

European Union Solidarity Fund

2002/0228(CNS) - 18/09/2002 - Legislative proposal

PURPOSE : to establish the European Union Solidarity Fund ("the Fund"). **CONTENT** : The recent flooding in central Europe has been on an almost unprecedented scale. Other disasters of dramatic proportions have occurred in the past. While there are Community instruments to assist with disasters in other parts of the globe, there are no comparable instruments for the Member States. Therefore, the Commission proposes to create this Fund to assist affected regions in Member States and other countries involved with accession negotiations in the event of major natural, technological and environmental disasters. The Fund should be essentially different from the Structural Funds and other existing Community instruments. It should be focussed on giving immediate financial assistance to help the people, regions and countries concerned return to living conditions that are as normal as possible. Its scope is therefore limited to the most urgent needs. The long-term reconstruction of infrastructure and businesses must be left to other instruments. EU aid should be complementary to the efforts of the countries concerned and be used to cover a share of the public expenditure caused by the disaster. The Fund will be used to provide emergency relief for any area affected by a major disaster, independently of its status under the Structural Funds. The amount of support is related to the size of the disaster but could also take into account other potential sources of finance. The principle of subsidiarity also applies. Action by the EU is justified only in cases of major disasters. Money from the relief fund will be given in response to a request from the affected country as a single grant on the basis of an agreement between the Commission and the country. The existence of a major disaster justifying action at EU level and the amount of aid will be proposed by the Commission to the budgetary authority. The implementation of the aid, and in particular the selection of individual projects to be assisted, will be carried out under the responsibility of the country and the regions concerned. The Fund will be subject to the normal Community rules on financial aid, including control issues. Setting up a new fund in the budget requires two steps: -creating an instrument to make the money available -defining new operational budget lines to which the money can be transferred for implementation. This requires the adoption of a legal basis. The Commission has adopted the proposal for a new flexibility instrument for disasters, which would make it possible to address unforeseen and exceptional circumstances, and which determines the rules for its mobilisation. The corresponding expenditure shall be entered in the budget over and above the relevant headings in the financial perspectives. The objective of the present proposal is for the Council and Parliament to adopt a legal act establishing the operational modalities and the criteria for the implementation of the facility.