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COMMUNICATION TO THE COMMISSION

**on application EGF/2009/011 NL/Heijmans received from the Netherlands for
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The Netherlands submitted application EGF/2009/011 NL/Heijmans for a financial contribution from the European Globalisation Adjustment Fund (hereinafter referred to as 'EGF'), following redundancies in the enterprise Heijmans N.V.

1. The application was presented to the Commission on 4 August 2009.
2. The application meets the conditions for deploying the EGF, as set out in Article 2(a) of Regulation (EC) No 1927/2006 of the European Parliament and of the Council of 20 December 2006 on establishing the European Globalisation Adjustment Fund¹, and was submitted within the deadline of ten weeks set in Article 5 of the same Regulation.

SUMMARY OF THE APPLICATION AND ANALYSIS

(a) Analysis of the link between the redundancies and the global financial and economic crisis

3. The application relates to 570 redundancies in the construction enterprise Heijmans N.V. and its subsidiaries located all around the Netherlands.

In order to establish the link between the redundancies and the global financial and economic crisis, the Netherlands argues that the construction sector was one of the first economic sectors to be affected by the crisis. From early 2008 on, the prices of raw materials such as steel, fuel and various materials for road construction increased exponentially. This affected the profit margin of construction firms and resulted in increased demand for project financing by means of loans, which became subject to very strict rules. Simultaneously, due to declining consumer confidence, low house prices and high mortgage costs, the demand for new houses and offices declined. Because of the economic crisis, investors have been reluctant to engage in new building projects. Construction of new houses is expected to decline by 10.5 % in 2009 and by 11 % in 2010² and new utility building projects to diminish by 6 % in 2009 and by 10 % in 2010³. This decline in demand is having a strong negative impact on employment in the construction sector.

4. In conclusion, the opinion of the Commission services is that, as required by Articles 1a and 2 of Regulation (EC) No 1927/2006, the 570 redundancies in Heijmans N.V. can be linked to the global financial and economic crisis, which has led to a substantial decline in demand for building projects.

¹ OJ L 406 of 30.12.2006, p. 1.

² EIB — Dutch Economic Institute for the Construction Industry, January 2009.

³ Ibid.

(b) Demonstration of the number of redundancies

5. The Netherlands submitted this application on the basis of the intervention criteria set out in Article 2(a) of Regulation (EC) No 1927/2006, which requires at least 500 redundancies over a four-month period in an enterprise in a Member State, including workers made redundant in its suppliers or downstream producers.
6. The application mentions 570 redundancies in a single enterprise — Heijmans N.V. — during the four-month period of reference from 29 January to 29 May 2009. Of these redundancies 474 were calculated in accordance with the first indent of the second paragraph of Article 2 of Regulation (EC) No 1927/2006 and 96 in accordance with the second indent of the same paragraph.
7. It is the opinion of the Commission services that the total of 570 redundancies in Heijmans N.V. during the four-month reference period is sufficient to comply with the criteria of Article 2(a) of Regulation (EC) No 1927/2006.

(c) Explanation of the unforeseen nature of those redundancies

8. 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.

Before the crisis, Heijmans N.V. made significant investments in order to obtain certification to undertake railway construction works in the Netherlands and to expand its activities in other Member States of the EU. This company strategy and related investments would have been delayed if the company had been able to foresee the crisis.

(d) Identification of the dismissing enterprises, suppliers or downstream producers, sectors and the categories of workers to be targeted

9. The application concerns 570 redundancies in a single enterprise — Heijmans N.V. — of whom 435 are targeted for assistance.

Of the 435 workers targeted for assistance 91 % are male and 9 % female. All are EU citizens. 66 % are in the 25 to 54 years age group, 32 % are between 55 and 64 years of age and 2 % are in the 15 to 24 years age group. In terms of professional categories⁴, 65 % are ‘craft and trade-related workers’, 18.4 % fall into the category ‘elementary occupations’, 3 % are technicians and associate professionals, 4.8 % are ‘professionals’, 3 % are service workers and shop and market sales workers and 2.8 % are clerks.

(e) Description of the territory concerned and its authorities and stakeholders

10. Because Heijmans N.V. has subsidiaries all around the Netherlands, the whole country is affected.

⁴ Categories based on the one-digit International Standard Classification of Occupations (ISCO-88).

The responsible authorities are the Dutch Ministry of Social Affairs and Employment and Heijmans N.V. Other stakeholders involved are the municipality of 's Hertogenbosch, the trade union FNV ('Federale Nederlandse Vaksbeweging'), the trade union CNV ('Christelijk Nationaal Vakverbond in Nederland') Wood and Construction, het Zwarte Korps, the trade union RMU ('Reformatorisch Maatschappelijke Unie'), employment agencies such as Adecco and Randstad, Bouwend Nederland and Fundeon as regards training and the Institute for Employee Benefit Schemes UWV ('Uitvoeringsinstituut WerknemersVerzekeringen') WERKbedrijf.

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

11. The applicant argues that the redundancies will have an impact at all three levels. At national level, because Heijmans N.V. has subsidiaries located all around the Netherlands, workers were made redundant in Groningen, Leeuwarden, Assen, Hengelo, Eindhoven, Best, Rosmalen, Tilburg, Breda and Rotterdam. At regional level, because about 40% of the redundancies occurred in the province of Northern Brabant. At local level, because 15% of the redundancies occurred in Rotterdam. Both the province of Northern Brabant and the city of Rotterdam already suffered an above-average decline in economic activity in 2008.
12. The Dutch authorities argue that, besides the 570 workers dismissed during the reference period, more than 400 additional job losses occurred at Heijmans N.V., mostly affecting workers with fixed-term contracts. Furthermore, several hundred self-employed people hired for various projects of Heijmans N.V. all around the Netherlands lost their work. The significant decline in the activities of Heijmans N.V. will also have an impact on suppliers in the transport, equipment, consulting and installation sectors.
13. In conclusion, under these circumstances, the redundancies can be seen to have had a significantly negative effect on the local, regional and national economy.

(g) Coordinated package of personalised services to be funded and a breakdown of its estimated costs, including its complementarity with actions funded by the Structural Funds

14. Heijmans N.V. has developed a number of products and services aiming to provide tailor-made assistance for the redundant workers. This package of measures is coordinated by the internal Mobility Centre (MC) of Heijmans N.V. The MC cooperates with the municipality of 's Hertogenbosch, UWV WERKbedrijf, employees' and employers' organisations and employment agencies. The following types of measures are proposed, all of which combine to form a coordinated package of personalised services aimed at re-integrating the workers into the labour market:
 - Information meetings: A total of 26 collective meetings for dismissed workers will provide information on the forthcoming redundancy procedure, relevant legal matters, the possibilities offered by employment services, outplacement/outsourcing and the role of the MC.
 - Job markets: These will be organised by the MC at regional level to steer dismissed workers towards new job opportunities and give them the possibility to

network. Employment agencies, construction firms, UWV WERKbedrijf, the service point for career advice 'Servicepunt Ambachten and Loopbaantraject Bouw Infra' and the Chamber of Commerce participate in these job markets as external parties.

- Application training: This takes the form of two training sessions, during which dismissed workers are advised on how to present their skills, qualities and talents. They receive training on drafting an appropriate CV and application letters.
- Assistance with finding a new job: This includes activities such as making available vacancy overviews on a weekly basis, assistance from a human resources manager when contacting bodies such as employment agencies, publication of CVs of the dismissed workers, outsourcing activities, individual assistance and a helpdesk for the dismissed workers, providing advice on legal and pension matters related to a potential new job.
- Retraining: This covers specific retraining needs of dismissed workers who wish to work in a different sector. It is in addition to any standard training facilities in the construction sector.

15. The administrative expenditure included in the application, in accordance with Article 3 of Regulation (EC) No 1927/2006, covers management and control activities.

16. The personalised services that are part of the coordinated package presented by the Dutch authorities are active labour market measures falling within the eligible actions as defined in Article 3 of Regulation (EC) No 1927/2006. The Dutch authorities estimate the total costs of these services at EUR 572 021 and the administrative expenditure at EUR 22 000 (= 3.7 % of the total amount). The total contribution requested from the EGF is EUR 386 114 (65 % of the total costs).

Actions	Estimated number of workers targeted	Estimated cost per worker targeted (in EUR)	Total costs (EGF and national cofinancing) (in EUR)
Personalised services (first paragraph of Article 3 of Regulation (EC) No 1927/2006)			
Information meetings	435		13 856
Job markets	435		2 142
Application training	435		1 785
Assistance with finding a new job	435	1 205.14	524 238
Retraining	20	1 500	30 000
Sub-total for personalised services			572 021
Technical assistance for implementing the EGF (third paragraph of Article 3 of Regulation			

(EC) No 1927/2006)			
Management			8 800
Control			13 200
Sub-total for technical assistance			22 000
Total estimated costs			594 021
<i>EGF contribution (65 % of total costs)</i>			<i>386 114</i>

17. The Netherlands argues that the complementarity with actions funded by the Structural Funds can be optimised by the fact that the managing authority for the European Social Fund (ESF) will also implement the EGF contribution. Double funding will be prevented by cross-checks and verification with activities for the dismissed workers that might be included in an ESF project.

(h) Date(s) on which the personalised services to the affected workers were started or are planned to start

18. The Netherlands started the personalised services to the affected workers covered by the coordinated package proposed for co-financing by the EGF on 29 January 2009. This is therefore the starting date of the period of eligibility for any assistance that might be awarded from the EGF.

(i) Procedures for consulting the social partners

19. After the internal work council had endorsed the reorganisation plans, Heijmans N.V. started consulting its social partners in November 2008 in order to draw up a social plan in response to the economic and financial crisis, which is the basis for the coordinated package of personalised services. In December 2008 an agreement in principle was signed. The final social plan was signed in January 2009 after the employees' and employers' organisations had consulted their members.

20. The Dutch authorities confirmed that the requirements laid down in national and Community legislation concerning collective redundancies have been complied with.

(j) Information on actions that are mandatory by virtue of national law or pursuant to collective agreements

21. As regards fulfilment of the criteria set out in Article 6 of Regulation (EC) No 1927/2006, in their application the Dutch authorities:

- 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 14 and 16 above do not receive assistance from other Community financial instruments.

22. Management and control systems

The Netherlands notified the Commission that the financial contribution will be managed and controlled by the Ministry of Social Affairs and Employment, which is also responsible for managing and controlling the 2007-2013 ESF programme. For these purposes, the same criteria will apply as for the ESF. Furthermore, as the coordinated package of personalised measures will be carried out by Heijmans N.V., a covenant was concluded on 3 August 2009 between the Ministry of Social Affairs and Heijmans N.V. laying down the obligations of Heijmans N.V. as regards the organisation and the verifiable nature of the relevant administrative records.

CONCLUSION

23. In conclusion, for the reasons set out above, it is proposed to accept application EGF/2009/011 NL/Heijmans submitted by the Netherlands relating to the redundancies in Heijmans N.V, as evidence has been provided of a direct and demonstrable link between these redundancies and the global financial and economic crisis. A coordinated package of eligible personalised services has been proposed. Therefore, it is proposed to mobilise the EGF in response to the Dutch application.

FINANCING

So far, two cases have been accepted for funding in 2009 and three more have been proposed to the budgetary authority, adding up to a total of EUR 13 077 700.

Article 12(6) of Regulation (EC) No 1927/2006 states that on 1 September of each year, at least EUR 125 million should remain available in order to cover any needs arising until the end of the year.

After deduction of the amounts already accepted or proposed for commitment, an amount of EUR 486 922 300 remains available.

It is proposed to deploy EUR 386 114 from the EGF.

THE COMMISSION IS THEREFORE INVITED TO:

- conclude that the conditions for a financial contribution from the EGF in response to application EGF/2009/011 NL/Heijmans submitted by the Netherlands are met;
- submit to the budgetary authority a proposal to authorise commitment appropriations totalling EUR 386 114, as specified in point 16, together with a request for the transfer of this amount in commitment appropriations to budget line 04.0501 (European Globalisation Adjustment Fund) in accordance with Article 12(3) of Regulation (EC) No 1927/2006;
- authorise the transfer of an identical amount in payment appropriations from budget line 04.0217 (European Social Fund (ESF) — convergence) to budget line 04.0501 (European Globalisation Adjustment Fund).