Amending budget 5/2003: section III Commission, natural disasters

2003/2144(BUD) - 28/07/2003 - Commission preliminary draft budget

PURPOSE : to present the Preliminary draft amending budget No 5 to the budget for 2003 - Statement of revenue and expenditure by section - Section III - Commission. CONTENT : in January 2003 the national authorities of Spain and Italy presented to the Commission requests to mobilise the European Union Solidarity Fund (EUSF) for the three disasters relating to the sinking of the Prestige oil tanker, an earthquake in the regions of Molise and Apulia, and the eruption of Mount Etna. The Commission has carried out a thorough examination of the applications in accordance with the EUSF regulation and in particular with Articles 2, 3 and 4 thereof. It was found that none of the three disasters qualifies as "major disaster " within the meaning of the EUSF regulation as in no case does the estimated damage reach the threshold of EUR 3 billion (for both countries 0.6% of GNI is above EUR 3 billion so that the lower figure applies). The applications have therefore been examined under the provisions of Article 2, paragraph 2, last subparagraph of the EUSF regulation setting out the conditions for exceptionally mobilising the EUSF if certain criteria are met. The total annual budget available for exceptional regional disasters is EUR 75 million. This means that a maximum of EUR 56.250 million can be granted before 1 October. The rate applicable for defining the allocations for exceptional regional disasters is 2.5% of total direct damage. In order to ensure an equitable treatment of applications, it is proposed to apply this rate and then to reduce the grants proportionally so as to respect the limit set out in the regulation for allocations until 1 October. The amounts of EUSF aid proposed are the following: - Prestige : EUR 8.626 million; - Molise Earthquake : 30.826 million; - Mount Etna eruption : 16.798 million. These amounts of compensation will leave 25% of the European Union Solidarity Fund available for allocation during the last quarter of the year. The necessary payment credits will be made available by means of a transfer of appropriations from other budget lines, which the Commission will propose to the Budgetary Authority in due time.