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INFORMATION NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020) – Outcome of the European Parliament's first reading (Strasbourg, 21 to 24 October 2019)

I. INTRODUCTION

On 2 October 2019, the Permanent Representatives Committee confirmed that should the European Parliament approve the Commission's proposal without amendments, the Council would approve the European Parliament's position.

On 3 October 2019, the rapporteur, Vilija BLINKEVIČIŪTĖ (S&D, LT), presented a report on behalf of the Committee on Employment and Social Affairs, aiming at taking over the abovementioned Commission proposal.

II. VOTE

The Parliament adopted its first-reading position on 22 October 2019 by taking over the Commission proposal without amendments¹. This position is contained in its legislative resolution.

The Council should therefore be in a position to approve the European Parliament's position as set out in the Annex hereto, thus bringing to a close the first reading for both Institutions.

The legislative act would then be adopted in the wording which corresponds to the European Parliament's position.

¹ For procedural reasons, a new recital has been added explaining the exception to the eight-week period to consult the national Parliaments in view of the urgency entailed by the withdrawal of the United Kingdom from the Union.

European Globalisation Adjustment Fund (2014-2020) *I**

European Parliament legislative resolution of 22 October 2019 on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020) (COM(2019)0397 – C9-0109/2019 – 2019/0180(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2019)0397),
 - having regard to Article 294(2) and Article 175, third paragraph, of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0109/2019),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the European Economic and Social Committee of 25 September 2019¹,
 - after consulting the Committee of the Regions,
 - having regard to the undertaking given by the Council representative by letter of 2 October 2019 to approve Parliament's position, in accordance with Article 294(4) of the Treaty on the Functioning of the European Union,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the letter from the Committee on Budgets,
 - having regard to the report of the Committee on Employment and Social Affairs (A9-0015/2019),
1. Adopts its position at first reading hereinafter set out;

¹ Not yet published in the Official Journal.

2. Approves its statement annexed to this resolution;
3. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
4. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

Position of the European Parliament adopted at first reading on 22 October 2019 with a view to the adoption of Regulation (EU) 2019/... of the European Parliament and of the Council amending Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular the third paragraph of Article 175 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee¹,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure²,

Whereas:

¹ Opinion of 25 September 2019 (not yet published in the Official Journal).

² Position of the European Parliament of 22 October 2019.

- (1) Regulation (EC) No 1927/2006 of the European Parliament and of the Council³ established the European Globalisation Adjustment Fund (EGF) for the duration of the multiannual financial framework from 1 January 2007 to 31 December 2013. The EGF was established to enable the Union to show solidarity towards workers who lost their jobs as a result of major structural changes in world trade patterns due to globalisation.
- (2) The scope of the EGF was broadened in 2009 by Regulation (EC) No 546/2009 of the European Parliament and of the Council⁴ as part of the European Economic Recovery Plan to include support to workers made redundant as a direct result of the global financial and economic crisis.

³ Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund (OJ L 406, 30.12.2006, p. 1).

⁴ 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).

- (3) Regulation (EU) No 1309/2013 of the European Parliament and of the Council⁵ established the EGF for the duration of the multiannual financial framework from 1 January 2014 to 31 December 2020. It also extended the scope of the EGF to cover not only redundancies resulting from major structural changes in world trade patterns due to globalisation and redundancies resulting from a serious economic disruption caused by a continuation of the global financial and economic crisis addressed in Regulation (EC) No 546/2009, but also redundancies resulting from any new global financial and economic crisis. Furthermore, Regulation (EU, Euratom) 2018/1046 of the European Parliament and of the Council⁶ amended Regulation (EU) No 1309/2013 to introduce, inter alia, rules allowing the EGF to exceptionally cover collective applications involving small and medium-sized enterprises (SMEs) located in one region and operating in different economic sectors defined at NACE Revision 2 division level, where the applicant Member State demonstrates that such SMEs are the main or only type of business in that region.

⁵ 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 ([OJ L 347, 20.12.2013, p. 855](#)).

⁶ 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](#)).

- (4) On 29 March 2017, the United Kingdom of Great Britain and Northern Ireland (the ‘United Kingdom’) submitted the notification of its intention to withdraw from the Union pursuant to Article 50 of the Treaty on European Union (TEU). The Treaties will cease to apply to the United Kingdom from the date of entry into force of a withdrawal agreement or, failing that, two years after that notification, unless the European Council, in agreement with the United Kingdom, unanimously decides to extend that period.
- (5) After agreeing a first extension on 22 March 2019, the European Council adopted Decision (EU) 2019/584⁷ on 11 April 2019, in which it agreed, following a further request by the United Kingdom, to extend the period provided for in Article 50(3) TEU until 31 October 2019. Unless a withdrawal agreement concluded with the United Kingdom has entered into force by the date following that on which the Treaties cease to apply to the United Kingdom, or the European Council, in agreement with the United Kingdom, unanimously decides to extend the period provided for in Article 50(3) TEU for a third time, the period provided for in Article 50(3) TEU will end on 31 October 2019.

⁷ European Council Decision (EU) 2019/584 taken in agreement with the United Kingdom of 11 April 2019 extending the period under Article 50(3) TEU (OJ L 101, 11.4.2019, p. 1).

- (6) The withdrawal of the United Kingdom from the Union without a withdrawal agreement is likely to negatively affect some industries and services by leading to people working in those sectors being made redundant. This Regulation should amend Regulation (EU) No 1309/2013 in order to specify that such redundancies fall within the scope of the EGF. This would ensure that the EGF can respond effectively by offering assistance to workers made redundant in areas, sectors, territories or labour markets subject to serious economic disruption due to the withdrawal of the United Kingdom from the Union without a withdrawal agreement.
- (7) In view of the urgency entailed by the withdrawal of the United Kingdom from the Union, it was considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.
- (8) This Regulation should enter into force as a matter of urgency on the day following that of its publication in the *Official Journal of the European Union* and should apply from the day following that on which the Treaties cease to apply to the United Kingdom. However, it should not apply if a withdrawal agreement concluded with the United Kingdom in accordance with Article 50(2) TEU has entered into force by that date,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendment to Regulation (EU) No 1309/2013

In Article 2 of Regulation (EU) No 1309/2013, point (a) is replaced by the following:

- "(a) workers made redundant and self-employed persons whose activity has ceased as a result of major structural changes in world trade patterns due to globalisation, demonstrated, in particular, by a substantial increase in imports into the Union, a serious shift in Union trade in goods or services, a rapid decline of the Union market share in a given sector, a delocalisation of activities to third countries or as a result of the withdrawal of the United Kingdom from the Union without a withdrawal agreement, provided that these redundancies have a significant adverse impact on the local, regional or national economy;"

Article 2

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

It shall apply from the day following that on which the Treaties cease to apply to the United Kingdom pursuant to Article 50(3) TEU.

However, this Regulation shall not apply if a withdrawal agreement concluded with the United Kingdom in accordance with Article 50(2) TEU has entered into force by the date following that on which the Treaties cease to apply to the United Kingdom.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at ...,

For the European Parliament

For the Council

The President

The President

ANNEX TO THE LEGISLATIVE RESOLUTION

STATEMENT OF THE EUROPEAN PARLIAMENT

The European Parliament calls on the Commission and the Member States to ensure a flexible application of art. 4(2) of Regulation (EU) No 1309/2013 on the European Globalisation Adjustment Fund (2014-2020) in case of a withdrawal of the United Kingdom from the Union, in particular with regard to collective applications involving SMEs in single or multi-sectoral cases.
