

EUROPEAN COMMISSION

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2022/0010 (BUD)

Proposal for a

# DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Spain – EGF/2021/006 ES/Cataluña automotive

## EXPLANATORY MEMORANDUM

## CONTEXT OF THE PROPOSAL

- 1. The rules applicable to financial contributions from the European Globalisation Adjustment Fund for Displaced Workers (EGF) are laid down in Regulation (EU) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013<sup>1</sup> (hereinafter called EGF Regulation).
- 2. On 23 September 2021, Spain submitted an application EGF/2021/006 ES/Cataluña automotive for a financial contribution from the EGF, following displacements in the economic sector classified under the NACE Revision 2 division 29 (Manufacture of motor vehicles, trailers and semi-trailers) in the NUTS 2 region of Cataluña (ES51) in Spain.
- 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.

EGF application	EGF/2021/006 ES/Cataluña automotive
Member State	Spain
Region(s) concerned (NUTS <sup>2</sup> level 2)	Cataluña (ES51)
Date of submission of the application	23 September 2021
Date of acknowledgement of receipt of the application	29 September 2021
Date of request for additional information	7 October 2021
Deadline for provision of the additional information	29 October 2021
Deadline for the completion of the assessment	20 January 2022
Intervention criterion	Article 4(2)(b) of the EGF Regulation
Number of enterprises concerned	10
Sector(s) of economic activity (NACE Revision 2 division) <sup>3</sup>	Division 29 (Manufacture of motor vehicles, trailers and semi-trailers)
Reference period (six months):	1 January 2021 – 1 July 2021
Number of displacements during the reference period ( <i>a</i> )	346

## SUMMARY OF THE APPLICATION

<sup>&</sup>lt;sup>1</sup> OJ L 153, 3.5.2021, p. 48.

 <sup>&</sup>lt;sup>2</sup> Commission Delegated Regulation 2019/1755 of 8 August 2019 amending the Annexes to 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). OJ L 270, 24.10.2019, p. 1–56.
<sup>3</sup> OJ L 393, 30.12.2006, p. 1.

Number of displacements before or after the reference period $(b)$	359
Total number of displacements $(a + b)$	705
Total number of eligible beneficiaries	705
Total number of targeted beneficiaries	450
Budget for personalised services (EUR)	3 138 300
Budget for implementing EGF <sup>4</sup> (EUR)	150 119
Total budget (EUR)	3 288 419
EGF contribution (85 %) (EUR)	2 795 156

## ASSESSMENT OF THE APPLICATION

## Procedure

4. Spain submitted application EGF/2021/006 ES/Cataluña automotive within 12 weeks of the date on which the intervention criteria set out in Article 4 of the EGF Regulation were met, on 23 September 2021. The Commission acknowledged receipt of the application on 29 September 2021 and requested additional information from Spain on 7 October 2021. Such additional information was provided within 15 working days of the request. The deadline of 50 working days of the receipt of the application within which the Commission should finalise its assessment of the application's compliance with the conditions for providing a financial contribution expires on 20 January 2022.

# Eligibility of the application

Enterprises and beneficiaries concerned

5. The application relates to 346 displaced workers whose activity has ceased in the economic sector classified under the NACE Revision 2 division 29 (Manufacture of motor vehicles, trailers and semi-trailers). The redundancies are located in the NUTS 2 region of Cataluña (ES51).

Enterprises and number of displacements within the reference period			
Aludyne Automotive Spain, SLU	3	Gruau Ibérica, SLU	7
Bosch Sistemas de Frenado, SLU	13	Magna Seating Spain SLU	1
Continental Automotive Spain, SA	156	Nobel Plastiques Iberia, SA	68
Faurencia Interior Systems España, SAU	71	Robert Bosch España (Castellet plant)	8
Fico Transpar, SA	10	U-Shin Spain, SLU	9
Total no. of enterprises: 10Total no. of displacements:346			
Total no. of self-employed persons whose activity has ceased:0			
Total no. of eligible workers and self-employed persons:3			

#### Intervention criteria

6. Spain submitted the application under the intervention criteria of Article 4(2)(b) of the EGF Regulation, which requires the cessation of activity of at least 200 displaced workers over a reference period of six months in enterprises operating in the same

<sup>&</sup>lt;sup>4</sup> In accordance with the fifth paragraph of Article 7 of Regulation (EU) 2021/691.

economic sector defined at NACE Revision 2 division and located in one region or two contiguous regions defined at NUTS 2 level in a Member State. There were 346 displaced workers in the NUTS 2 region of Cataluña (ES51).

7. The reference period of six months for the application runs from 1 January 2021 to 1 July 2021.

# Calculation of displacements and of cessation of activity

8. The cessation of activities of the displaced workers during the reference period has been calculated from from the date of the de facto termination of the contract of employment or its expiry.

# Eligible beneficiaries

- 9. In addition to the workers already referred to, the eligible beneficiaries include 359 displaced workers whose activity ceased before or after the reference period of six months. All these workers ceased their activity within the six months before the start of the reference period on 1 January 2021 and/or between the end of the reference period and the day before of the adoption of this proposal. A clear causal link can be established with the event that triggered the cessations of activity of the displaced workers during the reference period.
- 10. The total number of eligible beneficiaries is 705.

# Description of the events that led to the displacements and cessation of activity

- 11. The event giving rise to these displacements is Nissan's decision to stop activities and close down its plant in Catalonia.
- 12. On 27 May 2020, Renault, Nissan and Mitsubishi presented their new strategic plan based on a leader-follower scheme and on complementarity between companies. Each company would focus on a particular type of vehicle, per product segment i.e. the leading company will engineer one mother vehicle (leader car) and sister vehicles with the support of the followers' teams. Each enterprise will also focus on its core regions. Under this scheme, Nissan will focus on China, North America and Japan; Renault on Europe, Russia, South America and North Africa; and Mitsubishi on Southeast Asia and Oceania<sup>5</sup>. The following day, triggered by the steady contraction of the EU market share in global passenger car production<sup>6</sup>, Nissan confirmed its intentions to reduce its presence in Europe<sup>7</sup> to refocus on more profitable markets and announced the closure of its plant in Barcelona<sup>8</sup>. The closure was completed by the end of 2021.
- 13. The enterprises listed in point 5 were suppliers to Nissan. The announcement of Nissan's closure caused the partial closure of some of these suppliers (such as

https://www.elmundo.es/motor/2020/05/27/5ece193ffc6c83c0408b4596.html

<sup>&</sup>lt;sup>5</sup> Groupe Renault – Alliance, press release 27 May 2020

<sup>&</sup>lt;sup>6</sup> According to the International Organization of Motor Vehicle Manufacturers (OICA), over the past two decades (1999-2019), the EU has been steadily losing market share in terms of passenger car production. In 1999, the EU was the world's leading region, with 40,7% of global car production, whilst in 2019, the EU's share had declined to 23,6%.

<sup>&</sup>lt;sup>7</sup> <u>https://www.reuters.com/article/us-nissan-restructuring-exclusive-idUSKBN22R1NX</u>

<sup>8 &</sup>lt;u>https://latribunadeautomocion.es/2020/05/uchida-nissantenemos-la-intencion-de-cerrar-barcelona-en-diciembre-de-2020/?v=d3dcf429c679</u>

Faurencia<sup>9</sup> or Continental) and the reduction by 31-53% of their workforce, while other suppliers closed down entirely, such as Aludyne<sup>10</sup>, Magna Seating<sup>11</sup> or Robert Bosch<sup>12</sup>.

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

- 14. The automotive industry is the third most important sector in Catalonia (after chemicals and food) both in terms of turnover and employment. The turnover of the automotive industry (23,8 billion euros) represents more than 10% of the region's GDP<sup>13</sup>. The sector provides around 143 000 jobs (direct, indirect and induced jobs), that represents 4,2% of the Catalan employed population, according to data of the Cluster of the Automotive Industry of Catalonia (CIAC)<sup>14</sup>.
- 15. The displacements concerned by this application are concentrated in four counties of the province of Barcelona (Barcelonès, Alt Penedés, Baix Llobregat and Vallés Oriental), where a large number of automotive enterprises are located. Job destruction in these regions was on the rise over the period 2018 2020

Displacements in Barcelonès, Alt Penedés, Baix Llobregat and Vallés Oriental (2017=0)



<sup>&</sup>lt;sup>9</sup> Total dismissed workers 160; 89 over the period June-December 2020 and 71 during the reference period January-July 2021.

<sup>&</sup>lt;sup>10</sup> Aludyne dismissed its entire workforce, 79 workers over the period June-December 2020 and 3 during the reference period.

<sup>&</sup>lt;sup>11</sup> Magna Seating Spain dismissed its entire workforce, 57 workers over the period June-December 2020 and 1 during the reference period.

<sup>&</sup>lt;sup>12</sup> Robert Bosch España (Castellet plant) dismissed its entire workforce 293 workers over the period June-December 2020 and 8 during the reference period

<sup>&</sup>lt;sup>13</sup> <u>https://www.economiadigital.es/empresas/nissan-industria-catalana-pierde-3600-millones-cierre\_20067534\_102.html</u>

<sup>&</sup>lt;sup>14</sup> Cluster of the Automotive Industry of Catalonia (CIAC) is a non-profit association, open to companies linked to the automotive sector based in Catalonia and with RDI activity. The main objective of the CIAC is to strengthen the competitiveness of the automobile industry.

- 16. The number of workers displaced by collective redundancy procedure between January and June 2021 in Catalonia (7 993 people), already exceeds the number of displaced workers in 2020 (7 936 people)<sup>16</sup>. Almost 50% of the displacements in the first half of 2021 occurred in the automotive sector, which is the most affected by the rebound in collective redundancy procedures.
- 17. The closure of Nissan's plant in Barcelona resulted in more than 2 500 direct redundancies and the loss of 8 000 jobs among its suppliers (3 000 among top-tier suppliers, those who negotiate directly with vehicle manufacturers, and additional 5 000 among smaller suppliers)<sup>17</sup>. The employers' association Primec estimates the negative impact of the closure of Nissan Barcelona at EUR 3 600 million, a loss equivalent to 2,6% of the value of the industrial sector in Catalonia<sup>18</sup>.

# Application of the EU Quality Framework for anticipation of change and restructuring (QFR)

- 18. Spain has described how the recommendations set out in the EU Quality Framework for anticipation of change and restructuring have been taken into account in the present case. Spain highlights that public bodies monitor restructuring processes and manage collective redundancies requests although without authorisation/refusal capacity. These bodies can however set up programmes promoting job creation in partnership with local bodies or public-private bodies (redeployment agencies).
- 19. In the run-up to displacements, in accordance with national legislation, social partners, enterprises and workers' representatives engage in negotiation aimed at agreeing on displacements and the outplacement plans that are a legal obligation for an enterprise dismissing 50 or more workers at the same time. The outplacement plans provide the workers with job-search assistance, occupational guidance and training. The duration of the plans is six months. Catalonia's public employment service (SOC) provides redeployment services to the displaced workers not entitled to the outplacement plans.
- 20. The most representative trade union and business organizations in Catalonia, Comisiones Obreras, UGT, Fomento del Trabajo Nacional (FOMENT) and PIMEC (association of SMEs of Catalonia) analysed the future prospects of the regional labor market and the skills in demand by enterprises offering jobs. These social partners were part of the working group set to define the package of measures for which the EGF co-financing is requested.

Complementarity with actions funded by national or Union funds

21. Spain has confirmed that the measures described below receiving a financial contribution from the EGF will not also receive financial contributions from other Union financial instruments.

<sup>&</sup>lt;sup>15</sup> <u>Servei Públic d'Ocupació de Catalunya</u>.

<sup>&</sup>lt;sup>16</sup> https://www.elperiodico.com/es/economia/20210611/ola-repunta-catalunya-7-993-11816139

<sup>&</sup>lt;sup>17</sup> <u>https://www.lavanguardia.com/economia/20201111/49392567462/nissan-barcelona-crisis-impacto-</u> <u>cierre-fabricas-plantas.html</u>

<sup>&</sup>lt;sup>18</sup> https://www.economiadigital.es/empresas/nissan-industria-catalana-pierde-3600-millonescierre\_20067534\_102.html

22. The coordinated package of personalised services complements actions funded by other national or EU funds such as SOC's general services (job-search support, vocational counselling and training).

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

23. Spain has indicated that various actors supported the EGF application. A working group was created with representatives, among others, of SOC, CIAC, and the Agència per la Competitivitat de l'Empresa (ACCIÓ)<sup>19</sup>. The working group met on a bi-weekly basis from 30 July 2020 to 14 December 2020. The social partners (referred to in point 20) also participated in the process. The social partners officially expressed their support for the EGF measures to be offered to former workers in Nissan's suppliers in a meeting held on 26 November 2020.

#### Targeted beneficiaries and proposed measures

#### Targeted beneficiaries

24. The estimated number of displaced workers expected to participate in the measures is 450. The breakdown of these workers by gender, age group and educational level is as follows:

Category		Number of expected beneficiaries	
Gender:	Men:	250	(55,6 %)
	Women:	200	(44,4 %)
	Non-binary	0	(0,0 %)
Age group:	Below 30 years:	16	(3,5 %)
	30-54 years:	277	(61,6 %)
	Over 54 years:	157	(34,9 %)
Educational level	Lower secondary education or less <sup>20</sup>	227	(50,4 %)
	Upper secondary <sup>21</sup> or post-secondary education <sup>22</sup>	108	(24,0 %)
	Tertiary education <sup>23</sup>	115	(25,6 %)

#### Proposed measures

25. The personalised services to be provided to displaced workers consist of the following measures:

<sup>&</sup>lt;sup>19</sup> ACCIÓ is the Catalan agency for business competitiveness.

<sup>&</sup>lt;sup>20</sup> ISCED 0-2

<sup>&</sup>lt;sup>21</sup> ISCED 3

<sup>&</sup>lt;sup>22</sup> ISCED 4

<sup>&</sup>lt;sup>23</sup> ISCED 5-8

- General information and welcome session. This includes general information on available counselling and training programmes, allowances and incentives; and the profiling of the workers. As the measure is implemented in collaboration with the Cluster of the Automotive Industry of Catalonia, the, workers have the opportunity to clarify their career prospects within the automotive sector and decide whether upskill and remain in the sector or retrain to find employment in other sectors.
- Preparatory workshops focused on various job-search methodologies and key job-seach aspects such as CV drafting, job interviews and group dynamics, etc. This is complemented with more in-depth information on redeployment, sectors that require licensing or certificates of professional competence, and certification of competencies and soft skills acquired in work situations. For those considering self-employment there are workshops on business creation.
- **Occupational guidance** are provided in bilateral sessions with a counsellor. Together, counsellor and worker will prepare a personalised path to employment or self-employment. Training needs will also be defined during these sessions.
- **Training**. This includes (1) training on horizontal competencies such as personal development, occupational risk prevention, foreign languages, and training as trainers; (2) re-skilling vocational training to cater for identified needs of the local labour market such as maintenance of buildings and urban equipment, warehouse operations, warehouse logistics, HACCP<sup>24</sup>, food safety, food handling, etc.; and (3) up-skilling vocational training to cater for the skills at request in the automotive sector, such as welding techniques (TIG<sup>25</sup>, MIG/MAG<sup>26</sup>, automatic welding, special welding, etc.), industrial design (2D and 3D Mechanical Design, CAD, CAD-CAM<sup>27</sup> system integration, etc.), machining (CNC programming<sup>28</sup>, interpretation of CNC plans, operator and tool preparer, etc.), and maintenance (electric, hydraulic and pneumatic automation; programmable automations; maintenance of rolling and transmission systems; hybrid and electric vehicle maintenance; etc.); and (4) internships in enterprises. This aims to facilitate a training experience in a real work environment.
- **Entrepreneurship support**. With the aim of developing viable business or self-employment projects, workers interested in becoming self-employed receive support in the form of training and personalised tutoring throughout the business start-up process. This may cover planning, feasibility studies, business plans, help with identifying financing possibilities, etc.
- **Business creation**. The workers who start their own business or selfemployment activity receive up to EUR 5 000 to cover set-up costs.

<sup>&</sup>lt;sup>24</sup> Hazard Analysis Critical Control Points (HACCP) is an internationally recognized method of identifying and managing food safety related risks.

<sup>&</sup>lt;sup>25</sup> Tungsten inert gas (TIG) welding.

<sup>&</sup>lt;sup>26</sup> Metal Inert Gas (MIG) and Metal Active Gas (MAG) welding.

<sup>&</sup>lt;sup>27</sup> CAD/CAM stands for computer-aided design & computer-aided manufacturing.

<sup>&</sup>lt;sup>28</sup> CNC programming (Computer Numerical Control Programming) is utilized by manufacturers to create program instructions for computers to control a machine tool. CNC is highly involved in the manufacturing process and improves automation as well as flexibility.

- **Intensive job-search assistance**, including active search of the local and regional employment opportunities (also for self-employed persons) and job-matching.
- **Tutoring after reintegration into work**. The workers reintegrated into employment are guided during the first months to prevent possible problems arising in their new jobs.
- Incentives. There are a variety of incentives. (1) A <u>contribution to commuting expenses</u> is foreseen. The amount is calculated per day of participation and it will take into account whether the commute is urban or interurban. (2) <u>Outplacement incentives</u>. Those who return to employment receive EUR 350 per month, for a maximum of three months. The incentive is designed to encourage quick reemployment and stimulate elderly workers to remain in the labour market. (3) <u>Internship allowance</u>. Workers on internships in enterprises receive EUR 10 per hour of internship. (4) <u>Contribution to expenses for carers of dependent persons</u>. Workers with caring responsibilities (children, elderly or disabled persons) receive up to EUR 20 per day of participation in the measures. This aims to cover the additional costs that participants with care responsibilities face in order to participate in the measures.
- 26. The measures were planned to be in line with the Spanish Circular Economy Strategy<sup>29</sup> and the Strategy for the Sustainable Development of Catalonia<sup>30</sup>. The horizontal training on digital skills along with some of the planned up-skilling/reskilling training caters for the requirement of disseminating the skills required in the digital industrial age and in a resource-efficient economy, in line with Article 7.2 of the EGF Regulation. To serve this purpose, the following studies *Capacitats i tecnologies vinculades a la indústria 4.0 a Catalunya<sup>31</sup>* and *Competències i necessitats formatives del sector de l'automoció a Catalunya<sup>32</sup>* have been taken into account.
- 27. The proposed actions constitute active labour market measures within the eligible measures set out in Article 7 of the EGF Regulation. These actions do not substitute passive social protection measures.
- 28. Regarding the activities already undertaken for the assistance of the displaced workers, Spain has informed that the workers entitled to outplacement plans<sup>33</sup> already received them and SOC has provided the workers with access to its general services (job-search support, vocational counselling and training).
- 29. Spain has provided the required information on measures that are mandatory for the enterprises concerned by virtue of national law or pursuant to collective agreements. Spain has confirmed that a financial contribution from the EGF will not replace such measures.

<sup>&</sup>lt;sup>29</sup> <u>https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/economia-circular/estrategia/</u>

<sup>&</sup>lt;sup>30</sup> <u>Estrategia para el desarrollo sostenible de Cataluña</u>

<sup>&</sup>lt;sup>31</sup> Capacitats i tecnologies vinculades a la indústria 4.0 a Catalunya

<sup>&</sup>lt;sup>32</sup> Competències i necessitats formatives del sector de l'automoció a Catalunya

<sup>&</sup>lt;sup>33</sup> Outplacement plans that are a legal obligation for the enterprise that dismisses 50 or more workers at the same time. These plans provide the workers with job-search assistance, occupational guidance and training. The duration of the plans is six months

# Estimated budget

- 30. The estimated total costs are EUR 3 288 419, comprising expenditure for personalised services of EUR 3 138 300 and expenditure for preparatory, management, information and publicity, control and reporting activities of EUR 150 119.
- 31. The total financial contribution requested from the EGF is EUR 2 795 156 (85 % of total costs).
- 32. The national pre-financing and co-funding is provided by SOC.

Measures	Estimated number of participants	Estimated cost per participant (EUR) <sup>34</sup>	Estimated total costs (EUR) <sup>35</sup>
Personalised services (measures under Article 7(2)(	a) of the EGF Re	gulation)	
General information to eligible beneficiaries and welcome session ( <i>acogida y diagnóstico inicial</i> )	450	70	31 500
Preparatory workshops (medidas de sensibilización-talleres preparatorios)	200	250	50 000
Occupational guidance (programa de orientación laboral)	450	472	212 500
Training (programa de formación)	400	3 104	1 241 500
Entrepreneurship support (escuela de emprendedores y asesoría del emprendedor)	50	1 300	65 000
Business creation ( <i>incentivo a la constitución de negocios</i> )	20	5 000	100 000
Intensive job-search assistence (prospección laboral)	300	1 300	390 000
Tutoring after reintegration into work (seguimiento en el empleo)	200	250	50 000
Sub-total (a): Percentage of the package of personalised services	_		2 140 500 (68,21 %)
Allowances and incentives (measures under Article	7(2)(b) of the EC	GF Regulation)	
Incentives (beca desplazamiento, insercción laboral por cuenta aj ena, conciliación, y beca prácticas en empresa)	450	2 217	997 800
Sub-total (b): Percentage of the package of personalised services:	-	_	997 800 (31,79 %)
Activities under Article 7(5) of the EGF Regulation			
1. Preparatory activities		_	14 678

To avoid decimals, the estimated costs per worker have been rounded. However, the rounding has no impact on the total cost of each measure, which remains as in the application submitted by Spain.
Totals do not tally due to rounding.

2. Management	-	85 087
3. Information and publicity	-	35 615
4. Control and reporting	-	14 739
Sub-total (c):		150 119
Percentage of the total costs :	-	(4,57 %)
Total costs $(a + b + c)$ :	-	3 288 419
EGF contribution (85 % of total costs)	_	2 795 156

- 33. The costs of the measures identified in the table above as measures under Article 7(2)(b) of the EGF Regulation do not exceed 35 % of the total costs for the coordinated package of personalised services. Spain confirmed that these measures are conditional on the active participation of the targeted beneficiaries in job-search or training activities.
- 34. Spain confirmed that the costs of investments for self-employment, business creation and employee take-overs will not exceed EUR 22 000 per beneficiary.

## Period of eligibility of expenditure

- 35. Spain started providing the personalised services to the targeted beneficiaries on 17 January 2022. The expenditure on the measures will therefore be eligible for a financial contribution from the EGF from 17 January 2022 until 24 months after the date of the entry into force of the Financing Decision.
- 36. Spain started incurring the administrative expenditure to implement the EGF on 30 July 2020. The expenditure for preparatory, management, information and publicity, control and reporting activities shall therefore be eligible for a financial contribution from the EGF from 30 July 2020 until 31 months after the date of the entry into force of the Financing Decision.

#### Management and control systems

37. The application contains a description of the management and control system, which specifies the responsibilities of the bodies involved. Spain has notified the Commission that the financial contribution will be managed and controlled by the same bodies that manage and control the European Social Fund Plus. SOC will be the intermediate body for the managing authority.

## Commitments provided by the Member State concerned

- 38. Spain has provided all necessary assurances regarding the following:
  - the principles of equality of treatment and non-discrimination will be respected in access to the proposed measures and their implementation,
  - the requirements laid down in national and EU legislation concerning collective redundancies have been complied with,
  - the dismissing enterprises, which have continued their activities after the layoffs, have complied with their legal obligations and provided for their workers accordingly,
  - 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**

- 39. The EGF shall not exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027<sup>36</sup>.
- 40. Having examined the application in respect of the conditions set out in Article 13(1) and (2) of the EGF Regulation, and having taken into account the number of targeted beneficiaries, the proposed measures and the estimated costs, the Commission proposes to mobilise the EGF for the amount of EUR 2 795 156, representing 85 % of the total costs of the proposed measures, in order to provide a financial contribution for the application.
- 41. The proposed decision to mobilise the EGF will be taken jointly by the European Parliament and the Council, as laid down in point 9 of the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>37</sup>.

## **Related acts**

- 42. 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 the amount of EUR 2 795 156.
- 43. At the same time as it adopted this proposal for a decision to mobilise the EGF, the Commission adopted a decision on a financial contribution that constitutes a financing decision within the meaning of Article 110 of the Financial Regulation<sup>38</sup>. That financing decision will enter into force on the date on which the Commission is notified of the approval of the budgetary transfer by the European Parliament and the Council.

<sup>&</sup>lt;sup>36</sup> OJ L 433, 22.12.2020, p. I/11.

<sup>&</sup>lt;sup>37</sup> OJ L 433, 22.12.2020, p. I/29.

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

#### 2022/0010 (BUD)

## Proposal for a

# DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

#### on the mobilisation of the European Globalisation Adjustment Fund for Displaced Workers following an application from Spain – EGF/2021/006 ES/Cataluña automotive

#### 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) 2021/691 of the European Parliament and of the Council of 28 April 2021 on the European Globalisation Adjustment Fund for Displaced Workers (EGF) and repealing Regulation (EU) No 1309/2013<sup>39</sup>, and in particular Article 15(1) thereof,

Having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>40</sup>, and in particular point 9 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Globalisation Adjustment Fund for Displaced Workers (EGF) aims to demonstrate solidarity and promote decent and sustainable employment in the Union by providing support for displaced workers and self-employed persons whose activity has ceased in the case of major restructuring events and assisting them in returning to decent and sustainable employment as soon as possible.
- (2) The EGF is not to exceed a maximum annual amount of EUR 186 million (in 2018 prices), as laid down in Article 8 of Council Regulation (EU, Euratom) 2020/2093<sup>41</sup>.
- (3) On 23 September 2021, Spain submitted an application to mobilise the EGF, in respect of worker's displacements in the economic sector classified under the Statistical classification of economic activities in the European Community ('NACE')<sup>42</sup> Revision 2 division 29 (Manufacture of motor vehicles, trailers and semi-trailers) in the Nomenclature of Territorial Units for Statistics ('NUTS')<sup>43</sup> level 2 region of Cataluña (ES51) in Spain. It was supplemented by additional information provided in

<sup>&</sup>lt;sup>39</sup> OJ L 153, 3.5.2021, p. 48.

<sup>&</sup>lt;sup>40</sup> OJ L 433, 22.12.2020, p. I/29

<sup>&</sup>lt;sup>41</sup> Council Regulation (EU, Euratom) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433, 22.12.2020, p. I/11).

<sup>&</sup>lt;sup>42</sup> Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Revision 2 and amending Council Regulation (EEC) No 3037/90 as well as certain EC Regulations on specific statistical domains (OJ L 393, 30.12.2006, p. 1).

<sup>&</sup>lt;sup>43</sup> Commission Delegated Regulation 2019/1755 of 8 August 2019 amending the Annexes to 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). OJ L 270, 24.10.2019, p. 1–56.

accordance with Article 8(5) of Regulation (EU) 2021/691. That application complies with the conditions for a financial contribution from the EGF as laid down in Article 13 of Regulation (EU) 2021/691.

- (4) The EGF should, therefore, be mobilised in order to provide a financial contribution of EUR 2 795 156 in respect of the application submitted by Spain.
- (5) In order to minimise the time taken to mobilise the EGF, this decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

#### Article 1

For the general budget of the Union for the financial year 2022, the European Globalisation Adjustment Fund for Displaced Workers shall be mobilised to provide the amount of EUR 2 795 156 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

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