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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/2009/014 ES/Comunidad Valenciana).**

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 management¹ 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 Fund².

On 2 September 2009, Spain submitted application EGF/2009/014 ES/Comunidad Valenciana for a financial contribution from the EGF, following 2 425 redundancies in 181 enterprises operating in the NACE Revision 2 division 23 ('Manufacture of other non-metallic mineral products') sector 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

Key data:	
EGF Reference no.	EGF/2009/14
Member State	Spain
Application date	2 September 2009
Article 2	b
NUTS II region	Comunidad Valenciana [ES52]
NACE (revision 2) ³ division	Division 23 ('Manufacture of other non-metallic mineral products')
Reference period	25.09.2008 – 24.06.2009
Enterprises affected	181
Redundancies during the reference period, of which :	2 425
– calculated using individual notice	0
– calculated using facto termination of the contract	509
– calculated using the notification of the planned collective redundancies to the public authority	1 916
Redundant workers targeted for support	1 600
Starting date for the personalised services	15 September 2009
Personalised services : budget in EUR	9 691 900
Administrative expenditure : budget in EUR	460 000
% administrative expenditure	4.5

¹ OJ C 139, 14.6.2006, p. 1.

² OJ L 406 of 30.12.2006, p. 1.

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

Total budget in EUR	10 151 900
EGF contribution EUR (65 %):	6 598 735

1. The application was presented to the Commission on 2 September 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.

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 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 Plan⁴ that the construction industry in the EU has seen demand plummet as a result of the crisis. The demand for ceramic products and wall and floor tiles is closely linked to demand in the construction sector, which is influenced by the number of new-builds and demand for renovations and upgrading. 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 (including ceramic products), 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 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 2 425 redundancies in 181 enterprises classified in the same NACE Revision 2 division during the nine-month reference period from 25 September 2008 to 24 June 2009, all located in a single region at NUTS II level, the Comunidad Valenciana. 509 of these redundancies in 120 enterprises were calculated in accordance with the second indent of the second paragraph of Article 2 of the Regulation (EC) No 1927/2006. A further 1 916 redundancies occurred in 64

⁴ A European Economic Recovery Plan. COM(2008) 800

enterprises and were calculated in accordance with the third indent of the same paragraph⁵. The Commission has received the confirmation required under the third indent of the second paragraph of Article 2(2) that this is the actual number of redundancies effected. Of the total of 2 425 workers, 1 600 have been targeted for assistance.

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. Since 2008 the economic situation has not been following the trends of previous years. This is not a gradual economic decline, for which companies could have been prepared.
8. A study on the Ceramic district of Castellón⁶ carried out by the Jaume I University in the context of the Competitiveness Plan of the Ceramic Sector 2005-2007 reported the possibility of a drop in construction activity at Spanish national level by about 15 %. The collapse in sales, when it happened, exceeded this forecast by three times. In the Competitiveness Plan, all the efforts were focused on innovation, marketing, training and co-operation, as the possible decrease in sales was not considered a major risk.
9. Before the crisis, the Spanish ceramics sector made significant investments in order to increase its production capacity (new production plants and new machinery) and also to develop new products with a higher added value. In 2007 the ceramics sector invested in research and development by twice⁷ the level of the Spanish average investment in R&D. The Ceramic Technological Institute created an observatory in 2007 to provide the ceramic tile industry with information to enhance their competitiveness in international markets. Several of the companies listed below contributed financially and participated actively in the work carried out by the observatory.
10. The strategy of developing high added value products and related 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

11. The application relates to 2 425 redundancies (of which 1 600 are targeted for assistance) in the following 181 enterprises:

Enterprises and number of dismissals			
4bm Cerámicas Comunidad Valenciana 2008, S.L.	92	Halcón Cerámicas, S.A.	76
Abad Ceramistas, S.L.	6	Hatz Spain, S.A.	20
Absolut Keramica, S.L.	1	Herarbo 2, S.L.	1

⁵ For three of these enterprises (Artísticos del Levante S.A., Azulejos Sanchís S.L. and Roig Cerámica S.A.) redundancies were calculated in accordance with the third indent for most of its workers (98 %, 78 % and 64% respectively) and with the second for the remaining ones.

⁶ Estudio sobre *El Distrito de la Cerámica de Castellón*. Instituto Interuniversitario de Desarrollo Local de la Universidad Jaume I

⁷ INE, Spanish national statistical institute.

Enterprises and number of dismissals			
Adobe Cerámicas, S.L.	15	Hidrapren, S.A.	2
Alfa Cerámico y Porcelánico, S.A.	10	Hijos de Francisco Gaya Fores, S.L	1
Alundum, S.A.	2	Hispanoazul, S.A.	1
Apavisa Porcelánico, S.L.	2	Hormigones del Este, S.A.	1
Arce Cerámicas, S.L.	70	Iberoalcorense, S.L.	32
Arcillas Atomizadas S.A.	2	Industria Cooperadora del Azulejo, S.L. (Incoazul)	7
Aresmat, S.L.U.	1	Industrias Alcorenses Confederadas (Inalco)	12
Argenta Cerámica, S.A.	1	Inoxpro, S.L.	2
Arrandis Cerámicas, S.L.	15	Iruba Ceramic, S.L.	1
Arte y Diseño Cerámico, S.A.	1	Itaca, S.A.	2
Artísticos del Levante, S.A.	22	Juan Jose Limo Casals, S.L.	21
Azteca Cerámica S.L.	1	Kaleydos Design S.L.	18
Azteca Products & Services, S.L.	8	Kerabén, S.A.	48
Azteca Sergrup, S.L.	10	Keramapol Sl	1
Azulejera Técnica, S.A.	61	Keramarmol S.L.	8
Azulejo Español, S.L.	2	Keramia Cerámicas, S.L.	18
Azulejos Mallol, S.A.	16	Keratrim, S.A.	5
Azulejos Mijares, S.L.	3	Keren Marmoles, S.L.	1
Azulejos Sanchis, S.L.	41	Kerlux, S.A.	69
Azulev S.A.	5	Keros Cerámica, S.A.	3
Azuliber 1, S.L.	24	Land Porcelánico, S.L.	1
Azuvi, S.A.	70	Levitile Ibérica, S.A.	13
Ballesmar, S.L.	32	Lucena Cerámicas	23
Barro Diseño y Arte, S.L.	1	Mª Soledad Pascual Conde	1
Batimat Mediterraneo, S.L.	7	Mantenimiento y Montajes Ceramicos Man, S.L.	1
Batimat, S.A.	1	Marazzi Iberia	4
Biselglass, S.L.	9	Marmoles Portoles, S.L.	1
Cales de La Plana, S.A.	1	Mecacer, S.L.	2
Candida Conde Gomez, S.L.U.	2	Mercury Cerámica, S.L.	1
Cartonajes La Plana, S.L.	1	Metropol Cerámica, S.L.	1
Cerámica Artia, S.L.	1	Miura Cerámicas, S.L.	1
Cerámica Bechinense, S.A.	43	Molcer, S.A.	6
Cerámica Da Vinci, S.L.	10	Moldeados Ceramicos, S.L.	1
Cerámica Kersa, S.L.	43	Navarti Cerámica, S.L.	29
Cerámica Latina, S.L.	1	Nexo Iberica, S.L.	1
Cerámica Montgo, S.L.	12	Nomazul, S.A.	2
Cerámica Nulense, S.A.	1	Nuevos Productos Cerámicos, S.A.	2
Cerámica Saloni, S.A.	82	Ondabaño	17
Cerámica Tres Estilos, S.L.	14	Palo Rosa Cerámicas y Parquet, S.L.	2
Cerámicas Artísticas Ondenses, S.L.	1	Pamesa Cerámica, S.L.	21
Cerámicas Belcaire, S.A.	1	Pavimentos Bechi, S.L.	1
Cerámicas Fanal, S.A.	1	Pavires Azulejos del Sur S.L.	1
Cerámicas Peñarroya, S.A.	11	Piedras Bernad, S.L	1
Cerámicas Triconten, S.L.	1	Pinceram, S.L.	5
Cerámicas Vives, S.A.	4	Planagrup, S.L.	1
Ceraworld Produccion, S.A.	30	Planomyr, S.A.	31

Enterprises and number of dismissals			
Cerbarro, S.L.	1	Porcelanicos HDC, S.A.	2
Cergrup Cerámicas, S.L.	17	Porcelanite, S.L	3
Cerpa, S.L.	10	Porcelanosa Cerámica, S.A.	11
Cerrajería Mecánica Vila-Real, S.A.	1	Prefabricados Pavi, S.L.	1
Cifre Cerámica, S.L.	1	Promosanit, S.A.	2
Colorificio Cerámico Bonet, S.A.	43	R.Hervas S.A.	13
Colorker, S.A.	1	Real Cerámica, S.A.U.	50
Comayco Vidrio La Plana, S.L.	12	Realonda, S.A.	22
Comercial Coinge, S.L.	1	Repuestos Cerámicos Almazora, S.L.	1
Comercial Nou Colors, S.L.	1	Revestimientos Ceramicos Castellon, S.A.	34
Compacglass, S.L.	1	Roig Cerámica, S.A. (Rocersa)	55
Composiciones Artísticas de Cerámica, S.L.	17	S.A. Minero Catalana Aragonesa	2
Corintia Esmaltes Ceramicos, S.L	4	Sanycces, S.L.	2
Cottocer, S.L.	4	Seriman, S.A.	57
Cristal Cerámicas, S.A.	1	Serviquimia, S.L.	1
Deciver 21, S.L.	2	Sesoca, S.L.	5
Deltaker, S.A.	1	Sichar Cerámica, S.A.	4
Disfrimur, S.L.	1	Silvano Lassi, S.L.	25
Egeum 2000, S.L.	15	Sociedad Tecnológica Industrial Levantina de Cerámicas, S.L.	42
Endeka Ceramics, S.A.	4	Superceramica, S.A.	39
Equipe Cerámica, S.L.	55	System-Pool, S.A.	8
Esmalglass, S.A.	61	Talleres Boyma, S.L.	1
Esmaltes, S.A.	3	Taullel S.A.	37
Estudio Cerámico, S.L.	52	Tecnofoc Design, S.L.	55
Eurodema, S.L.	2	Tecnología de Limpieza Ambiental, S.L.	2
Exagres, S.A.	17	Tendencias Cerámicas, S.L.	24
Experiencia Cerámica, S.A. "Expersa"	21	Terracota Pavimento de Gres, S.A.	1
Expo-Rotul, S.L.	1	Terracuita S.A.	6
Fabricación Española Sanitaria, S.A. (Fabresa)	1	Todagres, S.A.	46
Ferraes Cerámica, S.A.	1	Torrecid, S.A.	4
Ferro Spain Sa	1	Tot Encofrat, S.L.	1
Forjados Amo, S.L.	14	Tottall Ceramic, S.L.	2
Gama-Decor, S.A.	3	Trazos Ceramicos, S.L.	2
Garogres, S.A.	29	Tres F., S.L.	36
Gocare, S.L.	1	Tres Terminos Arregui, S.A.	2
Gres Blanc	1	Undefasa, S.A.	11
Gres Cid, S.L.	5	Universal Cerámica, S.L. (Unicer)	3
Gres de Valls, S.A.	11	Útiles Ceramicos, S.L.	1
Gres Rústico Extrusionado, S.A.	40	Venis, S.A.	17
Grespania, S.A.	10	Vicente Enrique Bort Martínez	1
Grupo Serviclean 3000, S.L.	2	Vidrepur, S.A.	1
Guillamon Bou, S.A.	13		
Total Enterprises: 181		Total of Dismissals: 2 425	

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

Category	Number	Percent
Men	1 137	71,1
Women	463	28,9
EU citizens	1 556	97,3
Non EU citizens	44	2,7
15 to 24 years old	58	3,6
25 to 54 years old	1 398	87,4
55 to 64 years old	143	8,9
Over 65 years old	1	0,1

13. 23 of the targeted workers are disabled.

14. In terms of professional categories⁸, the break-down is as follows :

Category	Number	Percent
Managers	26	1,63
Professionals	36	2,25
Technicians and associated professionals	200	12,50
Clerks	132	8,25
Craft and related trade workers	307	19,19
Plant and machine operators	663	41,44
Elementary occupations	215	13,44
Others	21	1,31

15. In terms of educational level⁹, the break-down is as follows:

Educational level	Number	Percent
Basic education (to end of compulsory education)	528	33,00
Upper secondary education	158	9,87
Tertiary education	90	5,63
Others (non formal education)	104	6,50
Uneducated or early school leavers	720	45,00

16. Similar percentages can be found when considering the 2 425 redundant workers with one exception: uneducated workers represent 37 % of the dismissed workers but 45 % of the workers targeted for assistance.

17. 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-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

18. The territory concerned by the redundancies is within the NUTS II region of Comunidad Valenciana, and is concentrated in three comarcas (roughly equivalent to counties) in the NUTS III province of Castellón: Alcalatén, La Plana Alta and La Plana Baixa. This area of about 30 km around the main town of the province,

⁸ Categories based on the one-digit International Standard Classification of Occupations (ISCO-88).

⁹ Categories based on the International Standard Classification of Education (ISCED-97)

Castellón de la Plana, is known as the 'ceramics industrial district' as almost the entire Spanish production of ceramics is located here.

19. The main stakeholders are the Generalitat Valenciana (Comunidad Valenciana autonomous government), Diputación de Castellón (the local authority of the relevant province), trade unions: UGT-PV, CCOO-PV, MCA-UGT-PV and FECOMA-CCOO-PV¹⁰, the Confederation of Business Organisations of the Valencia Autonomous Region (CIERVAL) and the Spanish Association of Manufacturers of Ceramic Tiles (ASCER). These stakeholders have been in contact and consultations with each other on several occasions, and have formed a consortium in support of the EGF measures and their results.

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

20. In the Comunidad Valenciana, during the past 24 months, the number of registered unemployed workers trebled, rising from 19 100 in Q2/2007 to 67 400 in Q1/2009. The ceramic industry represents 2.2 % of the enterprises, 8,7 % of the jobs and 7,1 % of the net turnover in the region of Valencia.
21. 75 % of the total population of the province of Castellón lives in an area known as 'the ceramic industrial district' where the ceramic industry represents an average of 20 % of the total jobs, while in some municipalities this percentage rises to 80 %.
22. Spain states that in 'the ceramic industrial district' the number of unemployed workers in the ceramics industry has increased by almost 500 % over the last two and half years (January 2007 – June 2009). Due to the concentration of the sector in a small number of areas (85 % of the jobs in the ceramics industry are located in seven municipalities) the local impact is even more significant than these figures show.

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

23. All the following measures combine to form a co-ordinated package of personalised services aimed at re-integrating the workers into the labour market.
 - Individual job search support: This measure aims to provide all targeted workers with the material means and individual coaching during job-search activities. Additional support will be provided to the 23 disabled ex-workers, such as accompanying them when doing a job interview or applying for a job in a special employment centre (enterprises whose workforce comprises disabled workers), informing the potential employers about the tax benefits when hiring these workers or organizing training schemes on job-search methods.
 - Screening and Occupational Guidance: The first measure provided to all 1 600 participants concerns the profiling of the workers. Guidance provided includes information on available jobs, on skills and training requirements, on available

¹⁰ Unión General de Trabajadores del País Valenciano (UGT-PV), Comisiones Obreras del País Valenciano (CC.OO.-PV), Federación del Metal, Madera y Afines de la UGT del País Valenciano (MCA-UGT-PV) and Federación de Construcción, Madera y Afines (FECOMA-CC.OO.-PV)

training programmes and apprenticeship support schemes, as well as mobility grants, participation and insertion incentives.

- Outplacement assistance: This involves the design, implementation and follow-up of personalised support, including mentoring. Workers will receive a mix of measures in their respective packages according to their specific needs. The mentoring process, throughout the EGF implementation, will ensure that the packages can be adjusted if necessary. The personalised package of measures will include intensive job-search assistance, the participation in one of the five proposed training paths (promotion of entrepreneurship, training for professional qualification/skills upgrading focused on the ceramic sector, training for professional qualification in other sectors outside the ceramic sector, training in social economy and training in view of mobility) and the payment to the workers of a participation incentive (lump sum) of EUR 350.
- Intensive job-search assistance: This will involve an intensive employment search, including active research of the local and regional employment opportunities, personalised coaching before and during the selection process and tutoring after reintegration into work.
- 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. Around 50 % of the targeted workers will participate in this measure.
- Training for professional qualification / skills upgrading: For those workers with existing technical skills, some specific training will be organised to improve their professional competences. The training will be designed to cater for the future needs of ceramic enterprises. Around 12,5 % of the targeted workers will participate in this measure.
- Training in the social economy. In Spain, the social economy is a major sector; it represents 18 % of employment and also 14 % of GDP. Worker-owned companies or cooperatives and mutualities, voluntary organisations and foundations are widely supported by the national and regional administration through tax incentives, grants, etc. This training aims to enhance the viability of self-employment projects and to promote the association of former co-workers.
- 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 2.5 % of the targeted workers will participate in this measure.
- Training for mobility. One of the characteristics of Spanish industry is the geographic concentration of economic activities (e.g. production of ceramic products in Comunidad Valenciana). This measure is intended for those redundant workers, who are already predisposed to changing residence in order to find a job in a different economic sector. They will be trained in the professional skills required by other sectors, located outside Castellón or Comunidad Valenciana, searching for personnel, or in other key aspects that facilitate mobility (e.g. local language). This measure will be provided only when there is a high degree of certainty that a job will be offered.

- Training workshops combined with apprenticeship. This measure is intended for the most disadvantaged of the targeted workers who, after being trained in new professional skills, will be given the opportunity of gaining some experience through a contract of 12 months as apprentice. These apprenticeships will be paid at 120 % of the Spanish minimum wage plus a pro-rata part of the 13th and 14th monthly wage¹¹.
- Participation incentive. To encourage their participation in the measures, the workers will receive a lump sum of EUR 350 conditional upon their participation in the training activities of the EGF package.
- Mobility allowance. Those workers participating in a measure taking place outside their province of residence (Castellón) will receive a mobility allowance of EUR 350 per month as a contribution to their travel expenses.
- Outplacement incentives. A wage subsidy of EUR 350 per month for a maximum of seven months will be paid to workers who return to employment as employees or as self-employed workers. 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.

24. 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.

25. 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 9 691 900 and the administrative expenditure at EUR 460 000 (= 4.5 % 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 60 000 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 6 598 735 (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)
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
1. Individual job search support (<i>Centro de apoyo</i>)	1 600	167,16	267 450 ¹²

¹¹ In Spain, the contractually agreed annual salary is divided into fourteen equal parts, twelve of which are paid monthly and the 13th and 14th are deferred and paid in June and December together with the relevant monthly salary.

¹² Difference in total costs due to rounding up to two decimals the estimated cost per worker targeted.

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national co financing) (in EUR)
2. <u>Guidance</u> (<i>Acogida y seguimiento</i>)	1 600	250,00	400 000
3. <u>Outplacement & intensive job search assistance</u> (<i>Programa de apoyo a la recolocación -PAR-. Subprograma empleo</i>)	1 170	1 500,00	1 755 000
4. <u>Training and re-training</u> (<i>PAR subprograma Formación. Formación fuera del sector cerámico</i>)	850	2 400,00	2 040 000
5. <u>Training for professional qualification</u> (<i>PAR subprograma Formación Formación dentro del sector cerámico</i>)	200	2 400,00	480 000
6. <u>Training in social economy</u> (<i>PAR subprograma Formación. Formación en economía social</i>)	40	2 400,00	96 000
7. <u>Promotion of entrepreneurship</u> (<i>PAR subprograma Formación. Formación para emprendedores</i>)	40	2 400,00	96 000
8. <u>Training in view of mobility</u> (<i>Programa de apoyo a la recolocación -PAR-, subprograma formación. Formación en movilidad</i>)	40	2 400,00	96 000
9. <u>Training workshops combined with apprenticeship</u> (<i>Talleres de empleo para el reciclaje profesional</i>)	210	15 000,00	3 150 000
10. <u>Participation incentives</u> (<i>Incentivos a la participación</i>)	1 170	350,00	409 500
11. <u>Mobility allowance</u> (<i>Incentivos a la movilidad geográfica</i>)	40	1 050,00	42 000
12. <u>Outplacement incentives</u> (<i>Incentivos a la recolocación</i>)	351	2 450,00	859 950
Subtotal personalised services			9 691 900
Technical assistance for implementing EGF (third paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Preparatory			60 000
Management			137 000

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national co financing) (in EUR)
Information and publicity			122 000
Control activities			141 000
Subtotal administrative expenditure			460 000
Total estimated costs			10 151 900
<i>EGF contribution (65 % of total costs)</i>			6 598 735

26. 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.
27. The main objectives of the 2007-2013 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 or over 45 years old, women and disabled people. In particular, in relation to actions co-funded under the ESF, Spain indicated that about 5 % of the workers made redundant in the ceramic industry had at some time in the past benefited from training activities offered under the nation-wide ESF programme "Training for Employment". 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

28. 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 September 2009. 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

29. The social partners were consulted during the preparation of the co-ordinated package of measures. The proposed application was discussed at the meetings on 2 June 2009 and 7 July 2009 with the social partners: Generalitat Valenciana, Diputació de Comunidad Valenciana, the employer organisations: CIERVAL and ASCER; and the principal trade unions (UGT-PV, CCOO-PV, MCA-UGT-PV and FECOMA-CCOO-PV). In addition, a consortium has been created. This organisational body will be in charge of the study on the economic situation and employment opportunities in the affected area and it will assure the consensus and the participation of all the actors involved. The consortium consists of representatives from the social partners mentioned.

30. 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

31. 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 under points 23 to 25 above do not receive assistance from other Community financial instruments.

Management and control systems

32. 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

33. On the basis of the application from Spain, the proposed contribution from the EGF to the coordinated package of personalised services is EUR 6 598 735, representing 65 % of the total cost. The Commission's proposed allocation under the Fund is based on the information made available by Spain.
34. 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 total amount referred above, to be allocated under heading 1a of the financial framework.
35. 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.
36. 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 trialogue meeting will be convened.

37. 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/2009/014 ES/Comunidad Valenciana).**

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 management¹³, 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 Fund¹⁴, and in particular Article 12(3) thereof,

Having regard to the proposal from the European Commission¹⁵,

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 181 enterprises operating in NACE Revision 2 division 23 ('Manufacture of other non-metallic mineral products') in a single NUTS II region, Comunidad Valenciana (ES52), on 2 September 2009 and supplemented it by additional information up to 22 February 2010. This application complies with the requirements for determining the

¹³ OJ C 139, 14.6.2006, p. 1.

¹⁴ OJ L 406, 30.12.2006, p. 1.

¹⁵ OJ C [...], [...], p. [...].

financial contributions as laid down in Article 10 of Regulation (EC) No 1927/2006. The Commission therefore proposes to mobilise an amount of EUR 6 598 735.

- (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 6 598 735 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