



**COUNCIL OF
THE EUROPEAN UNION**

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ADDENDUM TO "I/A" ITEM NOTE

from: General Secretariat of the Council
to: COREPER /CONSEIL

No. Cion prop.: 5005/09 SOC 1 ECOFIN 1 FSTR 1 COMPET 1 CODEC 1

Subject: Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund **[first reading]**
- Adoption of the legislative act (LA + S)
Statements

Statement by the Danish, German, Netherlands, Austrian, Swedish and United Kingdom delegations

"We support the objective of the European Globalisation Adjustment Fund (EGF), alongside the European Social Fund and other instruments, to help workers cope with the employment and social consequences of both globalisation and the current economic crisis.

Recalling that the EGF is meant to complement measures at the Member State level, we welcome the decision on the co-financing rate to revert to 50% at the end of 2011.

Aiming at the long-term sustainability of public finances, we see no need for any changes to the budgetary allocations for the EGF during the current financial period."

Statement by the Latvian delegation

"Latvia is in favour of making the EGF more accessible and sees it as a useful tool for dealing with the consequences of the current economic crisis. Nevertheless, Latvia abstained from the adoption of the Regulation of the European Parliament and of the Council amending Regulation (EC) No 1927/2006 on establishing the European Globalisation Adjustment Fund, because it regarded the significantly increased intervention rate (as initially proposed by the Commission) as the most important element of the amendments. In a situation where the new Regulation will result in only a moderate increase in the intervention rate, while relaxing all the other conditions for applications, Latvia seriously doubts whether those who are actually the most in need of assistance will benefit from the support of the European Globalisation Fund."

Statements by the Commission

1. Re Article 2 (Definition of redundancies)

"The Commission confirms that redundancies occurring as a result of a mutual agreement following a call for candidates by an employer are redundancies within the meaning of Article 2 of the EGF Regulation and may be included when counting redundancies for the trigger and the measures. Workers who accept early retirement following a call for candidates by an employer may likewise be included as redundant workers within the meaning of Article 2 of the EGF Regulation for both the trigger and the measures (if applicable)."

2. Re Article 2(b) (NUTS II regions)

"In cases where an EGF application under Article 2(b) is submitted by a Member State, if further redundancies have occurred in another NUTS II level region of the same Member State due to the same cause and during the same period in the same NACE 2 division, the Commission considers that an application for EGF assistance for the latter workers can be made under Article 2(c) citing exceptional circumstances."

3. **Re Articles 2(c) and 12(6) (Small labour markets or exceptional circumstances)**

"The Commission is of the opinion that the provision of Article 12(6) of the EGF Regulation gives assurance that money will be available throughout the year for new applications and that Article 2(c) makes it possible to accommodate cases arising from small labour markets or exceptional circumstances. The Commission furthermore recalls that applications are dealt with in the order they are received in and that each application is treated in its own time frame and on its own merits. The Commission confirms that it will continue to manage the EGF so that all applications are treated equally and fairly according to the Regulation."

4. **Re Article 11(2) (Flat-rate payments)**

"The Commission confirms that the proposed wording of Article 11(2) is the same as that used in the case of the Structural Funds and that the information related to the application of this wording, which has been provided for use in the Structural Funds, applies also to the EGF."

Statement by the Maltese delegation

"Malta welcomes and supports the extension of the scope of the European Globalisation Adjustment Fund (EGF), to assist workers affected by the current economic crisis.

Malta however reiterates its concerns that the lowering of the general threshold for triggering eligibility for funding to 500 redundancies, could result in situations where a major crisis in a small Member State would be treated on a par with a relatively lesser problem in a large Member State. Moreover, the lowering of the threshold could result in a large number of applications putting the resources of the fund under significant strain. Malta reiterates that it needs to be ensured that sufficient funds will always be available for applications from small Member States in the event of redundancies that have a significant adverse impact on their economies.

Malta considers that increasing the cofinancing rate would have been more appropriate in the current economic circumstances."