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### **EUROPEAN COMMISSION**



Brussels, 6.5.2010 COM(2010)205 final

# 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/2009/020 ES/Castilla-La Mancha).

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## **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 9 October 2009, Spain submitted application EGF/2009/020 ES/Castilla-La Mancha for a financial contribution from the EGF, following 585 redundancies in 36 enterprises operating in the NACE Revision 2 division 16 ('Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials') sector in the NUTS II region Castilla-La Mancha (ES42) 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

Key data:	
EGF Reference no.:	EGF/2009/20
Member State:	Spain
Application date:	9 October 2009
Article 2:	b
NUTS II region:	Castilla-La Mancha [ES42]
NACE (revision 2) <sup>3</sup> division:	Division 16 ('Manufacture of
	wood and of products of wood
	and cork, except furniture;
	manufacture of articles of straw
	and plaiting materials')
Reference period:	01.11.2008-31.07.2009
Enterprises affected:	36
Redundancies during the reference period, of which:	585
<ul> <li>calculated using individual notice</li> </ul>	585
<ul> <li>calculated using the facto termination of the contract</li> </ul>	0
<ul> <li>calculated using the notification to the public</li> </ul>	0
authorities of the planned collective redundancies	
Redundant workers targeted for support	557
Starting date for the personalised services	4 January 2010

OJ C 139, 14.6.2006, p. 1.

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OJ L 406 of 30.12.2006, p. 1.

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

Personalised services (budget in EUR)	2 843 950
Administrative expenditure (budget in EUR)	156 050
% administrative expenditure	5,2
Total budget in EUR	3 000 000
EGF contribution EUR (65 % of total budget):	1 950 000

- 1. The application was presented to the Commission on 9 October 2009 and supplemented by additional information up to 22 February 2010.
- 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.

# <u>Link between the redundancies and major structural changes in world trade patterns</u> due to globalisation or the global financial and economic crisis

- 3. In order to establish the link between the redundancies and the global financial and economic crisis, Spain argues that the construction sector has been severely affected by the crisis. The collapse of the subprime mortgage market in the USA, with major adverse consequences for banks and financial markets around the globe, had as a direct result the reduction of the capital base of financial institutions, rendering many of them less capable of lending and more cautious. Therefore loans to the construction sector or to individuals have been drastically reduced and the demand for new houses decreased due to declining consumer confidence and the lack of cash. In Spain for instance the number of mortgages decreased from a monthly average of 140 000 to 180 000 (beginning of 2006 to mid-2007) to a monthly average of 80 000 (mid-2009).
- 4. The Commission recognised in its Economic Recovery Plan<sup>4</sup> that the construction industry in the EU has seen demand plummet as a result of the crisis. More recent data<sup>5</sup> confirm the significant downturn in the construction sector, which fell by 13.4% in the EU27 in the first quarter of 2009 compared with the previous year, mainly due to the decrease in private investment in the residential sector. The demand for doors and door-frames is closely linked to demand in the construction sector, which is influenced by the number of new-builds and demand for renovations and upgrading (an average house needs ten doors). The number of building permits granted in Spain decreased by 15 % in 2007 and by 57 % in 2008. This decline in demand had a strong negative impact on employment in the construction sector and ancillary industries like indoor wood, building materials, furniture, etc.

# 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

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<sup>&</sup>lt;sup>4</sup> A European Economic Recovery Plan. COM(2008) 800

DG Enterprise: "Impact of the economic crisis on key sectors of the EU - The case of the manufacturing and construction industries"

(http://ec.europa.eu/enterprise/policies/industrial-competitiveness/documents/index\_en.htm)

- nine-month period in enterprises operating in the same NACE Revision 2 division in one region or two contiguous regions at NUTS II level in a Member State.
- 6. The application cites 585 redundancies in 36 enterprises operating in NACE Revision 2 division 16 ('Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials') in the NUTS II region Castilla-La Mancha (ES42) in Spain during the nine-month reference period from 1 November 2008 to 31 July 2009. All of these redundancies were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006.

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

7. The Spanish authorities argue that the financial and economic crisis has led to a sudden collapse of the world economy with an enormous impact on many sectors and in particular on demand for building construction. In countries like Spain, where the annual growth rate of construction activity was higher than the European average, a slow-down in construction activity was already anticipated for the medium term. Companies operating in ancillary industries, such as the production of doors, could not be prepared for a steep drop in sales of about 30 % 6 (units sold in 2008 compared with the previous year's sales). Exports (mainly to EU countries) also decreased by 19 % during the same period. Moreover, before the crisis, at least half of the Spanish door manufacturers 7 had made significant investments in order to increase their production capacity (new production plants and new machinery). They also invested in R&D. These investments would have been delayed if the sector had been able to foresee the crisis.

# Identification of the dismissing enterprises and workers targeted for assistance

8. The application mentions 585 redundancies (of which 557 are targeted for assistance) in the following 36 enterprises:

Enterprises and number of dismissals			
ACI- MANCHA CORCHOS, S.A.	1	INDUSTRIA DE LA MADERA INDEMA, S.L.	1
ARPUBLOCK, S.L.	6	INDUSTRIAS LOSAN, S.A.	1
ARTEMA PUERTAS, S.A.	32	MADERAS VILLACAÑAS S.A.	62
ASERYMOL, S.L.	1	MUEBLES Y CARPINTERIA MANCHEGA, S.L.	1
BARNIZADOS TECNICOS MANCHEGOS, S.L.	3	PUERTAS ARTEVI, S.A.	97
BRICO BLOCK S.A.	34	PUERTAS DIMARA, S.A.	2
CARPIMAN CRIPTANA, S.L.	3	PUERTAS DOCAVI, S.A.	122
CARPINTERIA Y EBANISTERIA GOMEZ, S.L.	1	PUERTAS EURODOOR, S.A.L.	6
CERMOLCA, S.L.	3	PUERTAS MAYSER 2000, S.L.	42
CERMOTEC, S.L.	2	PUERTAS PROMA, S.A.	24
DECORACIONES Y COMPLEMENTOS EL ROMERAL	1	PUERTAS SALMAR, S.A.	1
DERMACO, S.L.	3	PUERTAS SANRAFAEL, S.A.	1

Source: ANFPM (Spanish National Association of wood door manufacturers).

7 Idem.

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Enterprises and number of dismissals			
DH PROYECTOS DE DECORACION MOBILIARIO	1	PUERTAS TEMBLEQUE, S.L.	1
EUROARMABI, S.A.	1	SISTEMAS FERMA, S.L.	1
EUROREVERSE PUERTAS S.L.	1	TERMINACIONES EN MADERA LEYMA, S.L.	1
EXPOSTAND CRIPTANA S.L.	1	TOLEDANA DEL BLOCK, S.A.L.	3
GUILLÉN INDUSTRIAS DE LA MADERA, S.A.	3	UNIARTE S.A.	3
HERMANOS ALCOLADO PATIÑO, S.L.	1	VISEL PUERTAS, S.A.	118
<b>Total Enterprises: 36</b>		Total of Dismissals: 585	

9. The break-down of the 557 targeted workers is as follows:

Category	Number	Percent
Men	462	82,94
Women	95	17,06
EU citizens	551	98,92
Non-EU citizens	6	1,08
15 to 24 years old	41	7,36
25 to 54 years old	465	83,48
55 to 64 years old	50	8,98
Over 65 years old	1	0,18

- 10. One targeted worker is disabled.
- 11. In terms of professional categories, the break-down is as follows:

Category	Number	Percent
Professionals	2	0,36
Technician and associated professionals	3	0,54
Clerks	18	3,23
Service workers	1	0,18
Craft and related trade workers	110	20,10
Plant and machine operators	207	37,17
Elementary occupations	216	38,42

12. In terms of educational level<sup>8</sup>, the break-down is as follows:

Category	Number	Percent
Basic education		
(to end of compulsory education)	300	53,86
Upper secondary education	41	7,36
Post-secondary non tertiary education	13	2,22
Tertiary education	7	1,26
Uneducated or early school leavers	196	35,19

- 13. Similar percentages can be found when considering the 585 redundant workers.
- 14. In accordance with Article 7 of the Regulation (EC) No 1927/2006, Spain has confirmed that a policy of equality between women and men as well as non-

<sup>&</sup>lt;sup>8</sup> Categories based on the International Standard Classification of Education (ISCED-97)

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**

- 15. The territory concerned by the redundancies is within the NUTS II region of Castilla-La Mancha, a region with a very low population density (25.7 inhabitants per km² while the national average is 91.2 inhabitants per km² and the EU average is 112 inhabitants per km²). This region accounts for 3.4% of the Spanish GDP and it is the region with the second lowest per capita income (76.9 % of the national average). The business model in Castilla-La Mancha is mainly family-type SMEs, 99.94 % of the enterprises fall into this category. The enterprise distribution by sector is 60 % services, 17 % industry, 14 % construction and 9 % agriculture.
- 16. The main stakeholders are the Junta de Comunidades de Castilla-La Mancha (Castilla-La Mancha autonomous government), Delegado Provincial de la Consejería de Trabajo y Empleo en Toledo (the local labour authority of the relevant province), trade unions: MCA-UGT and FECOMA-CCOO<sup>9</sup>, the Federation of Social Economy Enterprises of Castilla-La Mancha autonomous region (FECMES) and the regional association of manufacturers of doors and other wood products (AFAP).

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

- 17. In Castilla-La Mancha the number of registered unemployed workers almost quadrupled in the last two years, rising from 3 701 in 2007 to 13 857 in 2009.
- 18. Spain is the second most important producer of wooden doors in the EU (65 enterprises and 12 million units produced in 2006). 16 of these enterprises, representing more than 50 % of the total Spanish production, are located in Castilla-La Mancha. 93 % of the dismissals covered by this application are concentrated in two small municipalities in the province of Toledo: Villacañas (10 310 inhabitants) and Villa de Don Fadrique (4 065 inhabitants), where industry (mainly production of wooden doors) represents 70 % of total jobs. In these circumstances, the redundancies can be seen as to have a significantly negative effect on the local and regional economy.
- 19. The area suffers from the additional problem of depopulation and has known difficulties in trying to enhance the sense of attachment of the population to the territory, so layoffs can also have a highly negative impact on the territory.

# 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

20. All the following measures combine to form a co-ordinated package of personalised services aimed at re-integrating the workers into the labour market.

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Federación Regional del Metal, Construcción y Afines de la Unión General de Trabajadores (MCA-UGT) and Federación Regional de Madera de Comisiones Obreras (FECOMA-CCOO).

- Screening and Occupational Guidance. The first measure provided to all 557 participants concerns the profiling of the workers. Guidance provided includes information on available jobs, on skills and training requirements, on available training programmes and incentive schemes.
- Intensive job search assistance: This will involve an intense employment search, including both passive and active research of the local and regional employment opportunities.
- Training and re-training. This measure will include an assessment of the training needs of the workers concerned, and their training in sectors where opportunities exist or will arise. The training will consist in short courses (about 50 hours) with a highly practical content. It is estimated that 500 workers will participate in this measure.
- Training for professional qualification: Planned as a long-training measure (about 12 months), this will be composed of a set of courses focused on providing a new and certified professional qualification. It is estimated that 90 workers will participate in this measure.
- Promotion of entrepreneurship: Specific training activities for those workers who wish to start their own business will be provided. This will cover elements such as planning, carrying out feasibility studies, preparation of business plans and raising finance. Around 10 % of the targeted workers will participate in this measure.
- Training workshops combined with work. The participants in this measure will combine working as a trainee (25 hours per week) with training (a further 10 hours per week). The workers, after having trained in new professional skills, will be given the opportunity of gaining work experience by means of a part-time contract as trainee. The trainees will receive the Spanish minimum wage adjusted proportionately to the time worked.
- Participation incentive. To encourage their participation in the measures, the workers will receive a lump sum of EUR 250, conditional upon their participation in the measures contained in the EGF package.
- Mobility allowance. Those workers participating in a measure taking place outside their municipality of residence will receive a mobility allowance of up to EUR 10 daily and a maximum of EUR 150 per worker, as a contribution to their travel expenses.
- Outplacement incentives. A wage subsidy of EUR 350 per month for a maximum of six months will be paid to those workers who return to employment, if a work contract or contracts have been signed within the six months that following their enrolment as participants in this package of measures co-financed by the EGF. The subsidy is designed to encourage quick reintegration into the labour market and to stimulate workers, particularly those who are older, to remain in the labour market. It will be paid once a worker has accumulated 30 days of social security contributions.
- Outplacement incentives for self-employed workers: Self-employed workers, who
  have started a business within the six months that following their enrolment as a
  participant in this package of measures co-financed by the EGF, will receive a

contribution of EUR 350 per month for a maximum of six months once they have accumulated 30 days of social security contributions or run a business for 30 days. This incentive is designed to support those starting their own businesses during the initial months after start-up.

- Support for setting up a business: Workers who start their own businesses will receive a lump sum of EUR 3 000 to cover setting-up costs, provided that they have not already received any of the contributions that the region of Castilla-La Mancha makes available for the same purpose.
- "Back to school" incentive: Taking into account the young age of many workers targeted for assistance and their very low education levels, and with the objective of encouraging them to complete their compulsory education or taking up secondary or tertiary studies, the workers will receive a lump sum of EUR 300 after passing the official final examination at the end of compulsory education or a lump sum of EUR 1 500 after completing one year of upper-secondary school (bachillerato or formación profesional de grado medio), or tertiary education (formación profesional de grado superior or enseñanzas universitarias de primer o segundo ciclo).
- Contribution to the expenses for change of residence: Those workers who accept a
  job involving a change of residence will receive a lump sum of EUR 2100 to
  cover the necessary expenditure.
- Support for child-care. Workers with dependent children, who participate in measures or take up new employment, may apply for reimbursement of 50 % (up to EUR 300) of child-care costs (child-care centres, caretakers or school canteens) for up to 6 months. This measure aims to cover the additional costs faced by the workers in order to avail of training or other measures or after taking up a job. It is estimated that 350 workers will wish to benefit from this measure.
- 21. The administrative expenditure, which is included in the application in accordance with Article 3 of the Regulation (EC) No 1927/2006, covers preparatory, management and control activities as well as information and publicity.
- The personalised services presented by the Spanish authorities are active labour market measures within the eligible actions defined by Article 3 of the Regulation (EC) No 1927/2006. The Spanish authorities estimate the total costs of these services at EUR 2 843 950 and the administrative expenditure at EUR 156 050 (= 5.2 % of the total amount). This percentage is slightly higher than usual, due to the inclusion of a study on the local economic situation and the alternative employment opportunities in the affected area valued at EUR 41,050 among the preparatory measures, with the objective of making the training and job search measures for the redundant workers more effective. The total contribution requested from the EGF is EUR 1 950 000 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs in EUR (EGF and national cofinancing)
Personalised services (first paragraph of Arti	cle 3 of Regul	ation (EC) No 192	7/2006)
Screening and occupational guidance (for employees)     (Orientación y asesoramiento laboral para la inserción por cuenta ajena)	500	780	390 000
2. Screening and occupational guidance (for self-employers) (Orientación y asesoramiento laboral. Programa de autoempleo)	57	600	34 200
3. <u>Intensive job search assistance</u> ( <i>Intermediación y gestión laboral</i> )	500	800	400 000
4. <u>Training and re-training</u> (Formación para la activación laboral)	500	1 210	605 000
5. <u>Training for professional qualification</u> ( <i>Programa para la recualificación</i> profesional –formación de larga duración-)	90	4 000	360 000
6. <u>Promotion of entrepreneurship</u> (Formación en autoempleo)	57	3 000	171 000
7. <u>Training workshops combined with work</u> ( <i>Módulos de formación en alternancia con el trabajo</i> )	16	12 500	200 000
8. <u>Participation incentive</u> ( <i>Incentivos para la participación activa</i> )	557	250	139 250
9. Mobility allowances (Becas de desplazamiento)	400	150	60 000
10. <u>Outplacement incentives</u> ( <i>Incentivos para la reinserción laboral</i> )	75	2 100	157 500
11. Outplacement incentives (for self- employers) (Incentivos para el fomento del autoempleo)	20	2 100	42 000
12. Support for the setting up of a business (Incentivo para la cobertura de gastos de establecimiento	20	3 000	60 000
13. "Back to the school" incentive (Incentivo de retorno a las aulas)	120	900	108 000
14. Contribution to the expenses for change of residence (Incentivos a la movilidad geográfica)	30	2 100	63 000

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs in EUR (EGF and national co- financing)	
15. <u>Support for child care</u> ( <i>Incentivo para la conciliación</i> )	30	1 800	54 000	
Subtotal personalised services			2 843 950	
<b>Technical assistance for implementing EGF</b> (third paragraph of Article 3 of Regulation (EC) No 1927/2006)				
Preparatory			63 050	
Management			55 000	
Information and publicity			15 000	
Control activities			23 000	
Subtotal administrative expenditure			156 050	
Total estimated costs			3 000 000	
EGF contribution (65 % of total costs)			1 950 000	

- As regards the complementarity with actions funded by the Structural Funds, the Spanish authorities confirm that the measures described above are complementary with actions funded by the Structural Funds. Thus, for instance, the measure "Training combined with work" will benefit those workers who, due to their age, are excluded from similar ESF measures.
- 24. The EGF assistance will be directly targeted at mitigating the consequences of mass redundancies associated with the effects of the current global financial and economic crisis, while support from the European Social Fund (ESF) is programmed and used to finance active labour market policy measures planned over a seven-year programming period. The main objectives of the 2007-2013 ESF operational programmes for Castilla-La Mancha are promoting workers' lifelong learning and decreasing the rate of early school leaving, focusing in particular on the most vulnerable people or people threatened by social exclusion.

# <u>Date(s)</u> on which the personalised services to the affected workers were started or are planned to start

25. Personalised services to the affected workers included in the co-ordinated package proposed for co-financing by the EGF were started by Spain on 4 January 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**

- 26. The social partners were consulted during the preparation of the co-ordinated package of measures. The proposed application was discussed at a start-up meeting held on June 2009 as well as several meetings held in September 2009 with the social partners: Servicio Público de Empleo de Castilla-La Mancha-SEPECAM (public employment services of the affected region), the employer organisations (Asociación de Fabricantes de Puertas y Afines de Castilla-La Mancha –AFAP- and Federación Castellanomanchega de Empresas de Economía Social –FECMES-) the principal trade unions (FECOMA-CCOO and MCA-UGT<sup>10</sup>) and Mr. Santiago García Aranda, Mayor of Villacañas, the municipality most affected by the redundancies.
- 27. The Spanish authorities confirmed that the requirements laid down in national and Community legislation concerning collective redundancies have been complied with.

# <u>Information on actions that are mandatory by virtue of national law or pursuant to collective agreements</u>

- 28. As regards the criteria contained in Article 6 of the 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 under points 20 to 22 above do not receive assistance from other Community financial instruments.

#### **Management and control systems**

29. 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 Employment of the Public Employment Service of Castilla-La Mancha, which is mentioned in the ESF regional operational programme for Castilla-La Mancha, will be the intermediate body for the managing authority.

## **Financing**

- 30. On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 1 950 000, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Spain.
- 31. Considering the maximum possible amount of a financial contribution from the EGF under Article 10 (1) of the Regulation (EC) No 1927/2006, as well as the scope for reallocating appropriations, the Commission proposes to mobilise the EGF for the

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Federación Regional de Madera de Comisiones Obreras (FECOMA-CCOO) and Federación Regional del Metal, Construcción y Afines de la Unión General de Trabajadores (MCA-UGT)

total amount referred above, to be allocated under heading 1a of the financial framework.

- 32. The proposed amount of 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 the Regulation (EC) No 1927/2006.
- 33. By presenting this proposal to mobilise the EGF, the Commission initiates the simplified trialogue 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 trialogue meeting will be convened.
- 34. 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.

# 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/2009/020 ES/Castilla-La Mancha).

## 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 Inter-institutional Agreement of 17 May 2006 between the European Parliament, the Council and the Commission on budgetary discipline and sound financial management<sup>11</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>12</sup>, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission<sup>13</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 36 enterprises operating in NACE Revision 2 division 16 ('Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and

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OJ C 139, 14.6.2006, p. 1.

OJ L 406, 30.12.2006, p. 1.

OJ C [...], [...], p. [...].

plaiting materials') in a single NUTS II region, Castilla-La Mancha (ES42) on 9 October 2009 and supplemented it by additional information up to 22 February 2010. This application complies with the requirements for determining the financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission therefore proposes to mobilise an amount of EUR 1 950 000.

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

#### HAVE DECIDED AS FOLLWS:

#### 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 1 950 000 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