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'I/A' ITEM NOTE

From: General Secretariat of the Council
To: Permanent Representatives Committee/Council

No. Cion doc.: 12777/19 - COM(2019) 442 final
12778/19

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 Belgium – EGF/2019/001 BE/Carrefour
and
Proposal for transfer of appropriations No DEC 18/2019 within Section III - Commission - of the general budget fro 2019

1. On 4 October 2019, the Commission submitted to the Council a proposal for a Decision of the European Parliament and of the Council on the mobilisation of the European Globalisation Adjustment Fund (EGF), accompanied by the corresponding proposal for transfer of appropriations No DEC 18/2019¹.

¹ Doc. 12778/19.

2. The proposal aims at mobilising an amount of EUR 1 632 028 under the EGF to meet an application from Belgium to deploy the EGF in connection with 751 workers made redundant in the retail trade, except motor vehicles and motorcycles sector in Belgium. The Commission indicated that the redundancies are the result of the continuation of major structural changes in world trade patterns due to globalisation in line with Regulation (EC) No 1309/2013¹, as recorded in document 12777/19.
3. The Budget Committee examined the proposal at its meetings on 14 and 29 October and asked additional questions which the Commission responded to in writing². At the end of the examination, the Budget Committee did not gather a qualified majority in support of the adoption of a decision to mobilise the Fund. It considered that the Commission had not sufficiently demonstrated the existence of a link between the redundancies and major structural changes in world trade patterns due to globalisation as required in Article 2(a) of Regulation No 1309/2013.
4. On that basis, the Permanent Representatives Committee on 6 November mandated the Presidency to initiate a trilogue procedure³ as foreseen in point 13 of the Interinstitutional Agreement of 2 December 2013⁴, should the European Parliament take a position in support of the Decision on the mobilisation of the European Globalisation Adjustment Fund.
5. A trilogue was held on 7 November, where the European Parliament informed that it would approve the Decision on the mobilisation of the EGF at its Plenary on 14 November. The Commission informed that it would produce additional information to justify the link between the redundancies and major structural changes in world trade patterns due to globalisation.
6. On 20 November, the Commission submitted to the Council additional information on the case EGF/2019/001 BE/Carrefour⁵.

¹ 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 (OJ L 347, 20.12.2013, p. 855).

² Docs. WK 11633/2019 and WK 11686/2019.

³ Doc. 13418/19.

⁴ 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 (OJ C 373, 20.12.2013, p. 1).

⁵ Doc. WK 13238/2019.

7. The Budget Committee examined the additional information submitted by the Commission at its meeting on 28 November and did not gather a qualified majority in support of the adoption of a decision to mobilise the Fund. It still considered that the Commission had not sufficiently demonstrated the existence of a link between the redundancies and major structural changes in world trade patterns due to globalisation as required in Article 2(a) of Regulation No 1309/2013.
8. In accordance with point 13 of the Interinstitutional Agreement of 2 December 2013, a decision to mobilise the European Globalisation Adjustment Fund shall be taken jointly by the European Parliament and the Council. The Council acts by a qualified majority. In the absence of a qualified majority in the Council in support of the Decision to mobilise the Fund, the Decision cannot be adopted. As a direct consequence thereof, transfer No DEC 18/2019, which is intrinsically linked to the proposed mobilisation, has to be refused.
9. The Permanent Representatives Committee is therefore invited to advise the Council to:
- confirm, for the reasons set out in this document, that it cannot approve the decision to mobilise the European Globalisation Adjustment Fund following the application from Belgium - EGF/2019/001 BE/Carrefour and that, as a consequence, the related transfer No DEC 18/2019 is also refused;
 - approve the draft letter in the ANNEX to that effect.

DRAFT LETTER

from : President of the Council
to : President of the European Parliament
copy : President of the Commission

Sir,

In accordance with Point 13 of the Interinstitutional Agreement of 2 December 2013 and with Article 15(4) of 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 1927/2006⁷, the Council has decided not to approve the Decision on the mobilisation of the European Globalisation Adjustment Fund following an application from Belgium – EGF/2019/001 BE/Carrefour).

As a consequence, and in accordance with Article 31 of the Financial Regulation of 18 July 2018⁸, I inform you that the Council has refused transfer of appropriations No DEC 18/2019 within Section III - Commission - of the general budget for 2019, accompanying the abovementioned Decision.

(Complimentary close).

⁷ OJ L 347, 20.12.2013, p. 855.

⁸ Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council of 18 July 2018 on the financial rules applicable to the general budget of the Union, amending Regulations (EU) No 1296/2013, (EU) No 1301/2013 (EU) No 1303/2013, (EU) No 1304/2013, (EU) No 1309/2013, (EU) No 1316/2013, (EU) No 223/2014, (EU) No 283/2014, and Decision No 541/2014/EU and repealing Regulation (EU, Euratom) No 966/2012 (OJ L 193, 30.7.2018, p. 1).