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Subject:	Proposal for a Regulation of the European Parliament and of the Council on the European Globalisation Adjustment Fund (2014-2020)

I. INTRODUCTION

At its meeting on 24 September, the Working Party on Social Questions continued to examine the above-mentioned proposal on the basis of a Presidency compromise proposal (doc. 13859/12).

At this stage, all delegations are considered to have scrutiny reservations on the draft Regulation.

CZ, DK, DE, EE, LV, SI, SE and UK reiterated their overall opposition to the continuation of the EGF during the next MFF. FI supported by NL and SK, expressed scepticism and entered a reservation. For PL, supported by EE, the best solution would be to integrate the EGF into the ESF.

RO explicitly reiterated its support for the continuation of the EGF. MT also continues to support the EGF, but not its extension to farmers. EL, for its part, could accept the extension to farmers; in its view the fund should be autonomous.

DE maintained its scrutiny reservations on all points in question. HU entered a general scrutiny reservation on the newest changes proposed for Articles 13 and 16, DK on all new changes.

IE, for its part, could accept all the Articles as revised.

II. OUTCOME OF THE DISCUSSIONS

The three main changes contained in the Presidency's compromise aim at clarifying and simplifying the provisions and at introducing a new intervention criterion.

1) Article 8(1) (shortening of the examination time)

IT, supported by FR and NL, reiterated its request for clarifying the meaning of "exceptional and duly certified circumstances", as differing interpretations of this wording by Member States and the Commission might cause timing problems; exceptional circumstances should not constitute a premise for providing additional information.

BG, BE, CZ, EL, FR, LV, HU, NL, PL, RO and SI supported the Presidency proposals in Article 8, commenting that they simplify the rules. PT also considered that the rewording provides for more clarity, but still has to reflect further. BG was nevertheless of the opinion that the main problem, i.e. the long delays for allocating finances, was not addressed. SK is flexible and could accept the Presidency compromise proposal. AT, SE and UK are flexible on this Article.

FI was sceptical about this provision. DK and MT entered a scrutiny reservation.

ES, supported by DE, considered the 12 weeks allocated for examining the applications as excessive. In view of DE, any changes to the text should make the provisions easier to read and understand and ease up procedures.

The Commission indicated that it continued to consider the EGF as a very much needed solidarity instrument. It welcomed the compromise proposal as globally positive, giving rise only to some technical remarks. As for the timeframe of 12 weeks, the Commission pointed out that this was very short and described the various phases of the procedure together with the time needed for each of those phases.

2) Article 13 (new financial contribution criterion, in combination with Recital 14)

LV, supported by ES, indicated that it could accept an intervention of up to 65%, but that the European Stability Mechanism (ESM) should not be the sole criterion as it only applies to Member States in the euro area (BE, for its part, was of the opinion that the ESM was not the right criterion); in this context LT suggested to take account also of the Member States' Balance of Payments (BOP) for Member States outside the euro area. IT was also reticent to accepting this change; instead, it would prefer the wider concept of unemployment rate previously suggested by the Presidency, but using overall figures instead of a sectoral breakdown; this was supported by BE. BG considered the ESM criterion as unfair (this view was shared by CZ and EE) and sectoral unemployment rates as inappropriate qualifying this data as semi-official; the determining criterion should be the economic development of the respective region. EE, supported by PT and SK, favoured a differentiated approach, but would also prefer the economic development to be taken into consideration as criterion. PT was in favour of including also the Member States outside the euro area.

CZ, supported by MT, NL and UK, reiterated its preference for a single financing rate of 50 %; SE agreed, expressing the view that this reflects the division of competences between the Member States and the EU in the field of employment policies; DE supported this as well, albeit agreeing that the Presidency proposal made things clearer and gave more legal certainty. PL, supported by DK, FI and AT, favoured a uniform co-financing rate; BE supported this, but indicated it could be flexible. AT preferred the initial Commission proposal.

FR and SI entered a scrutiny reservation at this stage. EL preferred to keep an open position. RO entered a positive scrutiny reservation.

The Commission could agree with the Presidency compromise proposal; it is willing to discuss with the Presidency and the Member States so as to find a solution including, if possible, all Member States.

3) Article 16 (single instalment)

LV, supported by BG, DE, FR and RO, agreed with this change. IT suggested that the equal footing, aimed at by the Presidency for the agricultural sector, should also apply in terms of payment. ES, supported by PL, wished single payments to be the rule, i.e. the arrangements of the current EGF (Article 13(1)). Questioned by BE, EE, FR and LV as to why farmers should be treated differently, the Presidency responded that the policy suggested was the one generally applied in the agricultural sector. UK sees no need for a differentiated treatment of farmers. PT could accept the first part of the compromise proposal, but opposed the differentiated treatment of farmers.

EE was very sceptical on the broadening of the scope. CZ, supported by DK, MT, NL, SK, FI and UK, reiterated its opposition to the inclusion of farmers in the EGF; DK, AT and SI entered a negative scrutiny reservation on this change suggested by the Presidency. Also MT could not agree to this proposal.

On a question by FI, the Presidency explained that the wording "where applicable" was to be understood as "where a single instalment does not apply".

SE opposed any pre-financing and suggested that Article 16(1) should end after "15 days".

EL kept an open position and expressed its willingness to work towards a compromise solution.

The Commission could agree with the changes proposed and the explanations given by the Presidency.

4) Further comments

IT referred back to its earlier proposals for replacing "24 months after the date of the application" in the last paragraph of Article 16(3) by "after the start of activities".

CZ explained that Article 7 (eligibility) and Articles 15, 33 and 35 (self-employed and small undertakings) are the most complicated ones for CZ.

FR. reiterated it concerns about the wording "unexpected crisis" which it would prefer to replace by "major crisis". In addition, in Article 9 the reference to farmers should be deleted. Further to the remark that it was difficult to understand why in Article 9 a new paragraph 5 had been added that is redundant with Article 7, the Commission explained that this was also an eligibility criterion and that Member States would consequently have to demonstrate that they comply with this complementarity criterion, while the purpose of Article 7(2)(b) was to avoid applications for actions that are not eligible.

SE considered Article 5(b)(2) as redundant and would prefer to see it deleted because the concepts contained therein are covered in the Articles 5(b)(1) and 5(b)(3). The changes in Article 9 and the addition in Article 10 were considered as acceptable by SE.

DE would prefer Article 5(b)(2) to be deleted because there is no need for financing when a temporary agency worker is withdrawn from a temporary assignment, but not laid off. The Commission, for its part, suggested in Article 5(b)(2) after "undertaking" the addition of "before the end of the reference period".

III. CONCLUSION

The Presidency summarised that these and previous comments would be taken into account when producing a new proposal to be tabled for the next meeting which will take place in November.