appropriations (current year and carried-over from previous year) are as follows:

Line 04 04 01: EGF – to support workers and self-employed persons whose activity has ceased as a result of the globalisation

	Amounts in EUR
Internal assigned revenue - current year	2,120,377
Internal assigned revenue - carried-over from previous year	17,417,899

Line 04 04 51: Completion of the European Globalisation Adjustment Fund (2007 to 2013)

	Amounts in EUR
Internal assigned revenue - current year	-
Internal assigned revenue - carried-over from previous year	-