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**Mobilisation of the European Globalisation Adjustment Fund: application EGF/2014/005 FR/GAD — France**

**European Parliament resolution of 25 November 2014 on the 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 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2014/005 FR/GAD, from France) (COM(2014)0662 — C8-0226/2014 — 2014/2166 (BUD))**

(2016/C 289/16)

*The European Parliament,*

- having regard to the Commission proposal to the European Parliament and the Council (COM(2014)0662 — C8-0226/2014),
  - having regard to Regulation (EU) No 1309/2013 of the European Parliament and of the Council of 17 December 2013 on the European Globalisation Adjustment Fund (2014-2020) and repealing Regulation (EC) No 1927/2006 <sup>(1)</sup> (EGF Regulation),
  - having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 <sup>(2)</sup>, and in particular Article 12 thereof,
  - having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management <sup>(3)</sup> (IIA of 2 December 2013), and in particular point 13 thereof,
  - having regard to the trilogue procedure provided for in point 13 of the IIA of 2 December 2013,
  - having regard to the letter of the Committee on Employment and Social Affairs,
  - having regard to the letter of the Committee on Regional Development,
  - having regard to the report of the Committee on Budgets (A8-0044/2014),
- A. whereas the Union has set up legislative and budgetary instruments to provide additional support to workers who are suffering from the consequences of major structural changes in world trade patterns or the global financial and economic crisis and to assist their reintegration into the labour market,
- B. whereas the Union's financial assistance to workers made redundant should be dynamic and made available as quickly and efficiently as possible, in accordance with the Joint Declaration of the European Parliament, the Council and the Commission adopted during the conciliation meeting on 17 July 2008, and having due regard to the IIA of 2 December 2013 in respect of the adoption of decisions to mobilise the European Globalisation Adjustment Fund (EGF),

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

<sup>(2)</sup> OJ L 347, 20.12.2013, p. 884.

<sup>(3)</sup> OJ C 373, 20.12.2013, p. 1.

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- C. whereas the adoption of the EGF Regulation reflects the agreement reached between the Parliament and the Council to reintroduce the crisis mobilisation criterion, to increase Union financial contribution to 60 % of the total estimated cost of proposed measures, to increase efficiency for the treatment of EGF applications in the Commission and by the Parliament and the Council by shortening time for assessment and approval, to widen the range of eligible actions and beneficiaries by introducing self-employed persons and young people and to finance incentives for setting up own businesses,
- D. whereas the French authorities submitted application EGF/2014/005 FR/GAD on 6 June 2014 following the dismissal of 744 workers in GAD société anonyme simplifiée, an enterprise which operated in the economic sector classified under NACE Rev. 2 division 10 ('Manufacture of food products'),
- E. whereas the application fulfils the eligibility criteria set up by the EGF Regulation,
- F. whereas the local authorities in the Bretagne region were not involved in setting up the personalised services (Cellule de reclassement) to the affected workers, even though they are in charge of vocational training; whereas the local trade union representatives of the main sites concerned were not associated with the negotiation of the measures;
1. Notes that the French authorities submitted the application under the intervention criterion set out in Article 4(1)(a) of the EGF Regulation, which requires at least 500 workers being made redundant or self-employed persons' activity ceasing, over a reference period of four months in an enterprise in a Member State, including workers made redundant or self-employed persons' activity ceasing in its suppliers and downstream producers;
2. Agrees with the Commission that the intervention criteria set out in Article 4(1)(a) of the EGF Regulation are met and that, therefore, France is entitled to a financial contribution under that Regulation;
3. Notes that the French authorities submitted the application for EGF financial contribution on 6 June 2014, and that its assessment was made available by the Commission on 24 October 2014; welcomes the Commission's compliance with the tight deadline of 12 weeks laid down in the EGF Regulation;
4. Notes that the French authorities argue that GAD, as an abattoir and meat processing enterprise, was caught in the vice between two sets of price pressures, that of farmers struggling to cope with the increased price of feed and that of consumers struggling to cope with reduced income;
5. Agrees that reduced pig meat consumption in the wake of increased prices and lower purchasing power of consumers is linked to the global financial and economic crisis addressed in Regulation (EC) No 546/2009 <sup>(1)</sup>;
6. Takes the view that the increase of prices for pig feed, which the Union mostly imports from other continents recently plagued by droughts, could be attributed to globalisation;
7. Believes that other factors played an important role in the company's difficulties, such as unfair competition within the internal market from competitors making an abusive use of the Posting of Workers Directive <sup>(2)</sup> and the absence of a decent minimum wage in all Members States;
8. Calls on the Commission to ensure a level playing field within the internal market and the consistency of its legislation and instruments;

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<sup>(1)</sup> Regulation (EC) No 546/2009 of the European Parliament and of the Council of 18 June 2009 amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund (OJ L 167, 29.6.2009, p. 26).

<sup>(2)</sup> Directive 96/71/EC of the European Parliament and of the Council of 16 December 1996 concerning the posting of workers in the framework of the provision of services (OJ L 18, 21.1.1997, p. 1).

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9. Concludes that the factors accounting for the financial difficulties of GAD are diverse, but nevertheless agrees that France is entitled to EGF financial contribution;

10. Notes that, to date, the 'Manufacture of food products' sector has been the subject of one other EGF application <sup>(1)</sup>, also based on the global financial and economic crisis;

11. Notes that these redundancies will aggravate the unemployment situation in Bretagne, as employment in this region is dependent on the agro-agricultural sector to a higher extent than the average in France (11 % in Bretagne as opposed to 5 % on average in France);

12. Notes that, in addition to the 744 redundancies within the reference period, 16 workers dismissed after the reference period of four months are also included in the number of eligible beneficiaries, which amounts in total to 760 persons, the number of targeted beneficiaries of the EGF measures also being 760;

13. Notes that the estimated total costs amount to EUR 1 530 000, out of which EUR 30 000 is dedicated to implementation, and that the financial contribution from the EGF amounts to EUR 918 000, which represents 60 % of the total costs;

14. Welcomes the fact that, in order to provide workers with speedy assistance, the French authorities decided to initiate the implementation of the personalised services to the affected workers on 3 January 2014, ahead of the final decision on granting the EGF support for the proposed coordinated package and even of the application for a financial contribution from the EGF;

15. Notes that the French authorities have indicated that the coordinated package of personalised services has been drawn up after the Central Enterprise Committee of GAD had been informed on 28 June 2013 that it was planned to cut 889 jobs in the enterprise;

16. Regrets, however, the insufficient involvement of local political authorities and trade unions; suggests, in the framework of a future review of the EGF Regulation, the inclusion of a formal consultation with the local political authorities and trade unions in the file containing the mobilisation request submitted by national authorities to the Commission; deems it necessary to better integrate the EGF to the reconversion programmes and processes of local economic fabrics;

17. Welcomes that the workers are already being supported with various measures helping them to find new jobs, and that, by 20 May 2014, 108 of them had already found contracts for more than six months and another 66 for less than six months, while three had started their own businesses and almost all of them had opted to remain within the region;

18. Regrets that the personalised services which are to be provided consist of only one action, to be implemented by a one-stop-shop (Cellule de reclassement) which is run by two contracting agencies; notes that France requests only the funding of this one-stop-shop from the EGF; expresses its concerns with regard to the low amount of funds per worker (approximately EUR 1 200); calls on the French authorities to propose a more ambitious programme including a wider range of measures, such as a reception centre and casework, external experts guidance, thematic workshops, training, training allowances and grants for business creation, in its programmed EGF application for the remaining closing sites of GAD;

19. Expects the Commission and the French authorities to strictly follow the principle according to which payments to the agencies will be made by instalment and on the basis of results achieved;

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<sup>(1)</sup> EGF/2014/001 EL/Nutriart, which relates to bakery products.

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20. Considers that the monitoring of the activity of the agencies by means of regular written reports ensures the appropriate use of the funds to provide participants a personalised career path, sufficient number of job offers and mentoring for business creation within the framework of the one-stop-shop system;
21. Recalls that the funds have to help the workers and not, in any case, support the agencies;
22. Welcomes that the contracted agencies are paid according to a scale defined on the basis of the results achieved;
23. Notes that 17,50 % of the dismissed workers are aged between 55 and 64 years; notes furthermore that this age group is at a higher risk of prolonged unemployment and exclusion from the labour market; considers, therefore, that these workers may have specific needs when it comes to providing them with personalised services;
24. Welcomes that the principles of equality of treatment and non-discrimination will be respected in the access to the proposed actions and their implementation;
25. Recalls that, in line with Article 7 of the EGF Regulation, the design of the coordinated package of personalised services should anticipate future labour market perspectives and required skills and should be compatible with the shift towards a resource-efficient and sustainable economy;
26. Notes that the French authorities did not request funding for preparatory activities, management and information and publicity;
27. Approves the decision annexed to this resolution;
28. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
29. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

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ANNEX

DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**on the mobilisation of the European Globalisation Adjustment Fund, in accordance with point 13 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management (application EGF/2014/005 FR/GAD, from France)**

*(The text of this annex is not reproduced here since it corresponds to the final act, Decision 2014/876/EU.)*

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