Basic information

2005/0033(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure lapsed or withdrawn
European Union Solidarity Fund: common and coordinated action to provide assistance to the Member States and the candidate countries in case of major disasters or public health emergencies **Subject** 3.70.10 Man-made disasters, industrial pollution and accidents 3.70.11 Natural disasters, Solidarity Fund	

Key players

Council of the European Union	
European Commission	Commission DG: Regional and Urban Policy — Commissioner: HAHN Johannes

Key events

Date	Event	Reference	Summary
06/04/2005	Legislative proposal published	COM(2005)0108	Summary
27/09/2005	Committee referral announced in Parliament, 1st reading		
21/03/2006	Vote in committee, 1st reading		Summary
03/04/2006	Committee report tabled for plenary, 1st reading	A6-0123/2006	
18/05/2006	Decision by Parliament, 1st reading	T6-0218/2006	Summary
18/05/2006	Results of vote in Parliament		
18/05/2006	Debate in Parliament		
26/04/2012	Proposal withdrawn by Commission		Summary

Technical information

Procedure reference	2005/0033(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Treaty on the Functioning of the European Union TFEU 175-p3 Treaty on the Functioning of the European Union TFEU 212
Stage reached in procedure	Procedure lapsed or withdrawn

Committee dossier	REGI/6/27600

Documentation gateway				
European Parliament				
Document type	**Committee**	**Reference**	**Date**	**Summary**
Committee opinion	BUDG	PE362.628	21/02/2006	
Committee opinion	ENVI	PE367.798	21/02/2006	
Committee report tabled for plenary, 1st reading/single reading		A6-0123/2006	03/04/2006	
Text adopted by Parliament, 1st reading/single reading		T6-0218/2006	18/05/2006	Summary
European Commission				
Document type		**Reference**	**Date**	**Summary**
Legislative proposal		COM(2005)0108	06/04/2005	Summary
Document attached to the procedure		SEC(2005)0447	06/04/2005	Summary
Commission response to text adopted in plenary		SP(2006)2902	22/06/2006	
Other institutions and bodies				
Institution/body	**Document type**	**Reference**	**Date**	**Summary**
EESC	Economic and Social Committee: opinion, report	CES1256/2005 OJ C 028 03.02.2006, p. 0069-0072	27/10/2005	

Additional information		
Source	**Document**	**Date**
European Commission	EUR-Lex	

European Union Solidarity Fund: common and coordinated action to provide assistance to the Member States and the candidate countries in case of major disasters or public health emergencies

2005/0033(COD) - 18/05/2006 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Rolf **BEREND** (EPP-ED, DE) and made some amendments to the Commission's proposals:

- the recitals define a "disaster" as any major destructive event that occasions serious harm to the population and the environment such as a flood, fire or drought, and specify that the financial assistance should not become a substitute for the competent public and private authorities;

- a further recital states that the Solidarity Fund should be financed independently of the financial framework with a maximum amount to be mobilised only when deemed necessary. In order to provide adequate financing, the Solidarity Fund should be included in the flexibility reserve up to a maximum of EUR 7 billion;

- in an amendment to recital 5, Parliament said that, in cases of terrorist attack, the EU should "react to events even where the material damage does not reach the threshold for mobilisation of the Fund but the consequences of the attack are so serious that Community solidarity becomes imperative";

- the scope of the regulation (Article 1) should be extended to enable assistance to be provided under the Fund in the event of "crisis situations" as well as major disasters;

-a new clause states that a candidate country involved in accession negotiations with the European Union may only be awarded assistance from the Fund where a major disaster affects a cross-border land or sea area lying between that country and a Member State;

-Parliament reinserted the clause, included in Article 2 of the current Solidarity Fund regulation, stipulating that "special consideration should be given to remote or isolated regions, such as the insular and outermost regions defined in Article 299(2) of the Treaty";

- the operations eligible for financial assistance under the Fund should include the creation of emergency infrastructure to guarantee the immediate supply needed to satisfy the population's needs in the field of energy, drinking water and waste water, telecommunications, transport, health and education, and essential emergency operations for "the immediate tackling of natural disasters or their immediate impact";

- in view of the difficulty of determining the damage occasioned by disasters whose effects are lasting and ongoing, the Commission may, at the request of the Member State affected, extend the 10-week time-limit set for applying for assistance under the Fund;

- the repayment proviso shall be expressly mentioned;

- Parliament was concerned to speed up procedures following the negative experiences with delays in 2005, and introduced a number of amendments to that end. It specified inter alia that "the whole procedure for presenting all the necessary proposals to mobilise the Fund.....may not exceed a period of 3 months after reception of the application from the State concerned".

- the ‘polluter pays’ principle should apply, particularly in the event of industrial and technological disasters. Beneficiary states must therefore prove that they are seeking all possible compensation from third parties. MEPs argued that the Solidarity Fund must not relieve those responsible for a disaster of their liability;

- Parliament wanted to see more flexible financial management, enabling the Fund to be used even where the remaining resources available for a given financial year are not sufficient to provide the necessary amount of financial assistance. Whereas the Commission had proposed that the difference be financed from the appropriations available for the Fund for the following year, Parliament suggested that it be financed from the appropriations available for the following two years;

- a new clause states that the beneficiary State shall clearly inform the population directly concerned and the general public about assistance received from the Fund;

- where a beneficiary State has failed to take preventive measures after the previous major disaster and damage following from a major disaster would have been reduced or prevented had preventive measures been taken, the Commission shall require the beneficiary State to reimburse all or part of the financial assistance received;

- entry into force shall be within 20 days of publication in the Official Journal, rather than 1 January 2007.

European Union Solidarity Fund: common and coordinated action to provide assistance to the Member States and the candidate countries in case of major disasters or public health emergencies

2005/0033(COD) - 06/04/2005 - Document attached to the procedure

COMMISSION'S IMPACT ASSESSMENT

Further information concerning the context of this issue may be found in the summary of the Commission’s initial proposal COM(2005)0108.

1- POLICY OPTIONS AND IMPACTS

1.1- No change scenario: Under a “no policy change” scenario, the EU Solidarity Fund would continue to operate under the current Regulation. This means that aid can continue to be granted for major natural disasters and for extraordinary regional natural disasters. No EUSF aid would be possible for other crisis situations, such as public health threats and acts of terrorism, which do not meet the criteria of the current Regulation. The Council will review the Regulation on the basis of a proposal by the Commission by 31 December 2006 at the latest.

It is not possible to predict the occurrence of major disasters covered by the current Regulation. Therefore, the only possible way to predict a ‘no policy change’ scenario is to extrapolate the applications for disasters received up to now.

Extrapolating the past, it is likely that applications to mobilise the Fund for disasters below the “major disaster” threshold, which were intended to be the absolute exception, will continue to be the majority of cases. By focussing the policy on the genuine major disasters and abolishing the eligibility for regional disasters, the focus and effectiveness of the solidarity measures should be improved.

In addition, if the Regulation foresees for major disasters only a single decisive criterion for eligibility, i.e. the amount of damage caused, this would allow the Commission to complete its examination in a much shorter time. The experience in applying the current Regulation has shown that applications for exceptional mobilisation of the Fund required a much more detailed examination. Usually, additional information had to be requested from the applicant State which proved very time-consuming.

However, abolishing the possibility to grant aid for extraordinary regional disasters would mean that disasters of a relatively lower scale, which might however result in significant damages on a local/regional level, are not anymore covered by the instrument.

1.2- New EUSF – Widening the scope: The proposed EUSF Regulation would extend the possibilities for showing solidarity at European level, covering major crisis situations resulting from natural disasters (as before, as well as industrial/technological disasters, public health threats and acts of terrorism.

At the same time, solidarity actions would be focussed on major disasters and crisis situations. A “major” disaster would be defined, as today, in terms of total direct damage in excess of an absolute or a relative threshold, whichever is the lower. In the draft Regulation, is it proposed to lower these from EUR 3 bn/0.6% of GNI to EUR 1 billion or 0.5% of GNI.

In addition, a new criterion would allow it to mobilise the Fund even if the quantitative criteria are not met. It is proposed that the Council may, by unanimous vote and upon a proposal by the Commission, recognise that a major disaster has occurred on the territory of an eligible State. This will also allow the mobilisation of the Fund for crisis situations where physical damage might be rather limited, such as terrorist attacks or major public health threats, thus allowing to pay for measures such as compensations to victims of terrorism or for mass vaccinations.

The main impact of an enlarged EUSF is to improve responsiveness at EU level to crisis situations other than natural disasters. Solidarity actions would be possible in the aftermath of other crisis situations such as industrial/technological disasters, public health threats and terrorist attacks.

Another likely impact might be on the budget. A Solidarity Fund enlarged in scope could lead to a higher overall aid level under the EUSF. The current overall spending ceiling of the Solidarity Fund of EUR 1 billion has effectively been used only to a very limited degree (for applications in 2002: EUR 728 million; for applications in 2003: EUR 107.08 million; for applications in 2004: EUR 19.62 million).

CONCLUSIONS: The new EUSF has been chosen as the best possible policy option as it aims to improve the EU’s responsiveness in facing major crisis situations. The new instrument would be modelled around the current European Union Solidarity Fund (EUSF) but be widened in scope and concentrated on the major disasters and crisis situations.

2- FOLLOW-UP

The monitoring and evaluation requirements of the results and the impacts of the instrument remain unchanged in the proposal for a new Regulation. An activity report on the previous year, containing information relating to applications submitted, grant decisions adopted and the winding-up of financial assistance granted, shall be presented to the European Parliament and the Council. In addition, a review shall be presented by 31 December 2013 at the latest.

European Union Solidarity Fund: common and coordinated action to provide assistance to the Member States and the candidate countries in case of major disasters or public health emergencies

2005/0033(COD) - 06/04/2005 - Legislative proposal

PURPOSE : proposal to establish the European Union Solidarity Fund.

PROPOSED ACT : Regulation of the European Parliament and of the Council.

CONTENT : this proposal submits provisions for action at European level to provide a common response to emergency situations of different origin in an efficient and coordinated way. Such action will cover both solidarity and rapid reaction, with measures allowing for immediate response and providing assistance in the aftermath of a major crisis. The objective of the proposal is to develop the solidarity strand of the Commission’s integrated approach, in order to ensure response to major disasters or public health emergencies, independent of their nature and origin. It is modelled on the current European Union Solidarity Fund (Regulation 2012/2002/EC) (refer to 2002/0228(CNS)) while enlarging its scope and improving its operation mechanism.

The proposal recalls that the current EUSF is limited to major natural disasters. It may grant financial assistance to eligible States totalling up to EUR 1 billion per year. Responding appropriately at EU level to major crises which are not of natural origin with the existing instruments is extremely difficult or even impossible, as illustrated by industrial accidents such as the Prestige oil spill, or terrorist acts such as the Madrid bombing of March 2004. Similarly, it is not possible at present to provide assistance from the EUSF in the event of a serious public health crisis - such as the spreading of an epidemic like SARS to Europe or caused by an accident of the Chernobyl type - which could easily surpass the response capacities of the individual

States.

Furthermore, the threshold for mobilising the EUSF - currently set at direct damage in excess of EUR 3 billion, in 2002 prices, or more than 0.6% of national GNI – is extremely high. As a result, more than two thirds of all applications for EUSF assistance so far presented by eligible States have been based on an exception for so- called "extraordinary regional disasters", thus perverting the initial rationale of the EUSF. Moreover, the rather vague qualitative criteria for such exceptional mobilisations of the EUSF are difficult to apply in practice and budgetary resources under this heading are limited to EUR 75 million per year only. Mobilisation of the Fund under the main criterion ("major disaster") should become the rule rather than the exception.

The main points of the new proposal are as follows:

- it is based on the current EUSF Regulation, which will be repealed with effect from the moment the proposed new Regulations applies, i.e. 1 January 2007;

- the geographical scope remains unchanged; it is limited to Member States and countries negotiating their accession to the EU;

- the thematic scope is enlarged to cover not only major crisis situations resulting from natural disasters but also to include industrial/technological disasters, public health threats and acts of terrorism;

- the Fund remains limited to "major" disasters. These are defined using a partially new, double approach.

1) As at present, total direct damage in excess of a threshold is applied to the physical damage caused by disasters including the intervention costs to which these give rise. In practice this will cover not only natural disasters but also public health emergencies, industrial accidents and physical damage resulting from acts of terrorism. The thresholds are lowered from EUR 3 billion or 0.6% of GNI of the affected country to EUR 1 billion or 0.5% respectively.

2) A new criterion based on political considerations is introduced which enables the Commission in duly justified circumstances to declare a disaster situation as "major" even if the quantitative criteria are not met. This will allow mobilisation of the Fund for crisis situations where physical damage is still, at the moment of decision, limited; such a possibility is more likely with terrorist attacks or major public health crises. This possibility will allow for grants to assist victims of terrorism or to pay for emergency measures in the event of unforeseen health crises and thus make possible to help refinance the cost of drugs, medicines and medical equipment used during an emergency. The three influenza pandemics of the last century (in 1918, 1957 and 1968) killed millions of people and caused widespread disruption to the countries affected. Effective protection will require widespread and rapid use of anti-viral drugs and vaccines. The EUSF could be used to help refinance the cost of these drugs. The declaration mechanism allows the Fund to be mobilised for truly unexpected and exceptional situations. This political criterion should be used only in justified cases, assessed by the

Commission, in particular in the event of serious public health emergencies or acts of terrorism.

- the revision of the threshold, which substantially widens the eligibility of disasters, makes the continuation of the exception for regional disasters void, as all disasters element should be a safeguard for the EUSF to remain an instrument for major disasters, whereas regional or local disasters can be addressed directly by the states concerned, in conformity with the subsidiarity principle;

- a new feature would allow the Commission to take under certain circumstances immediate solidarity action by making a down-payment as soon as the affected State has applied for assistance;

- the introduction of certain safeguards/deadlines will allow speedier payment of the grant;

- eligible operations remain limited to public emergency operations. They are extended to include compensation payments to victims of terrorism and medical assistance in case of health crises;

- a provision for a technical assistance budget is introduced which would allow the Commission to pay for expertise to help assess applications.

FINANCIAL IMPLICATIONS:

Three budget lines under heading 3:

- Administrative Management: 13 01 04 04

- Member States: 13 06 01

- Candidate countries: 13 06 02.

Duration of the action and of the financial impact: Indeterminate, with the possibility of using up to EUR 1000 million per year in current prices to be made available on a case by case basis by the budgetary authority in the event of major disasters upon proposal from the Commission of an amending budget.

Up to 0.2% of any grant paid under the EUSF may be used for Technical Assistance. Up to 5% of the estimated costs of eligible operation claimed in the application – but no more than EUR 5 million in each case – may be granted as advance funding upon request of the affected Member State . In this case, available Commitment Appropriations would have to be transferred to either 13 06 01 or 13 06 02 and retransferred once the application has been approved and the amending budget becomes effective. The Member State would have to repay the advance payment if the application is not approved.

- Human resources per year: EUR 216 000.

- Total human resources: 2.