

Basic information**2008/2316(BUD)**

BUD - Budgetary procedure

Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing

Subject



8.70.60 Previous annual budgets

Procedure completed

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	BUDG Budgets	VIRRANKOSKI Kyösti (ALDE)	13/12/2006
Council of the European Union			
European Commission	Commission DG	Commissioner	
	Budget	GRYBAUSKAITĖ Dalia	


Key events

Date	Event	Reference	Summary
07/11/2008	Commission preliminary draft budget published	COM(2008)0731 	Summary
21/11/2008	Draft budget approved by Council		
27/11/2008	Council draft budget published	16264/2008	Summary
02/12/2008	Vote in committee		Summary
04/12/2008	Committee referral announced in Parliament		
08/12/2008	Budgetary report tabled for plenary	A6-0481/2008	
18/12/2008	Decision by Parliament	T6-0621/2008	Summary
18/12/2008	Results of vote in Parliament		
18/12/2008	End of procedure in Parliament		
30/01/2009	Final act published in Official Journal		

Technical information**Procedure reference**

2008/2316(BUD)

Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/6/69605

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Budgetary report tabled for plenary, 1st reading		A6-0481/2008	08/12/2008	
Budgetary text adopted by Parliament		T6-0621/2008	18/12/2008	Summary
Council of the EU				
Document type		Reference	Date	Summary
Council draft budget		16264/2008	27/11/2008	Summary
European Commission				
Document type		Reference	Date	Summary
Commission preliminary draft budget		COM(2008)0731 	07/11/2008	Summary

Additional information		
Source	Document	Date
European Commission	EUR-Lex	

Final act
Budget 2009/0044 OJ L 027 30.01.2009, p. 0091
Summary

Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing

2008/2316(BUD) - 07/11/2008 - Commission preliminary draft budget

PURPOSE: presentation of the Preliminary Draft Amending Budget No 11 to the 2008 budget.

CONTENT: Preliminary Draft Amending Budget (PDAB) No 11 for the year 2008 covers the following elements:

- mobilisation of the EU Solidarity Fund for an amount of EUR 7.6 million in commitment and payment appropriations following a **serious drought in Cyprus**;
- a corresponding reduction in payment appropriations of EUR 7.6 million from the budget line 13 04 02 Cohesion Fund.

Cyprus has been suffering from a shortfall of rain that has led to serious effects on living conditions, the economy and the natural environment.

Substantial damages to agriculture were reported particularly in late April and in the following months, growing worse as the crop season progressed towards harvest stage. The water scarcity is also expected to affect tourism, which is an important sector of the Cypriot economy. The drought also had serious repercussions on the water infrastructure, where serious damages caused by the discontinuation of the water flow started appearing in early May 2008.

The cost of essential emergency operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 has been estimated by the Cypriot authorities at EUR 59.45 million and has been broken down by type of operation. The main bulk of the operations concern costs related to the transport of water from Greece and immediate investments into the water infrastructure to secure the functioning of the water distribution network under conditions of discontinued water flow.

The Cypriot authorities stated that Community assistance for compensating private damages, mainly to farmers, will be sought if an appropriate legal basis is available in other EU financial instruments. The Commission notes however that the Common Agricultural Policy and notably the Rural Development policy gives no possibility for compensating farmers for damages due to natural disaster.

The Commission therefore proposes that the application made by Cyprus relating to a drought can be accepted as a **"major disaster"** and that the Solidarity Fund should be used.

Financing: the total annual budget available for the Solidarity Fund is EUR 1 billion. In 2008, EUR 273 191 197 has already been mobilised for earlier applications, leaving EUR 726 808 803 available.

Taking into account the identification of excess appropriations in 13 04 02 Cohesion Fund there will be no need for fresh payment appropriations for financing the EU Solidarity Fund payments for Cyprus. **An amount of EUR 7.6 million would thus be allocated from budget line 13 04 02 to budget line 13 06 01 to cover the corresponding needs related to the mobilisation of the EU Solidarity Fund.** This redeployment is possible because payments under the Cohesion Fund for the period 2007-2013 are to a large extent related to major projects. However, major projects need to be approved separately in subsequent Commission decisions before any interim payments can be made. As many major projects are not expected to be submitted and approved this year, no significant interim payments are expected in 2008.

Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing

2008/2316(BUD) - 18/12/2008 - Final act

PURPOSE: final adoption of amending budget 10/2008.

LEGISLATIVE ACT: 2009/44/EC, Euratom.

CONTENT: the European Parliament finally adopted amending budget No 10/2008 of the European Union, in accordance with its resolution of 18 December 2008 (please see the summary of the resolution).

This amending budget aims to mobilise the EU Solidarity Fund for an amount of EUR 7.6 million in commitment and payment appropriations following a serious drought in Cyprus. It also provides for a corresponding reduction in payment appropriations of EUR 7.6 million from the budget line 13 04 02 - Cohesion fund making this amending budget completely **neutral from a budget point of view**.

Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing

2008/2316(BUD) - 18/12/2008 - Budgetary text adopted by Parliament

The European Parliament adopted, by 564 votes to 13 with 10 abstentions, a resolution approving, without amendment, the draft amending budget No 10/2008 of the European Union.

The report had been tabled for consideration in plenary by Kyösti **VIRRANKOSKI** (ALDE, FI) on behalf of the Committee on Budgets.

The Parliament recalls that this draft budget covers the following items:

- mobilisation of the EU Solidarity Fund for an amount of EUR 7.6 million in commitment and payment appropriations following a serious drought in Cyprus;
- a corresponding reduction in payment appropriations of EUR 7.6 million from the budget line 13 04 02 - Cohesion fund making this amending budget completely neutral from a budget point of view.

Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing

2008/2316(BUD) - 27/11/2008 - Council draft budget

On 7 November 2008, the Commission forwarded to the Council preliminary draft amending budget (PDAB) No 11 to the general budget for 2008, relating to the mobilisation of the EU Solidarity Fund for an amount of **EUR 7 605 445** in commitment and payment appropriations for Cyprus following a severe drought which culminated in April 2008.

Mobilising these funds does not affect the budget as the required payment appropriations are being redeployed by a transfer from budget heading 13 04 02 ("Cohesion Fund") to heading 13 06 01 ("EU Solidarity Fund – Member States").

At the trilogue on 13 November 2008 an agreement was reached on the mobilisation of the Fund and on the amount proposed by the Commission. Consequently, on 27 November 2008, the Council established draft amending budget No 10 for 2008 (and not 11), as proposed by the Commission in its PDAB No 11, set out in the technical annex to this statement of reasons (see Council doc. *16264/08 ADD 1*).