EU Solidarity Fund: technical adjustments

2013/0248(COD) - 16/04/2014 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 525 votes to 12 with 41 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund.

Parliament adopted its position at first reading under the ordinary legislative procedure. The amendments adopted in plenary were the result of a compromise between Parliament and Council. They amend the Commission's proposal as follows:

Eligible states: the Union should continue to **show solidarity with the third countries** that were involved in accession negotiations with it, and with which an intergovernmental accession conference had been opened.

'Regional natural disaster' : the amended text specified that a 'regional natural disaster' meant any natural disaster resulting, in a region at NUTS level 2 of an eligible State, in direct damage **in excess of 1.5 % of that region's gross domestic product (GDP).**

Where the natural disaster concerns several regions at NUTS level 2, the threshold shall be applied to the average GDP of those regions weighted according to the share of total damage in each region.

Outermost region: by way of derogation, and in order to better take into account the specific nature of natural disasters which, although having serious repercussions for the economic and social development of the regions concerned, do not reach the minimum scale required to benefit from a financial contribution from the Fund, the criteria for regional natural disasters in **Guadeloupe, French Guiana, Martinique, Réunion, Mayotte, Saint-Martin, the Azores, Madeira and the Canary Islands should be set at 1% of the GDP.**

Restoration of infrastructure: this meant restoring infrastructure and plant to their condition **prior to the occurrence of the natural disaster**. Where it was not legally possible or economically justified to restore the condition prior to the occurrence of the natural disaster, or where the beneficiary State decided to relocate or improve the functionality of the affected infrastructure or plant in order to improve its capacity to withstand future natural disasters, the Fund may contribute to the cost of restoration only up to the estimated cost of returning to its **status quo ante**. Costs in excess of this level should be financed by the beneficiary State from its own or, where possible, from other Union funds.

The text also stated that cleaning up of disaster-stricken areas were also eligible cost, including natural zones, in line with, where appropriate, eco-system based approaches, as well as immediate restoration of affected natural zones to avoid immediate effects from soil erosion.

Technical assistance: technical assistance for management, monitoring, information and communication, complaint resolution, and control and auditing, **should not be eligible for a financial contribution from the Fund.** Costs relating to the preparation and implementation of operations, including costs relating to essential technical expertise, should be eligible as part of project costs.

Additional information: in justified cases the responsible national authorities may submit additional information after the deadline, in order to complete or update their application.

Access to the Funds: the Commission should issue guidance in order to assist the Member States on how to effectively access and use the Fund, and how to apply the simplest way for assistance from the Fund. It shall prepare guidance by **30 September 2014** and provide detailed information on the procedures for drafting the application, including requirements for the information to be submitted to the Commission. The guidance shall be made public on the websites of the relevant Directorate Generals of the Commission and the Commission shall ensure its wider dissemination to eligible States.

Time-limit for application: this deadline is extended from ten weeks to twelve weeks after the first occurrence of damage as a consequence of a natural disaster.

Time-limit for decision: the Commission shall assess whether the conditions for mobilising the Fund are met and shall determine the amount of any possible financial contribution from the Fund as quickly as possible and no later than **six weeks** after receipt of the application, counting from the date of receipt of the complete application and excluding the time needed for translation, within the limits of the financial resources available.

When the Commission has concluded that the conditions are met for providing a financial contribution from the Fund, it shall without delay submit to the European Parliament and the Council the necessary proposals for mobilisation of the Fund and to authorise the corresponding appropriations. Those proposals shall include:

- all available information ;
- all other relevant information in the possession of the Commission;
- a demonstration that the conditions in the text are met; and
- a justification of the amounts proposed.

The decision to mobilise the Fund shall be taken **jointly by the European Parliament and the Council** as soon as possible after the submission of the proposal by the Commission. Both the Commission, on the one hand, and the European Parliament and the Council, on the other hand, shall endeavour to minimise the time taken to mobilise the Fund.

Implementation deadline: the financial contribution from the Fund shall be used within **eighteen months** from the date on which the Commission has disbursed the full amount of the assistance.

Advance amount: when submitting an application for a financial contribution from the Fund to the Commission, a Member State may request the payment of an advance. The Commission shall make a preliminary assessment of whether the application fulfils the conditions and verify the availability of budgetary resources. Where those conditions are fulfilled and sufficient resources are available, the Commission may adopt a decision, by **means of an implementing act,** awarding the advance and pay it out without delay.

The advance payment must be reimbursed by the Member State as quickly as possible.

When adopting the draft general budget of the Union for a given financial year, the Commission shall propose to the European Parliament and the Council to mobilise the Fund in an amount up to a maximum of EUR 50 000 000 for the payment of advances and propose to enter the corresponding appropriations into the general budget of the Union.

The Commission's proposal stated that the amount of the advance shall not exceed 10 % of the amount of the financial contribution anticipated and shall in no case exceed EUR 30 000 000.

Observance of certain criteria: operations financed by the Fund shall be compatible with the provisions of the Treaty and instruments adopted under it, with Union policies and measures, in particular in the fields of financial management, public procurement, environmental protection, natural disaster risk prevention and management, climate change adaptation including, where appropriate, eco-system based approaches, and with pre-accession assistance instruments. Where applicable, operations financed by the Fund shall contribute to the objectives of Union in those fields.