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EUROPEAN COMMISSION

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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 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2010/009 ES/Comunidad Valenciana Textiles from Spain)**

## EXPLANATORY MEMORANDUM

Point 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>1</sup> allows for the mobilisation of the European Globalisation Adjustment Fund (EGF), within the annual ceiling of EUR 500 million over and above the relevant headings of the financial framework.

The rules applicable to the contributions from the EGF are laid down in Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 establishing the European Globalisation Adjustment Fund<sup>2</sup>.

On 22 March 2009, Spain submitted application EGF/2010/009 ES/Comunidad Valenciana Textiles for a financial contribution from the EGF, following redundancies in 143 enterprises operating in the NACE Revision 2 Division 13 (manufacture of textiles)<sup>3</sup> in the NUTS II region of Comunidad Valenciana (ES52) in Spain.

After a thorough examination 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/2010/009
Member State	Spain
Article 2	(b)
Enterprises concerned	143
NUTS II region	Comunidad Valenciana [ES52]
NACE Revision 2 Division	Division 13 (manufacture of textiles)
Reference period	13/4/2009 to 12/1/2010
Starting date for the personalised services	15/6/2010
Application date	22/3/2010
Redundancies during the reference period	544
Redundant workers targeted for support	350
Personalised services : budget in EUR	3 028 409
Expenditure for implementing EGF <sup>4</sup> : budget in EUR	140 000
% expenditure for implementing EGF	4,42
Total budget in EUR	3 168 409
EGF contribution EUR (65 %):	2 059 466

1. The application was presented to the Commission on 22 March 2010 and supplemented by additional information up to 17 June 2010.

<sup>1</sup> OJ C 139, 14.6.2006, p. 1.

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

<sup>3</sup> Regulation (EC) No 1893/2006 of 20.12.2006 (OJ L 393 of 30.12.2006, p. 1).

<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(b) 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 or the global financial and economic crisis**

3. In order to establish a link between the redundancies and the major structural changes in world trade patterns due to globalisation, Spain argues, using EUROSTAT trade statistics, that the EU trade balance in textiles has deteriorated substantially over the period 2004-2008. There was a 13 % increase in imports of textiles into EU over the period 2004-2008; over the same period, the export of textiles from the EU to the rest of the world decreased by 0,5 %. The trade balance for textiles of the EU decreased from a surplus of EUR 927 million in 2004 to a deficit of EUR 1 441 million in 2008.

Textiles mio EUR	2004	2005	2006	2007	2008	% growth 2004/2008
Imports into EU	17 610	18 074	19 868	20 930	19 885	13
Exports from EU	18 537	18 482	19 220	19 392	18 444	-0.5
Balance	927	408	-649	-1 537	-1 441	

4. This decline in demand was also felt in Spain. During the period 2005-2008, the Spanish balance of trade for textiles, which at the time was already negative, decreased by a further 15 %, falling from EUR -609 million to EUR -698 million.

In addition the MS argued that the crisis further exacerbated the downturn in the sector.

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

5. Spain submitted this application under the intervention criteria of Article 2(b) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a nine-month period in enterprises operating in the same NACE Revision 2 Division in one region or two contiguous regions at NUTS II level.
6. The application cites 544 redundancies in 143 enterprises classified in the same NACE Revision 2 Division during the nine-month reference period from 13 April 2009 to 12 January 2010, all located in a single region at NUTS II level, the Comunidad Valenciana. Of these redundancies, 247 redundancies were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006. A further 217 redundancies were calculated in accordance of the second indent and 80 redundancies were calculated in accordance with the third indent of the same paragraph.

The dismissals for each enterprise were calculated using one of the three indents of article 2 of Regulation (EC) No 1927/2006. For seven enterprises<sup>5</sup> however, redundancies were calculated using two different indents.

7. The Commission has received the confirmation required under the third indent of the second paragraph of Article 2(2) that 544 is the actual number of redundancies effected.

### **Explanation of the unforeseen nature of those redundancies**

8. Recent years have been very difficult for the textile industry which has undergone extensive restructuring and modernisation in response to the competition pressure that followed the expiry of the World Trade Organisation Multifibre Arrangement and the Agreement on Textiles and Clothing which succeeded it. After substantial falls in production at the beginning of the current decade (-5 % per year in average), production showed signs of stabilising and recovering in 2006. Production in 2007 remained at the same level as in 2006. In 2008, as a direct result of the economic and financial crisis, which was unforeseen, the production of textiles started decreasing and in the last quarter of that year this fall in the production of textiles accelerated (-17 % compared to the same period in 2007) and further exacerbated in the first quarter of 2009 (-24.5 % compared to the same period of 2008). The impacts of the economic and financial crisis are also reflected in lower demand from some of the developed trade partners, such as USA and Japan (respectively -15 % and -7 % in value in EU exports in 2008 compared with the previous year).
9. Traditionally, the trend in the European textile sector is considered to be linked to the behaviour of household consumption. As a result of the economic and financial crisis demand for industrial products decreased due to declining consumer confidence and the lack of cash. The Spanish authorities argue that the financial and economic crisis led to the sudden collapse of the world economy with an enormous impact on many sectors and that since 2008 the economic situation had not been following the trends of previous years, which could not have been foreseen.

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

10. The application relates to 544 redundancies (of which 350 are targeted for assistance) in the following 143 enterprises:

Enterprises and number of dismissals			
ACABADOS BAÑERES, S.A.	2	M CASTELLO JOVER, S.L.	1
ACABADOS MONLLOR, S.L.	4	MALLES FRANCES S.L.	1
ACABADOS RODOLFO AZNAR S.L.	2	MANTEROL, S.A.	12
ACOYSER, S.L.	1	MANUEL REVERT Y CIA, S.A.	15
ADROGUER Y CASTRO, S.L.	1	MANUFACTURAS ARTESA, S.L.	2
ALCOPEL 2003, S.L.	1	MANUFACTURAS GUILABERT, S.L.	2
ALFOMBRAS AUTOMOCION, S.L.	1	MARCOS BELTRAN, S.L.	1

<sup>5</sup> Comersan S.A., Manterol S.A., Murkoc Servicios S.L., Rasilan S.A. Textiles Athenea S.A., Vicente Barceló Vaño S.L. and Peivor S.L.

Enterprises and number of dismissals			
ANA DE CASTRO Y CERVERA, S.A.	10	MARKET TEXTIL S.L.	5
ANTECUIR, S.L.	1	MIGUEL ANGEL COMPANY SOLER	3
ANTONIO PEREZ ADSUAR, S.A.	2	MIGUEL CARCELEN Y CIA S.L.	1
ANUBIS 63, S.L.	1	MOLTO REIG, S.A.	39
ANURDIFIL S.L.	4	MONLLOR HERMANOS, S.A.	4
ARTESANOS EN REDES, S.L.	1	MOQUETAS ROLS, S.A.	6
ATHOS FABRICS, S.L.	1	MUESTRARIOS HERMANOS CAÑADA S.L.	1
BLANC TEXTIL, S.A.	4	MURKOC SERVICIOS S.L.	2
BLASCO TEXTIL, S.A.	6	NACHATEX S.L.	1
BORDADOS GRAMAR, S.L.	1	NONWOVENS IBERICA, S.L.	2
BORDADOS GAMON, S.L.	4	NOVIAS PEPE BOTELLA, S.L.	1
BORDADOS LAURA, S.L.	3	ORLIMAN, S.L.	1
BORDADOS SERPIS S.L.	2	PADUANA XXI, S.L.	2
BORDAMALLA, S.L.	6	PAÑERIA Y CONFECCIONES GARCIA MOLINA, S.L.	1
BRAN`S COLLECTIONS S.L.	1	PARASOLES GANDIA SAFOR, S.A.	1
BREZO HILADOS S.L.	1	PEDRO A GUILLEM, S.L.	1
CAÑETE, S.A.	1	PEIVOR S.L.	22
CAR Y FINA, S.L,	1	PERGOA-TEX, S.L.	1
CASA GRIM, S.L.	1	PRIMICIAS TECNICAS CARDI, S.L.	2
CASUAL TEXTIL, S.A.	4	QUEROL,S.A.	2
CATALA Y RONHER, S.A.	28	RANI BURHAN, S.L.	1
CCM BOREAL 2007,S.L.	1	RASILAN, S.A.	8
CIPRIANO MOLINA ALBERO, S.L.	1	REDES I JOMAR SL	1
COLCHONES MIVIS, S.L.	1	REIG MARTI, S.A.	41
COLORPRINT FASHION, S.L.	2	RIBERA FLEXIBLE DEL COLCHON, S.L.	1
COLORTEX 1967, S.L.	3	RIPOLL TEJIDOS PARA LA DECORACION, S.L.	1
COLORTEX, S.A.	2	ROBERTO PAYA, S.L.	1
COMALCAR SL	1	ROTATEX, S.L.	1
COMERCIAL TIFANYS, S.A.	1	RUEDA ARRIETE,SL	1
COMERSAN, S.A.	2	SA RUBI INDUSTRIAL-TODOFIL	2
CONFECCION DE MUESTRARIOS GANDIA, S.L.	1	SERVIURDID, S.L.	1
CONFECCIONES ALBAIDA, S.L.	11	SOCIEDAD COOPERATIVA VALENCIANA LTA.T.ASDO. DISTRITO 11	5
CONFECCIONES BELMAY, S.L.	2	SONIBE SC	1
CONFECCIONES ENSAYO TEXTIL, S.L.	2	TAPICERIAS, S.A.	7

Enterprises and number of dismissals			
CONFECCIONES RIO SOT, S.L.	8	TAPIRELAX SA	1
CORDISPLAY TECNOLOGIC, S.L.	5	TAPIZADOS NOVA LINEA, S.L.	1
CREVILLENTE INDUSTRIAL, S.A.	1	TEDESVAN, S.A.	1
CUERDAS Y REDES ILLAN & ESTAN, S.L.	4	TEJIDO DE SEDA CAMILO MIRALLES, S.L.	2
DIMAS, S.A.	44	TEJIDOS DOBELTEX S.L.	1
DISEDIS, S.L.	1	TEJIDOS REINA, S.A.	2
DISEÑOS JUANMI, SL	5	TEJIDOS ROYO, S.L.	17
DISEÑOS MEDI, S.L.	1	TEXTILES 9463 CALERO SL	1
EDUARDO GÓMEZ PASTOR	18	TEXTILES ATHENEA, S.A.	13
ENCOTOR, S.A.	1	TEXTILES BERBEL, S.L.	1
ESTAMPADOS ELCHE SL	2	TEXTILES MONTCABRER, S.A.	1
FABRICA DE TAPICERIA, S.L.	5	TEXTILS MORA, S.A.L.	4
FINITEXTIL, S.L.	5	TEXTISOL, S.L.	2
FLAT WOVEN, S.L.	2	TINTES BOLTA, S.A.	4
FLEXOTEX, S.A.	1	TOALLAS LA BRUJA, S.A.	1
FRANCES TEXTIL, S.L.	1	TRANSPORTES Y SERVICIOS MONLLOR, S.L.	3
GINES CORTINAS, S.L.	1	TRAVEL-FIL,S.L.	1
GLOBALTEX HOME, S.L.	1	TRENZADOS DAI SL	1
GONZALO FERRI, S.A.	2	TRENZAFIL SL	2
HICORRED, S.L.	1	TRITURADOS CORREAL, S.L.	1
HIJOS DE ANTONIO FERRE, S.A.	1	TUTTO PICCOLO, S.A.	1
HIJOS DE ROQUE MONLLOR, S.L.	7	UBESOL, S.L.	1
HILATURAS CANALENSES SAL	1	UNITEX ALFOMBRAS 14, S.L.	1
HILATURAS FERRE, S.A.	1	VANGUARDIA TEXTIL S.L.	1
INCOR CORTE INDUSTRIAL DE TEJIDOS, S.L.U.	1	VIATEX, S.L.	2
INDUSTRIAS TEXTILES COPATEX, S.L.	4	VICENTE BARCELO VAÑO, SL	2
JOAQUIN MOLTO, S.A.	1	VICENTE SEMPERE, S.L.	9
JOSE ANTONIO GARCIA BORNAY	1	WINTEX, S.A.	3
JOSE ANTONIO REIG FERRANDIZ	1	YEBANE ESPAÑOLA, S.A.	2
JOSE LUIS AVELLAN BLANES, S.L.	1	ZORQUESA, S.L.	2
JOVERTEXT, S.A.	3		
<b>Total no. of enterprises: 143</b>		<b>Total no. of Dismissals: 544</b>	

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

Category	Number	Percent
Men	216	61,7
Women	134	38,3
EU citizens	346	98,9
Non EU citizens	4	1,1
15 to 24 years old	2	0,6

Category	Number	Percent
25 to 54 years old	269	76,9
55 to 64 years old	75	21,4
Over 64 years old	4	1,1

12. Four of the targeted workers are disabled.

13. In terms of professional categories, the break-down is as follows :

Category	Number	Percent <sup>6</sup>
Managers	6	1,6
Technicians	33	9,5
Clerks	37	10,6
Craft and related trade workers	56	16,1
Machine operators	182	52,1
Elementary occupations	26	7,3
Others	10	2,7

14. In terms of educational level<sup>7</sup>, the break-down is as follows:

Educational level	Number	Percent <sup>8</sup>
Basic education (to end of compulsory education)	280	79,9
Upper secondary education	31	8,8
Tertiary education	30	8,6
Others (non formal education)	3	0,9
Uneducated or early school leavers	6	1,7

15. The same percentages can be found when considering the totality of the 544 redundant workers.

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

17. The territory concerned by the redundancies is within the NUTS II region of Comunidad Valenciana, and is mainly concentrated in five comarcas (roughly equivalent to a county) on both sides of the boundary between the NUTS III provinces of Alicante and Valencia.

18. Of all Spanish enterprises 11,5 % are based in the Comunidad Valenciana. The manufacturing sector represents 26 % of total employment in this region; while the service sector represents 60 %, construction 10 % and the primary sector 4 %. The business model in Comunidad Valenciana is characterised by a high presence of small and medium sized enterprises specialized mainly in the manufacture of furniture, shoes, textiles, ceramics and toys. These industries are concentrated in districts around a limited number of municipalities.

<sup>6</sup> Total does not tally due to rounding.

<sup>7</sup> Categories based on the International Standard Classification of Education (ISCED-97).

<sup>8</sup> Total does not tally due to rounding.



19. The main stakeholders are the Generalitat Valenciana (Comunidad Valenciana autonomous government) and in particular the SERVEF (labour public offices of the autonomous government), the Consorcio del Pacto Territorial por el Empleo del Valle del Vinalopó (consortium of the employment agreement in the Vinalopó valley)<sup>9</sup>, trade unions: UGT-PV, CCOO-PV, FIA-UGT and FITEQA-CCOO-PV<sup>10</sup>, the Confederation of Business Organisations of the Valencia Autonomous Region (CIERVAL) and Association of Textile Entrepreneurs in Comunidad Valenciana (ATEVAL).

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

20. The number of dismissals in the textile sector in the Comunidad Valenciana, which remained relatively stable and on a decreasing trend during the period 2005-07, increased by 40,61 % in the next two years (2008-09). The employment in the textile sector represents 4.8 % of the total employment in the manufacturing sector in the region.
21. The impact at local level of these redundancies is high due to the concentration of the sector in a small number of areas. The textile activity in the Comunidad Valenciana (30 % of employment in the textile sector in Spain) is located in industrial districts where this sector dominates. Seven counties, almost all of them contiguous (Vall d'Albaida, L'Alcoia, El Comtat, La Costera, Alt Vinalopó, Baix Vinalopó and Baix Segura), represent 75,2 % of employment in the textile in Comunidad Valenciana.
22. In the five municipalities<sup>11</sup> most affected by the redundancies resulting from the crisis in the textile sector, the redundancies concerned by this application represent 35,13 % of the unemployment increase in the manufacturing sector during the reference period (April 2009-January 2010).
23. Traditionally the major economic sectors in Alicante (NUTS III level) have been the manufacture of shoes along with leather, textile and marble. However, the shoes and leather industry has been experiencing difficulties during the last years, mainly due to the competition of Asian shoes and other Asian leather products. The marble industry – considered during these years as a safety-net sector – is also suffering the consequences of the recent financial and economic crisis. Following these redundancies in the sector of natural stone in Comunidad Valenciana, Spain submitted a further application<sup>12</sup> in March 2010 for a financial contribution from the EGF for these workers.

### **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**

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<sup>9</sup> This consortium is composed of the mayors of Villena, Novelda, Salinas, La Algueña, Aspe and Monforte de Cid and a representative of the partnership of the municipalities of the Vinalopó Valley; trade-unions and business organisations at local level.

<sup>10</sup> Unión General de Trabajadores del País Valenciano (UGT-PV), Comisiones Obreras del País Valenciano (CC.OO.-PV), Federación de Industrias afines de la Unión General de Trabajadores (FIA UGT) and Federación de Industrias del Textil, Piel, Químicas y Afines de Comisiones Obreras (FITEQA-CC.OO.-PV).

<sup>11</sup> Albaida, Ontinyent, Cocentaina, Muro d'Alcoi and Alcoi.

<sup>12</sup> Application EGF/2010/005 ES/Comunidad Valenciana Natural Stone.

24. The following measures are proposed, all of which combine to form a co-ordinated package of personalised services aimed at re-integrating the workers into the labour market.

### **Preparatory activities and accompaniment**

- Welcome sessions: The first measure provided to all 350 participants includes information on skills and training requirements, on available training programmes and apprenticeship support schemes, as well as allowances and incentives.
- Guidance: This involves the profiling of the workers and the design, implementation and follow-up of personalised support, including mentoring. The mentoring process, throughout the EGF implementation, will ensure that the packages can be adjusted if necessary.

### **Training**

- Basic training, prior to the acquisition of new skills: The participants will receive some basic training in ICT, active job search, self-esteem and basic entrepreneurship skills.
- Training in vocational skills: The participants in this measure will be trained in job skills currently in demand. The class-room training will be followed by a paid traineeship (EUR 320 per month and participant). Around 24 % of the targeted workers will participate in this measure.
- Training for skills upgrading: The participants will be trained in one of the training specialities of the INEM (the national public employment service). This training is scheduled to be shorter than the training in vocational skills as the participants will be trained to reinforce or upgrade pre-existing skills. The workers will be given the possibility of complementing the class-room training with a paid traineeship period although enrolling in this traineeship will not be compulsory for the participants in the measure. Around 24 % of the targeted workers will participate in this measure.
- Training as qualified care workers: There is an increasing demand for qualified care workers in the territory affected by the redundancies. The content of the training will be discussed with the social services at local level to better cover the expectations and needs of the towns. The training will include both classroom and on-the-job training. The latter will be organized in small groups for a better follow-up of the practical training. Around 10 % of the targeted workers will participate in this measure.
- Training in personal development and introduction to entrepreneurship: These training courses are aimed at workers whose profiles make them candidates for middle management posts or for entrepreneurship. They will be trained in subjects such business values and personal values, managing change efficiently, marketing and innovation as a growth strategy, emotional intelligence, etc. For those workers who wish to start their own businesses, specific training activities will be provided combining regular training (covering elements such as planning, carrying out feasibility studies, preparation of business plans, etc) with the use of simulator software to allow the participants to simulate decision-making processes related to the start-up of a business.

## **Promotion of entrepreneurship**

- Counselling on projects and initiatives: This aims to develop, produce and guide viable business or self-employment projects. The tutors will also try to find openings for self-employment within and outside the county and propose them to the participants in the measure.
- Accompaniment towards business creation: This measure seeks to assist dismissed workers who envisage creating their own business. It will consist of personalized tutoring during the whole process of starting the business (development of a business idea, feasibility analysis, and assistance for the elaboration of a business plan) and support regarding administrative requirements.
- Logistic and financial support: This relates to fundraising and support on administrative requirements to successfully apply for the incentives to set up a business. The tutors will also follow up the economic development of the business initiatives aiming to anticipate the future difficulties and propose possible solutions.

## **Intensive job-search assistance**

- Intensive job-search assistance: This will involve an intensive employment search, including both passive and active research of local and regional employment opportunities, in particular emerging economic activities for self-employment and opportunities for new specialities in the sector of the textiles. A web site will be created to provide the workers with some online tools which can help them with their individual job search. The site will be structured in three sections: general information, training activities and a restricted area with online tools such simulator software for business start-up.

## **Incentives**

- Participation incentive: To encourage their participation in the measures, the workers will receive a lump sum of EUR 350 for completing their own personalised package of measures.
- Mobility allowance: The workers participating in the measures will receive up to EUR 500 as a contribution to their travel expenses. Due to the lack of suitable public transportation among the local towns, the participants will have to use their own vehicle to commute from their town of residence to the town where the measures will take place.
- Outplacement incentives: A wage subsidy of EUR 350 per month for a maximum of seven months will be paid to those workers who return to employment as employees or self-employed workers.
- Support for setting up a business: Workers who start their own businesses will receive up to EUR 3 000 to cover setting-up costs.

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

26. The personalised services presented by the Spanish authorities are active labour market measures within the eligible actions defined by Article 3 of Regulation (EC) No 1927/2006. The Spanish authorities estimate the total costs of these services at EUR 3 028 409 and the expenditure for implementing the EGF at EUR 140 000 (=4,42 % of the total amount). The total contribution requested from the EGF is EUR 2 059 466 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national co financing) (in EUR)
<b>Personalised services</b> (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
<b>1. Preparatory activities and accompaniment.</b>			
1.1 <u>Welcome session</u> ( <i>Servicio de acogida</i> )	350	116	40 600
1.2. <u>Guidance</u> ( <i>Servicio de orientación</i> )	350	574	200 900
<b>2. Training</b>			
2.1. <u>Basic training</u> ( <i>Cursos básicos</i> )	210	571	119 910
2.2 <u>Training in vocational skills</u> ( <i>Formación e inserción laboral</i> )	84	5 085	427 140
2.3 <u>Training for skills upgrading</u> ( <i>Formación para el empleo</i> )	84	3 208	269 472
2.4 <u>Training as qualified care workers</u> ( <i>Talleres sociales</i> )	36	2 292	82 512
2.5 <u>Training in personal development and Introduction to entrepreneurship</u> ( <i>Formación en competencias transversales</i> )	95	1 895	180 025
2.6 <u>Traineeship</u>	96	900	86 400
<b>3. Promotion of entrepreneurship</b>			
3.1 <u>Counselling on projects and initiatives</u> ( <i>Servicio de proyectos e iniciativas</i> )	100	1 760	176 000
3.2 <u>Accompaniment towards business creation</u> ( <i>Servicio de asesoría al emprendedor</i> )	60	2 920	175 200
3.3 <u>Logistic and financial support</u> ( <i>Servicio logístico y financiero</i> )	40	4 730	189 200
<b>4. Intensive job-search assistance</b>	350	1 273	445 550

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national co financing) (in EUR)
<i>(Servicio de apoyo a la inserción)</i>			
<b>5. Incentives</b>			
5.1. <u>Participation incentives</u> <i>(Incentivos a la participación)</i>	350	350	122 500
5.2. <u>Mobility allowance</u> <i>(Ayudas a la movilidad)</i>	100	500	50 000
5.3 <u>Outplacement incentives</u> <i>(Incentivos a la colocación)</i>	140	2 450	343 000
5.4 <u>Support for setting up a business</u> <i>(Ayudas a la creación de empresas)</i>	40	3 000	120 000
<b>Subtotal personalised services</b>			3 028 409
<b>Expenditure for implementing EGF</b> (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Management			60 000
Information and publicity			40 000
Control activities			40 000
Subtotal expenditure for implementing the EGF			140 000
<b>Total estimated costs</b>			<b>3 168 409</b>
<b>EGF contribution (65 % of total costs)</b>			<b>2 059 466</b>

27. The Spanish authorities confirm that the measures described above are complementary with actions funded by the Structural Funds and that measures are in place to prevent double funding.
28. The main objectives of the 2007-13 ESF operational programmes for the Comunidad Valenciana are promoting workers' lifelong learning and decreasing the risk of early school leaving, focusing in particular on the most vulnerable people or people at risk of social exclusion, mainly young workers, or those over 45 years old, women and disabled people, while the EGF measures will be focused on workers made redundant in a territory highly specialised in textile production without applying any restriction related to age, education, etc.
29. Continuous follow-up of ESF and EGF actions pursuing similar purposes and the workers concerned will avoid any overlap between ESF and EGF measures.

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

30. Personalised services to the affected workers included in the co-ordinated package proposed for co-financing by the EGF were started by Spain on 15 June 2010. 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**

31. The social partners were consulted during the preparation of the co-ordinated package of measures. The proposed application was discussed at the meetings on 28 January 2010 and 24 February 2010 with the social partners: SERVEF (labour public offices of the autonomous government); the employer organisations: CIERVAL and ATEVAL; the principal trade unions, UGT and CCOO; and representatives of the town councils of Ontinyent and Alcoi. During the first meeting the project was presented to the social partners and the steering committee and the technical committee were drawn up. In the second meeting the action plan for each committee was established and the roles and tasks allocated.
32. The Spanish authorities confirmed that the requirements laid down in national and Community legislation concerning collective redundancies have been complied with.

### **Information on actions that are mandatory by virtue of national law or pursuant to collective agreements**

33. As regards the criteria contained in Article 6 of Regulation (EC) No 1927/2006, the Spanish 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 Community financial instruments.

### **Management and control systems**

34. Spain has notified the Commission that the financial contribution will be managed and controlled by the same bodies that manage and control the ESF. The Directorate General for Economic Affairs of the Regional Ministry of Finance and Employment of the Comunidad Valenciana will be the intermediate body for the managing authority.

### **Financing**

35. On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 2 059 466, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Spain.

36. Considering the maximum possible amount of a financial contribution from the EGF under Article 10(1) of Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the total amount referred to above, to be allocated under heading 1a of the financial framework.
37. The proposed amount of the financial contribution will leave more than 25 % of the maximum annual amount earmarked for the EGF available for allocations during the last four months of the year, as required by Article 12(6) of Regulation (EC) No 1927/2006.
38. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified dialogue procedure, as required by Point 28 of the Inter-institutional Agreement of 17 May 2006, with a view to securing the agreement of the two arms of the budgetary authority on the need to use the EGF and the amount required. The Commission invites the first of the two arms of the budgetary authority that reaches agreement on the draft mobilisation proposal, at appropriate political level, to inform the other arm and the Commission of its intentions. In case of disagreement by either of the two arms of the budgetary authority, a formal dialogue meeting will be convened.
39. The Commission presents separately a transfer request in order to enter in the 2010 budget specific commitment and payment appropriations, as required in Point 28 of the Interinstitutional Agreement of 17 May 2006.

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

40. In the current state of implementation, it is foreseeable that the payment appropriations available in 2010 under the budget line 01.0404 "Competitiveness and Innovation Framework Programme - Entrepreneurship and innovation programme" will not be fully used this year.
41. This line covers expenditure related to the implementation of the financial instrument of this programme, the main objective of which is to facilitate the access of SMEs to finance. Some time lag exists between transfers to the trust accounts managed by the European Investment Fund and disbursement to the beneficiaries. The financial crisis has a major effect on the forecasts in terms of disbursements for 2010. As a result, in order to avoid excessive balances on the trust accounts, the methodology for calculation of payment appropriations has been reviewed, taking into account the expected disbursements. The amount of EUR 2 059 466 can therefore be made available for transfer.

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 28 of the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management (application EGF/2010/009 ES/Comunidad Valenciana Textiles from Spain)**

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 the Interinstitutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>13</sup>, and in particular point 28 thereof,

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>14</sup>, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission<sup>15</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) The scope of the EGF was broadened for applications submitted from 1 May 2009 to include support for workers made redundant as a direct result of the global financial and economic crisis.
- (3) The Interinstitutional Agreement of 17 May 2006 allows the mobilisation of the EGF within the annual ceiling of EUR 500 million.
- (4) Spain submitted an application to mobilise the EGF, in respect of redundancies in 143 enterprises operating in NACE Revision 2 Division 13 (manufacture of textiles) in a single NUTS II region, Comunidad Valenciana (ES52), on 22 March 2010 and supplemented it by additional information up to 17 June 2010. This application complies with the requirements for determining the financial contributions as laid

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<sup>13</sup> OJ C 139, 14.6.2006, p. 1.

<sup>14</sup> OJ L 406, 30.12.2006, p. 1.

<sup>15</sup> OJ C [...], [...], p. [...].



down in Article 10 of Regulation (EC) No 1927/2006. The Commission therefore proposes to mobilise an amount of EUR 2 059 466.

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

HAVE DECIDED AS FOLLOWS:

*Article 1*

For the general budget of the European Union for the financial year 2010, the European Globalisation Adjustment Fund (EGF) shall be mobilised to provide the sum of EUR 2 059 466 in commitment and payment appropriations.

*Article 2*

This Decision shall be published in the *Official Journal of the European Union*.

Done at Brussels/Strasbourg,

*For the European Parliament*  
*The President*

*For the Council*  
*The President*