

European Union Solidarity Fund

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PURPOSE: to present the European Union's Solidarity Fund Annual Report for the year 2005.

CONTENT: the European Union Solidarity Fund entered into force on 15 November 2002. Article 12 of the Regulation provides that a report on the activity of the Fund in the previous year be presented to the European Parliament and to the Council. This, the third report, presents the activities of the Fund in 2005 covering three areas: the treatment of new applications received in the course of 2005, monitoring of the ongoing implementation of grants, and the assessment of implementation reports with a view to preparing these for closure.

In addition, the report presents the proposal for a new Regulation on the Solidarity Fund for 2007, starting year of the new financial perspectives 2007-2013.

Conclusions: a total of 12 new applications for Solidarity Fund assistance were received in 2005. For all nine cases relating to a major natural disaster, after careful examination of the information provided, the Commission was able to propose to mobilise the Fund. These cases were subsequently endorsed by the Council and the European Parliament as the budgetary authority. In 2005, the Commission proposed a total amount of aid from the Fund of **EUR 205 million** (2002: EUR 728 m; 2003: EUR 107.1 m; 2004: EUR 19.6 m).

On two applications, submitted in 2005 under the 'exceptional' regional disaster criterion, it was decided not to propose that the Fund should be mobilised. In these cases, previous experience was confirmed that the conditions for a successful application under this exceptional criterion - which according to the Regulation are to be examined by the Commission "with the utmost rigour" - are relatively difficult to meet. Member States and the Commission services invested considerable time and

effort in, respectively, preparing and assessing applications for smaller regional disasters that regularly lead to rejections.

One of the major changes in the proposed, new Solidarity Fund Regulation is therefore to resort only to quantitative thresholds for the level of damage required to trigger utilization of the Fund. As compensation for the suppression of the present (non-quantitative) 'exceptional' regional disaster criteria the quantitative thresholds would be lowered. These two elements, taken together, would improve the transparency of the Solidarity Fund. This would help to avoid the great frustration that follows when applications prepared by Member States' administrations with considerable effort are subsequently rejected because the exceptional criteria are very difficult to meet.

With the new Solidarity Fund regulation ([COD/2005/0033](#)), the national authorities would have a clearer idea of when the Fund is likely to be able to support them in recovering from a disaster.

The Commission's services have responded favourably to any requests from the national authorities in the countries concerned for technical information relating to the EUSF Regulation and to the preparation of applications.

The proposal for the new Regulation, which was adopted by the college of Commissioners on 6 April 2005, is currently on the table of European Parliament and the Council for decision. In the discussions in the different Committees concerned in the European Parliament the proposal received a large measure of support, in particular as regards the eligibility provisions. Although progress in the Council has been

limited in 2005, the Commission is determined to work closely with Member States with a view to reaching agreement with the Council in 2006 so that the proposed improvements to this important instrument of the Union can enter into force on 1 January 2007.