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## PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	23 April 2018
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2018) 230 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 France – EGF/2017/009 FR/Air France

Delegations will find attached document COM(2018) 230 final.

Encl.: COM(2018) 230 final



EUROPEAN  
COMMISSION

Brussels, 23.4.2018  
COM(2018) 230 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 France – EGF/2017/009 FR/Air France**

## **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 1927/2006<sup>1</sup> (the 'EGF Regulation').
2. On 23 October 2017, France submitted an application EGF/2017/009 FR/Air France for a financial contribution from the EGF, following redundancies<sup>2</sup> in Air France in France.
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/2017/009 FR/Air France
Member State	France
Region(s) concerned (NUTS <sup>3</sup> level 2)	Île-de-France (FR10) Provence-Alpes-Côte d'Azur (FR82) <sup>4</sup>
Date of submission of the application	23 October 2017
Date of acknowledgement of receipt of the application	6 November 2017
Date on which the Commission was in possession of the translation of the application	7 December 2017
Date of request for additional information	21 December 2017
Deadline for provision of the additional information	1 February 2018
Deadline for the completion of the assessment	26 April 2018
Intervention criterion	Article 4(1)(a) of the EGF Regulation
Primary enterprise	Air France
Number of enterprises concerned	1
Sector(s) of economic activity (NACE Revision 2 Division) <sup>5</sup>	Division 51 (Air transport)

<sup>1</sup> OJ L 347, 20.12.2013, p. 855.

<sup>2</sup> Within the meaning of Article 3 of the EGF Regulation.

<sup>3</sup> 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).

<sup>4</sup> There are 15 regions concerned. The two regions mentioned concentrate 88 % of the redundancies.

<sup>5</sup> OJ L 393, 30.12.2006, p. 1.

Reference period (four months):	1 April 2017 – 31 July 2017
Number of redundancies during the reference period (a)	1 086
Number of redundancies before or after the reference period (b)	772
Total number of redundancies (a + b)	1 858
Total number of eligible beneficiaries	1 858
Total number of targeted beneficiaries	1 858
Number of targeted young persons not in employment, education or training (NEETs)	0
Budget for personalised services (EUR)	16 410 805
Budget for implementing EGF <sup>6</sup> (EUR)	80 000
Total budget (EUR)	16 490 805
EGF contribution (60 %) (EUR)	9 894 483

## ASSESSMENT OF THE APPLICATION

### Procedure

- France submitted application EGF/2017/009 FR/ Air France within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met, on 23 October 2017. The Commission acknowledged receipt of the application on 6 November 2017. The Commission requested additional information from France on 21 December 2017, within two weeks of the date on which it was in possession of the translation of the application. 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 26 April 2018.

### Eligibility of the application

#### *Enterprises and beneficiaries concerned*

- The application relates to 1 858 workers made redundant in Air France. This enterprise operates in the economic sector classified under the NACE Revision 2 Division 51 (Air transport). The redundancies made by Air France are mainly located in the NUTS level 2 regions of Île-de-France (FR10) and Provence-Alpes-Côte d'Azur (FR82).

#### *Intervention criteria*

- France submitted the application 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.

<sup>6</sup> In accordance with the fourth paragraph of Article 7 of Regulation (EU) No 1309/2013.

7. The reference period of four months for the application runs from 1 April 2017 to 31 July 2017. The redundancies during the reference period are 1 086 workers made redundant in Air France.

*Calculation of redundancies and of cessation of activity*

8. The 1086 redundancies during the reference period have been calculated as from the date of the employer's individual notice<sup>7</sup> to lay off or to terminate the contract of employment of the worker.

*Eligible beneficiaries*

9. In addition to the workers already referred to, the eligible beneficiaries include 772 workers made redundant before or after the reference period of four months. These workers were all made redundant after the general announcement of the projected redundancies in the central works council meeting held on 23 April 2015. A clear causal link can be established with the event, which triggered the redundancies during the reference period.
10. The total number of eligible beneficiaries is therefore 1 858.

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

11. In order to establish the link between the redundancies and major structural changes in world trade patterns due to globalisation, France argues that the international air transport sector has undergone serious economic disruption, in particular a decline of the EU's market share. Over the period 2008-2015, the global traffic, measured in revenue passenger-kilometres (RPK), increased by 5,3 % per year, as part of a trend of long-term growth observed since 1970. However, since 2008, traffic between Europe and the rest of the world has been growing more slowly than global traffic. Between 2008-2015 annual growth in the traffic 'Europe-Rest of the World', was 3,4% which is 36 % lower than the average annual growth in world traffic<sup>8</sup>.
12. Traffic grew by region as follows: between Europe and North America it grew by 1,4 %; Europe-Central America and South America by 3,4 %; Europe-Africa by 2,9 %; Europe-Asia by 2,7 %; and Europe-Middle East by 11,2 %<sup>9</sup>. The major Middle East airlines (Emirates, Qatar Airways and Etihad Airways) have captured significant long-haul share from Europe's network carriers by providing one-stop service from Europe to destinations such as India, Australia and Southeast Asia, where the geographical advantage of Middle East carriers is greater.
13. The most damaging effects of the globalization of air transport on the EU companies are to be attributed to the very strong increase in capacity of Emirates, Qatar Airways and Etihad Airways which continues since 2012. The total number of long-haul aircraft of the three carriers mentioned (the long-haul representing almost all the fleets of these companies) tripled in 8 years, over the period 2005- 2013, from just over 100 aircraft to more than 300 in 2013, including an increasing number of very large A380s<sup>10</sup>. Between 2013 and 2017, their fleet was again multiplied by 1,5

<sup>7</sup> The supporting document will be the '*convention de rupture à l'amiable*'.

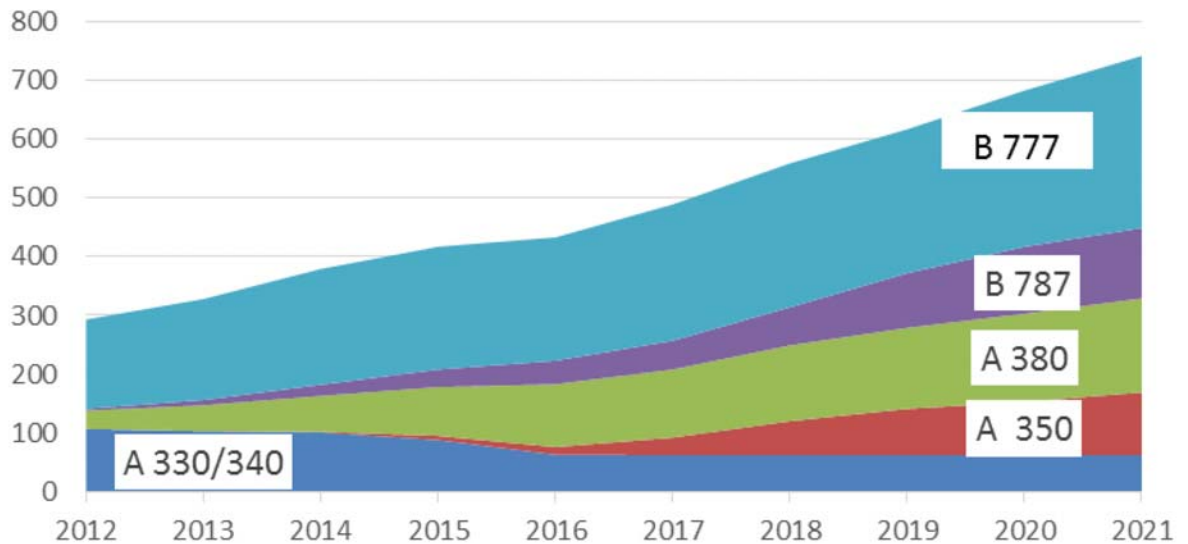
<sup>8</sup> ICAO ([www.icao.int](http://www.icao.int))

<sup>9</sup> Current Market Outlook Boeing 2016.

<sup>10</sup> The Airbus A380 is a double-deck, wide-body, four-engine jet airliner manufactured by European manufacturer Airbus. It is the world's largest passenger airliner. It provides seating for 525 people in a typical three-class configuration or up to 853 people in an all-economy class configuration

(around 500 aircraft) and should exceed 700 aircraft by 2021 on the basis of orders from April 2017; having thus multiplied the fleet 2,33 times over the period 2013-2021.

**Emirates, Qatar and Etihad widebody<sup>11</sup> pax fleetplan  
(historical + orders as from April 2017)**



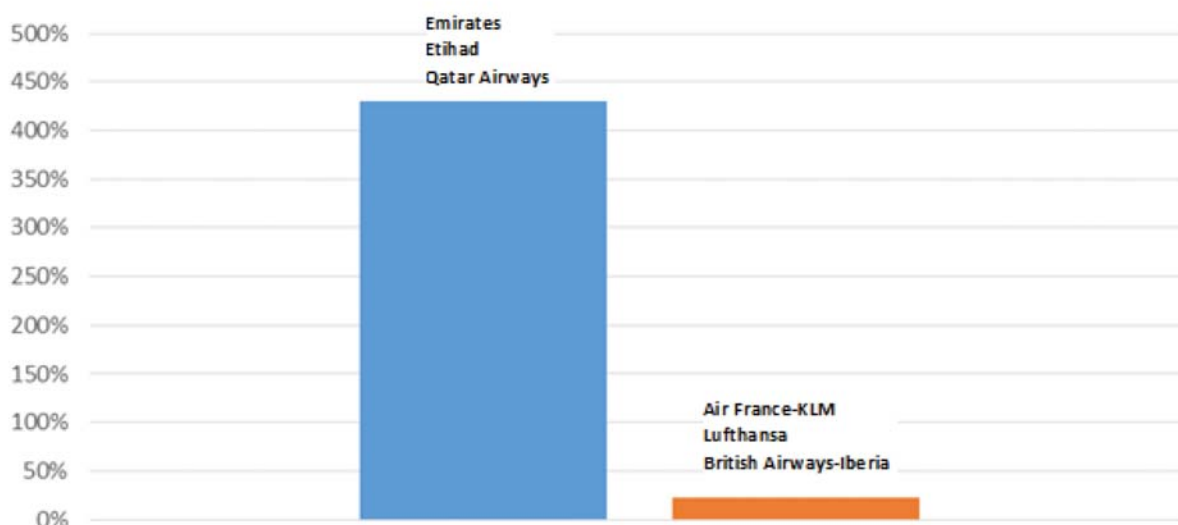
Source: Chart produced by Air France from Ascend data<sup>12</sup>

14. France argues that the massive orders made by Emirates, Qatar Airways and Etihad Airways are disconnected from the fundamentals of air transport. Although part of the strategy of these enterprises is to increase their ability to transport passengers between the Middle East and the rest of the world, the main purpose of the three carriers is to significantly increase the power of their correspondence system on 'long-haul'–'long-haul' flows to capture via their hubs in Dubai, Doha and Abu Dhabi a preponderant share of flows between Europe, Africa and the Americas on the one hand, and Asia and Oceania on the other, as well as between Europe and Africa.
15. The European companies and their correspondence platforms have been particularly challenged, both on flows representing the largest volumes of traffic (e.g. Europe-Asia) and on high-growth flows, in particular Africa-Asia).

<sup>11</sup> A wide-body aircraft is a jet airliner with a fuselage wide enough to accommodate two passenger aisles, also known as twin-aisle aircraft, with seven or more seats abreast.

<sup>12</sup> Ascend provides aviation market information. <http://ascend.flightglobal.com>

### Growth of airlines' offer between Europe and the Gulf (2004-2015) (%)



Source: Chart produced by Air France from OAG<sup>13</sup> data

16. Qatar and the United Arab Emirates (UAE) are funneling billions of dollars in government subsidies to their state-owned airlines, distorting the international aviation market and undermining fair competition. Emirates, Qatar Airways and Etihad are at the heart of the development strategy of their shareholder states, inclined to promote rapid growth of its carriers at the service of national development, this resulting in almost unlimited support. A study conducted by major US air companies in 2015 (American Airlines, Delta, United)<sup>14</sup> has estimated USD 42 billion in state aid was received by Emirates, Etihad, and Qatar Airways between 2004 and 2014. The same US carriers, in a letter sent to the Secretary of State of the United States in February 2017<sup>15</sup>, estimated that the aid received by the Gulf companies exceeds USD 50 billion, increasing the previous estimate by an additional eight billion dollars.
17. State aid and benefits granted to Emirates, Qatar Airways and Etihad concern the social and tax system (tax-free environment: no corporate tax, no social security charges, no local taxes, etc.), the financing of aircraft purchases (states' guarantees and export credit facilities), the financing of airport infrastructures by massive investments (EUR 6 800 million in Dubai, EUR 4 900 million in Doha), and some of the lowest airport fees in the world (e.g. comparing the airport fees and charges in 2016 between Paris (CDG) and Dubai (DXB) for the landing of a B777-300, the ratio is 2,2 (EUR 16 766 in Paris / EUR 7 599 in Dubai)<sup>16</sup>.
18. In a legal framework marked by a heavy trend towards the liberalization of air services, 24 out of 28 EU Member States have signed agreements with Qatar and the

<sup>13</sup> OAG is an air travel intelligence company that provides accurate airline schedules, route analysis, aviation analytics, flight tracking and flight data. [www.oag.com](http://www.oag.com)

<sup>14</sup> <http://www.openandfairskies.com/wp-content/themes/custom/media/White.Paper.pdf>

<sup>15</sup> <http://www.openandfairskies.com/wp-content/uploads/2017/02/Tillerson-Letter-020117.pdf>

<sup>16</sup> Source: Air France's airport fees and taxes service. Based on fees and taxes Air France paid at the airports concerned.

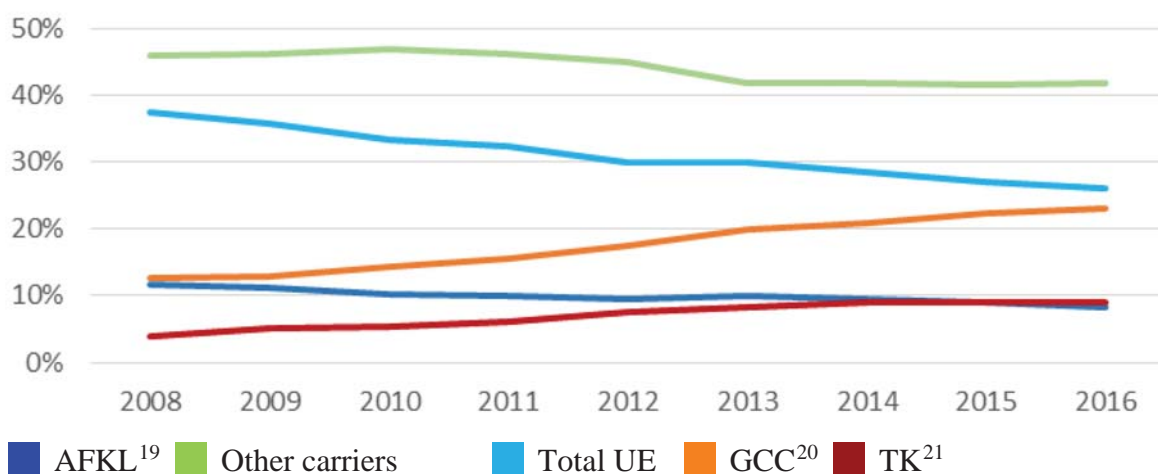
UAE, offering their carriers wide access to the European market. However, while the EU operates on the principle of prohibition of state aid which distorts or threatens to distort competition and which affects trade between the Member States, no similar regulation exists in the Qatar and the UAE, as illustrated by the almost unlimited state support so far.

19. To date, the Air transport sector has been the subject of three EGF applications, all based on trade related globalisation<sup>17</sup>.

*Events giving rise to the redundancies and cessation of activity*

20. The events giving rise to these redundancies are the massive increase in the capacity<sup>18</sup> of subsidized airlines based in countries with much better investment and production conditions has resulted in a sharp decline of EU companies in terms of market share. Between 2008 and 2016, the evolution of the market shares origin-destination between Europe, on the one hand, and sub-Saharan Africa, the Middle East and Asia, on the other hand, shows a regression of EU companies by nearly 10 points to the benefit of Emirates, Qatar Airways, Etihad and Turkish Airlines (although the latter has been flat since 2015 due to geopolitical context), as shown in the graph below.

**Market shares evolution on Sub-Saharan Africa, Middle East and Asia  
(2008-2016)**



*Source: Chart produced by Air France from MIDT<sup>22</sup> data*

21. As already outlined, the European companies and their correspondence platforms have been particularly challenged on flows representing the largest volumes of traffic like Europe-Asia and on high-growth flows like Africa-Asia. Air France, traditionally well-established on most of these flows due to its Paris-CDG hub, has

<sup>17</sup> EGF/2017/009 FR/Air France (the case object of this proposal for decision), as well as, EGF/2013/014 FR Air France, COM(2014) 701 and EGF/2015/004 IT Alitalia, COM(2015) 397.

<sup>18</sup> Available Seat Kilometres.

<sup>19</sup> Air France – KLM.

<sup>20</sup> Emirates, Qatar Airways and Etihad.

<sup>21</sup> Turkish Airlines.

<sup>22</sup> MIDT stands for Marketing Information Data Tapes.

been particularly exposed to these diversions of traffic, this being the event giving rise to the redundancies.

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

22. The largest number of redundancies occurred in Ile-de-France (76,2 %) and in Provence-Alpes-Côte d'Azur — PACA — (11,7 %). The expected impact in both territories is linked to the difficulties of redeployment for workers aged 50+. This age bracket represents 79 % of the total number of redundancies. In PACA the difficulties are also related to the higher than national average number of job-seekers.
23. Unemployment levels in Ile-de-France, tend to be lower than the levels of metropolitan France, as it includes the region of Paris. In Q3 2017, the unemployment rate was 8,4%<sup>23</sup>, a percentage point lower than the average unemployment rate in France (9,4 %). However, the territory has issues related with long-term unemployment and job seekers aged 50+. The latest statistics<sup>24</sup> show that in Ile-de-France the number of long-term unemployed (from 12 to 24 months) increased by 19 480 people (11 %)<sup>25</sup> in 2017, compared to the previous year. The job-seekers who have been unemployed for at least one year represent 43,7 % of the total number of job-seekers in the region<sup>26</sup>. In addition, the number of job seekers aged 50+ increased by 4,7% (5,6% for women) in the last quarter of 2017 compared to Q4 2016<sup>27</sup>.
24. On the other hand, in PACA the unemployment rate was 11,1 %<sup>28</sup>, almost two percentage points higher than in France. In this region the number of job seekers aged 50+ increased by 6% in Q3 2017 compared to the same quarter of 2016<sup>29</sup>; and the job-seekers unemployed for at least 12 months increased by 7 % or 14 010 persons over the same period<sup>30</sup>.

**Targeted beneficiaries and proposed actions**

*Targeted beneficiaries*

25. All 1 858 redundant workers are expected to participate in the measures. The breakdown of the workers by sex, citizenship and age group is as follows:

Category		Number of targeted beneficiaries	
Sex:	Men:	974	(52,4 %)
	Women:	884	(47,6 %)
Citizenship:	EU citizens:	1 849	(99,5 %)
	non-EU citizens:	9	(0,5 %)
Age group:	15-24 years:	0	(0,0 %)

<sup>23</sup> [https://www.insee.fr/fr/statistiques/2012804#tableau-TCRD\\_025\\_tab1\\_regions2016](https://www.insee.fr/fr/statistiques/2012804#tableau-TCRD_025_tab1_regions2016)

<sup>24</sup> Q4 2017 for Ile-de-France and Q3 2017 for PACA.

<sup>25</sup> [http://idf.direccte.gouv.fr/sites/idf.direccte.gouv.fr/IMG/pdf/defm\\_12\\_2017\\_ile-de-france.pdf](http://idf.direccte.gouv.fr/sites/idf.direccte.gouv.fr/IMG/pdf/defm_12_2017_ile-de-france.pdf)

<sup>26</sup> Ibid.

<sup>27</sup> Ibid.

<sup>28</sup> [https://www.insee.fr/fr/statistiques/2012804#tableau-TCRD\\_025\\_tab1\\_regions2016](https://www.insee.fr/fr/statistiques/2012804#tableau-TCRD_025_tab1_regions2016)

<sup>29</sup> [http://paca.direccte.gouv.fr/sites/paca.direccte.gouv.fr/IMG/pdf/2018-01\\_-\\_synthese\\_paca.pdf](http://paca.direccte.gouv.fr/sites/paca.direccte.gouv.fr/IMG/pdf/2018-01_-_synthese_paca.pdf)

<sup>30</sup> Ibid.

25-29 years:	0	(0,0 %)
30-54 years:	661	(35,6 %)
55-64 years:	1 196	(64,4 %)
over 64 years:	1	(0,0 %)

#### *Eligibility of the proposed actions*

26. The measure for which the French authorities seek EGF co-funding is the redeployment leave ("*congé de reclassement*")<sup>31</sup>. This measure is intended for workers who, at the time of their voluntary departure, do not yet have any precise plans for redeployment and wish to benefit, over a period which can extend up to twelve months and under certain circumstances up to 15 months<sup>32</sup>, from retraining measures, advice, guidance or assistance to set up or take over a business, etc.
27. The personalised services to be provided to redundant workers within the redeployment leave consist of the following actions:
- Advisory services and vocational guidance for workers. The workers will be accompanied and oriented towards their projects for redeployment as workers or self-employed persons. The participants will avail of job-to-job counselling and guidance, job search support, coaching, information on available training, promotion of entrepreneurship and advice on business start-up (this can include search for funding, help with a business plan, and other accompanying services towards entrepreneurship), etc.
  - Vocational training. The workers will be proposed various types of trainings which are tailored to their needs, as identified by the counsellors providing the advisory services. Particular attention will be paid to the '*parcours encadrés*' which are vocational trainings of long duration on jobs in demand. Some examples of possible vocational trainings are: training on vines and wine (winemaker), beekeeping, food and beverage services CPA<sup>33</sup>, baker CPA, nurse CPA, training towards DAEFLE (degree of proficiency in teaching French as a foreign language), training towards qualification certificate for passenger drivers up to nine people, etc.
  - Contribution for business recovery or business start-up. Workers who start their own businesses (business recovery or start-up) will receive up to EUR 15 000 to cover setting-up costs, investment in assets and current expenditure. The contribution will be paid in various instalments once certain milestones have been reached. A first instalment of EUR 3 000 will be paid

<sup>31</sup> As regards the redeployment leave ('*congé de reclassement*'), Article L1233-71 of the French Labour Code provides that a company which employs more than one thousand people is required to propose the measures set out therein for a minimum duration of four months. According to the above-mentioned legislation, the period as from the fifth month is therefore optional and may be subject to a contribution from the EGF in accordance with Article 9(1) of Regulation (EU) No 1309/2013. Air France has decided to propose this measure for a minimum period of six months and a maximum period of twelve months. The application does not provide for any contributions for the first four months of the redeployment leave, which correspond to the minimum duration stipulated by law.

<sup>32</sup> Exceptionally, the workers following a '*parcours encadré*' (i.e. vocational training of long duration on jobs in demand) can see their redeployment leave '*congé de reclassement*' extended up to 15 months to cover the completion of the *parcours encadré* and additional three months of accompanied job-search.

<sup>33</sup> CPA stands for Certificate for professional aptitude

upon presentation of proof of setting up or taking over a business, such as the receipt of registration. A second and third instalment of EUR 6 000 each, upon presentation of the first and second VAT return on sales showing a minimum turnover of at least EUR 500 and EUR 1 000 respectively. The self-employed persons (in French ‘*auto-entrepreneurs*’ or ‘*micro-entrepreneurs*’) and sole proprietors who benefit from simplified administrative, tax and social obligations (‘*entreprise individuelle avec toutes ses derogations*’) will receive the second and a third instalment of EUR 6 000 upon presentation of the first and second statement of activity to the RSI<sup>34</sup>, indicating a turnover of at least EUR 200 and EUR 500 respectively with proof of payment of dues.

- Job-search allowance. This monthly allowance, paid until the end of the redeployment leave, amounts to 70 % of the worker's last gross salary. This amount is calculated based on the assumption of the workers' full-time participation in active labour market measures; if participation is lower extent, the EGF will pay workers an allowance which is proportionate to their actual participation.
- Mobility allowance. The targeted worker who accepts a job, involving a change of residence of more than 100 km from the current place of residence, will receive a lump sum of EUR 3 000 to cover the necessary expenditure. This amount will be increased by EUR 500 for the non-separated spouse, PACS partner<sup>35</sup> or domestic partnership (‘*concubinage*’) and additional EUR 500 per child.

28. 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.
29. France 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*

30. The estimated total costs are EUR 16 490 805, comprising expenditure for personalised services of EUR 16 410 805 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 80 000.
31. The total financial contribution requested from the EGF is EUR 9 894 483 (60 % of total costs).

<sup>34</sup> Régime Social des Indépendants (social scheme for self-employed persons).

<sup>35</sup> Partners bound by a civil solidarity pact (*pact civil de solidarité (PACS)*). PACS partners have reciprocal obligations. The PACS has also effects on social and wage rights, property, partner's housing and tax matters.

Actions	Estimated number of participants	Estimated cost per participant (EUR)	Estimated total costs (EUR) <sup>36</sup>
Personalised services (Actions under Article 7(1)(a) and (c) of the EGF Regulation)			
Advisory services and vocational guidance for workers ( <i>orientation professionnelle, services de reclassement</i> )	1 485	1 951	2 897 150
Vocational training ( <i>formation</i> )	363	2 562	929 873
Contribution for business recovery or business start-up ( <i>aides à la creation d'entreprise</i> )	456	15 000	6 840 000
Sub-total (a): Percentage of the package of personalised services	—		10 667 023 (65 %)
Allowances and incentives (Actions under Article 7(1)(b) of the EGF Regulation)			
Job-search allowance ( <i>allocation de congé de reclassement</i> )	1 750	3 188	5 579 622
Mobility allowance ( <i>aides à la mobilité géographique</i> )	57	2 880	164 160
Sub-total (b): Percentage of the package of personalised services:	—		5 743 782 (35 %)
Actions under Article 7(4) of the EGF Regulation			
1. Preparatory activities	—		0
2. Management	—		0
3. Information and publicity	—		0
4. Control and reporting	—		80 000
Sub-total (c): Percentage of the total costs :	—		80 000 (0,49 %)
Total costs (a + b + c):	—		16 490 805
EGF contribution (60 % of total costs)	—		9 894 483

32. 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. France confirmed that these actions are conditional

<sup>36</sup> Totals do not tally due to rounding.

on the active participation of the targeted beneficiaries in job-search or training activities.

33. France 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*

34. France started providing the personalised services to the targeted beneficiaries on 19 May 2015. The expenditure on the actions is therefore eligible for a financial contribution from the EGF from 19 May 2015 to 23 October 2019.
35. France started incurring the administrative expenditure to implement the EGF on 23 October 2017. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 23 October 2017 to 23 April 2020.

*Complementarity with actions funded by national or Union funds*

36. The source of national pre-financing or co-funding is Air France.
37. The French authorities did not indicate how the measures described above are complementary with actions funded by the Structural Funds. However, they confirmed that the measures described above receiving a financial contribution from the EGF will not also receive financial contributions from national funds or other Union financial instruments. France explained that there is no public intervention foreseen in support of former Air France workers. Since Air France is a company *in bonis* (i.e. not in liquidation) employing 1 000 employees or more, it is the employer's responsibility to pay the full costs of accompanying measures to ensure the redeployment of employees laid off (see footnote n°31 on redeployment leave, in paragraph 26).

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

38. France has indicated that the co-ordinated package of personalised services has been drawn up in consultation with the representatives of the targeted beneficiaries and the social partners. On 10 February 2015, Air France and the trade unions agreed on the Perform 2020 plan for voluntary departures of ground staff in 2015. Various meetings with the Central Works Council (*Comité Central d'Entreprise*) were held in 2015 and Q1 2016 on the Perform 2020 plan in relation to voluntary departures of cabin crew and ground staff in 2015 and 2016.

**Management and control systems**

39. The application contains a description of the management and control system which specifies the responsibilities of the bodies involved. France has notified the Commission that the financial contribution will be managed by the Délégation générale à l'emploi et à la formation professionnelle (DGEFP) of the Ministry of Labour, Employment, Vocational Training and Social Dialogue, in particular by the unit Fonds national de l'emploi (DGEFP - MFNE). The payments will be made within the DGEFP by the unit Affaires financières (DGEFP - MAFI). The unit Organisation des contrôles (DGEFP -MOC) provides administrative and financial control in connection with the audit authority. The Commission interministérielle de coordination des contrôles (CICC) is the French audit authority for the EGF.

## **Commitments provided by the Member State concerned**

40. France 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,
  - Air France, which has continued its activities after the lay-offs, has complied with its legal obligations governing the redundancies and provided for its 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 financial contribution from the EGF will comply with the procedural and material Union rules on State aid.

## **BUDGETARY IMPLICATION**

### **Budgetary proposal**

41. 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 2014-2020<sup>37</sup>.
42. 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 9 894 483, representing 60 % of the total costs of the proposed actions, in order to provide a financial contribution for the application.
43. 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>38</sup>.

### **Related acts**

44. 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 9 894 483.
45. 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.

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<sup>37</sup> OJ L 347, 20.12.2013, p. 884.

<sup>38</sup> 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 France – EGF/2017/009 FR/Air France**

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 1927/2006<sup>39</sup>, 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 management<sup>40</sup>, 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 1311/2013<sup>41</sup>.
- (3) On 23 October 2017, France submitted an application to mobilise the EGF, in respect of redundancies in Air France in France. 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) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 9 894 483 in respect of the application submitted by France.
- (5) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

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<sup>39</sup> OJ L 347, 20.12.2013, p. 855.

<sup>40</sup> OJ C 373, 20.12.2013, p. 1.

<sup>41</sup> 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).

HAVE ADOPTED THIS DECISION:

*Article 1*

For the general budget of the Union for the financial year 2018, the European Globalisation Adjustment Fund shall be mobilised to provide the amount of EUR 9 894 483 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*

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