Basic information

2003/2144(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 5/2003: section III Commission, natural disasters **Subject** 8.70.60 Previous annual budgets **Geographical area** Italy Portugal Spain	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	BUDG Budgets	FÄRM Göran (PSE)	10/12/2001
Council of the European Union			
European Commission	**Commission DG**	**Commissioner**	
	Budget		

Key events

Date	Event	Reference	Summary
28/07/2003	Commission preliminary draft budget published	SEC(2003)0886	Summary
01/09/2003	Committee referral announced in Parliament		
25/09/2003	Commission preliminary draft budget published	SEC(2003)1059	Summary
30/09/2003	Vote in committee		Summary
30/09/2003	Budgetary report tabled for plenary	A5-0316/2003	
07/10/2003	Council draft budget published	13014/2003	Summary
09/10/2003	Decision by Parliament	T5-0424/2003	Summary
09/10/2003	Draft budget approved by Council		
09/10/2003	End of procedure in Parliament		
26/11/2003	Final act published in Official Journal		

Technical information	
Procedure reference	2003/2144(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	Euratom Treaty A 177 EC Treaty (after Amsterdam) EC 272
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/5/19851

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A5-0316/2003	30/09/2003	
Budgetary text adopted by Parliament		T5-0424/2003	09/10/2003	Summary

Council of the EU

Document type	Reference	Date	Summary
Council draft budget	13014/2003	07/10/2003	Summary

European Commission

Document type	Reference	Date	Summary
Commission preliminary draft budget	SEC(2003)0886	28/07/2003	Summary
Commission preliminary draft budget	SEC(2003)1059	25/09/2003	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2003/0800
OJ L 310 26.11.2003, p. 0001-0014 Summary

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.

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

2003/2144(BUD) - 09/10/2003 - Final act

PURPOSE : to adopt amending budget 5/2003. COMMUNITY MEASURE : 2003/800/EC. CONTENT : the European Parliament has adopted the amending budget 5/2003 of the European Union in accordance with its resolution dated 9 October 2003 (please refer to this resolution). It aims at mobilising the European Union Solidarity Fund to the amount of EUR 104 789 000 with a view to financing rehabilitation actions after the occurrence of natural and ecological disasters in Italy and Spain in 2003.

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

2003/2144(BUD) - 07/10/2003 - Council draft budget

On 30 July 2003, the Commission sent the Council preliminary draft amending budget No 5/2003 in order to include in the budget the mobilisation of a total of EUR 56,250 million in commitment appropriations in the European Union Solidarity Fund, to allocate an amount of EUR 8,626 million to Spain (Prestige oil spill) and an amount of EUR 47,624 million to Italy (earthquake in the regions of Molise and Apulia and the eruption of Mount Etna). On 26 September 2003, the Commission sent the Council preliminary draft amending budget No 6/2003 to include in the budget the mobilisation of a total of EUR 48,539 million in commitment appropriations in the European Union Solidarity Fund to be allocated to Portugal following the forest fires. At the trialogue meeting provided for by the Interinstitutional Agreement of 7 November 2002 on the funding of the European Union Solidarity Fund, held on 23 September 2003, agreement was reached on the amounts mentioned in points 1 and 2 above and on the principle of a single amending budget No 5 /2003 incorporating the preliminary draft amending budgets Nos 5 and 6 to the 2003 budget presented by the Commission. On 7 October 2003 the Council established draft amending budget No 5 for the financial year 2003, entering a total amount of EUR 104,789 in commitment appropriations in the European Union Solidarity Fund (Title B2-4). Furthermore, in order to allow it to carry out a detailed examination of the implementation of the European Union Solidarity Fund, the Council invites the Commission departments to submit, between now and the end of 2003, an evaluation of the application of the eligibility criteria for the Fund and the methodology used to establish the amount to be mobilised, also taking account of the urgent nature of the Solidarity Fund. Following draft amending budget No 5 for the financial year 2003, total commitment appropriations amount to EUR 99.790.481.338, with payment appropriations remaining unchanged.

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

2003/2144(BUD) - 25/09/2003 - Commission preliminary draft budget

PURPOSE : to present the preliminary draft amending budget No 6 to the budget for 2003. CONTENT : on 4 August 2003, the national authorities of Portugal announced their intention to submit a request to the Commission to mobilise the European Union Solidarity Fund (Solidarity Fund) for the fire related disaster in Portugal. The formal application was received on 13 August 2003. On 22 August 2003, the Portuguese authorities submitted a further dossier and on 10th September 2003 the same authorities provided the Commission with revised figures, submitted formally a day later. The disaster consists of a large number of fires of major proportion on forest and agricultural areas, due to very high temperatures and low atmospheric humidity. The fires have claimed 18 lives to date. It is estimated that the fires have destroyed 362,250 hectares of forest and 41,200 hectares of agricultural land. The destruction of the forest and agricultural areas is reported to have caused the loss of profits and salaries for about 45,000 persons, who lost property and jobs. The Commission services have carried out a thorough examination of the application in accordance with Regulation 2012/2002/EC and in particular with Articles 2, 3 and 4 thereof. It was found that the disaster qualifies as a "major disaster " within the meaning of Regulation 2012/2002/EC as the estimated damage is in excess of the applicable threshold of 0.6% of GNI. The most important elements of the assessment can be summarised as follows: - the starting date of the disaster was 20 July 2003. The application was presented within the deadline of ten weeks. The disaster is of natural origin and therefore falls within the main field of application of the Solidarity Fund; - direct damage to Portugal is estimated at EUR 1,227,885.900 million. Since this amount is larger than 0.6% of the Portuguese GNI (i.e. larger than EUR 718.120 million) the disaster qualifies as a "major disaster" within the meaning of Regulation 2012/2002/EC. - the cost of essential emergency operations eligible under Article 3, paragraph 2 of Regulation 2012/2002/EC has been estimated at EUR 104.270 million and has been broken down by type of operation. The Portuguese authorities have confirmed that these costs relate to operations occurring in Portugal. The Commission's proposed allocation under the

Fund is based on the information made by the applicant. The Commission therefore proposes to mobilise the EUSF aid. FINANCIAL IMPLICATIONS AND METHOD OF CALCULATION : The total annual budget available for the Solidarity Fund is EUR 1 000 million. Only 75% of this amount (i.e. EUR 750 million) can be allocated up to 1 October 2003. Furthermore, the Commission has already proposed to the Budgetary Authority to allocate EUR 56.25 million for other cases under the Solidarity Fund. This means that a maximum of EUR 693.75 million can be granted until 1 October 2003. Given that solidarity was the central justification for the creation of the Fund, the Commission takes the view that aid from the Fund should be progressive. That means that the portion of the damage exceeding the threshold for major disasters (0.6% of the GNI or EUR 3 billion, whichever is the lower amount) should give rise to higher aid intensity than damage up to thethreshold. The rate applied in the past for defining the allocations for major disasters is 2.5% of total direct damage under the threshold and 6% for the damage above. The Commission proposes to apply the same percentages in this case. This aid amount will leave more than 25% of the European Union Solidarity Fund available for allocation during the last quarter of the year. The necessary payment appropriations will be made available by a transfer of appropriations from other budget lines, which the Commission will propose to the budgetary authority in due time.

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

2003/2144(BUD) - 09/10/2003 - Budgetary text adopted by Parliament

The European Parliament adopted a resolution drafted by Goran FARM (PES, Sweden) approving unamended Draft Amending Budget No 5/2003. (Please see the document dated 30/09/03.)