Basic information

2012/2242(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011 **Subject** 3.70.11 Natural disasters, Solidarity Fund 4.45.02 Cultural programmes and actions, assistance 8.70.60 Previous annual budgets	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets	BALZANI Francesca (S&D)	09/10/2012
	Shadow rapporteur MULDER Jan (ALDE)	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3200	2012-11-20
Economic and Financial Affairs ECOFIN	3197	2012-11-09

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
19/09/2012	Commission draft budget published	COM(2012)0536	Summary
09/11/2012	Debate in Council		
15/11/2012	Vote in committee		
16/11/2012	Budgetary report tabled for plenary	A7-0381/2012	Summary
20/11/2012	Council position on draft budget published	16398/2012	Summary
20/11/2012	Committee referral announced in Parliament		
20/11/2012	Draft budget approved by Council		

21/11/2012	Decision by Parliament	T7-0433/2012	Summary
21/11/2012	Results of vote in Parliament		
21/11/2012	End of procedure in Parliament		
18/01/2013	Final act published in Official Journal		

Technical information

Procedure reference	2012/2242(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/10867

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE497.892	11/10/2012	
Budgetary report tabled for plenary, 1st reading		A7-0381/2012	16/11/2012	Summary
Budgetary text adopted by Parliament		T7-0433/2012	21/11/2012	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	16398/2012	20/11/2012	Summary

European Commission

Document type	Reference	Date	Summary
Commission document (COM)	COM(2012)0536	19/09/2012	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2013/0010
OJ L 015 18.01.2013, p. 0001 Summary

Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011

2012/2242(BUD) - 19/09/2012 - Commission draft budget

PURPOSE: presentation of draft amending budget No 5 to the General Budget 2012 in order to amend a budget line and to mobilise the Solidarity Fund in favour of Italy due to a series of earthquakes in the north of the country.

CONTENT: this draft amending budget (DAB) No 5 for the year 2012 concerns the following:

1. Mobilisation of the EU Solidarity Fund for an amount of **EUR 670 192 359 in commitment and payment appropriations** relating to the series of earthquakes in Emilia-Romagna, Italy in May 2012.
2. **Modification of the budget line 16 05 03 01** – Preparatory action – European Year of Volunteering 2011 to replace the "dash" for payments on the line with a token entry (p.m.), in order to allow the final payments to be made.

1. Mobilisation of the Solidarity Fund: on 20 May 2012, a heavy earthquake with a magnitude of 5.9 on the Richter scale affected wide parts of Northern Italy and caused severe damage in many towns and villages in particular around the epicentre, mostly in the provinces of Modena and Ferrara in the region of Emilia-Romagna. On 29 May, a second strong earthquake with a magnitude of 5.8 on the Richter scale occurred with the epicentre slightly to the west. Both events were followed by several serious aftershocks. The earthquakes caused 27 deaths; an estimated 350 people were injured and over 45 000 people had to be evacuated. There was serious and widespread damage to buildings, infrastructure, businesses, industrial facilities, agriculture and to the important cultural heritage sector.

The earthquakes caused serious harm to the population, affecting almost 1 million people in 106 municipalities within 6 administrative provinces in the Regions of Emilia-Romagna, Veneto and Lombardia. The affected area is densely populated and has a highly developed economy with a great number of companies in the various industrial, manufacturing and craft sectors, many of which are of national importance, and which were greatly affected by the unprecedented damage and collapse of a large part of the industrial buildings. There is the risk of relocation of such activities to other areas. Damage to agricultural businesses was significant and is expected to lead to a dramatic impact on products such as *Grana Padano* and *Parmigiano Reggiano* cheeses and balsamic vinegar. Overall, the disaster is expected to cause a substantial drop in production, commerce, agriculture and other economic activities.

Subsequently, Italy submitted an application for financial assistance from the European Union Solidarity Fund.

The earthquakes are of natural origin and therefore fall within the main field of application of the Solidarity Fund. Total direct damage is the basis for the calculation of the amount of financial assistance. The Italian authorities estimated the **total direct damage** at EUR 13 273 736 063. This amount represents 0,86 % of Italy's GNI and exceeds by almost four times the threshold for mobilising the Solidarity Fund of EUR 3 607 million applicable to Italy in 2012. As the estimated total direct damage exceeds the threshold, the disaster qualifies as a **"major natural disaster"** and thus falls within the main field of application of Regulation (EC) No 2012/2002.

Financing: the total annual budget available for the Solidarity Fund is EUR 1 billion. As 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, according to previous practice, the portion of the damage exceeding the threshold (0.6 % of the GNI or EUR 3 billion in 2002 prices, whichever is the lower amount) should give rise to higher aid intensity than damage up to the threshold. The rate applied in the past for defining the allocations for major disasters is 2.5 % of total direct damage under the threshold for mobilising the Fund and 6 % above.

A preliminary analysis of the possibility to match increased needs for payment appropriations on some budget lines, with amounts on other lines which would otherwise remain unused, points to an **overall shortage of payment appropriations at year-end**, which the Commission intends to cover by means of a draft amending budget (DAB 6/2012).

As a consequence, **the Commission proposes a corresponding increase in the level of payment appropriations to finance the mobilisation of the Solidarity Fund**.

The Commission calls for swift action to provide support to the affected regions and ensure the payment of the support, once this proposal is adopted. However, in the case of late adoption of the proposal, and of the conclusion of the implementation agreement with the Member State concerned, it may be necessary to have recourse to the provisions of Article 9 of the Financial Regulation (carryover of appropriations).

In terms of financing, it is therefore proposed to mobilise the Solidarity Fund as follows:

- **Italy** – earthquakes in Emilia-Romagna: EUR 13 113.498 million in direct damage accepted: total amount of EU aid proposed **EUR 670 192 359**.

2. Modification of a budget line: the preparatory action European Year of Volunteering 2011 was created in 2010. In accordance with article 49 of the Financial Regulation, the relevant commitment appropriations for a preparatory action may be entered in the budget for not more than three successive financial years. However, the finalisation of payments can continue thereafter.

In order to cover this final payment the Commission will make **an internal transfer within the same budget chapter**. However, in accordance with article 25 of the Financial Regulation, a transfer can only be made to a budget line for which there are authorised appropriations, or which carries a token entry (p.m.). In the 2012 budget, the line in question, 16 05 03 01 – Preparatory action – European Year of Volunteering 2011 only foresees a "dash" in payment appropriations, and so no transfer is possible. Therefore, it is proposed to replace this with a token entry (p.m.) to allow for a transfer.

Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011

2012/2242(BUD) - 16/11/2012 - Budgetary report tabled for plenary, 1st reading

The Committee on Budgets adopted the report by Francesca BALZANI (S&D, IT) on the Council position on Draft amending budget No 5/2012 of the European Union for the financial year 2012, Section III – Commission.

Members recall that this Draft amending budget relates to the mobilisation of the EU Solidarity Fund (EUSF) for an amount of **EUR 670 192 359** in commitment and payment appropriations relating to the series of earthquakes in Emilia-Romagna, Italy in May 2012.

It also covers:

- the formally entering of this budgetary adjustment in the 2012 budget, and the modification of the budget line 16 05 03 01 – Preparatory action – European Year of Volunteering 2011 to replace the "dash" for payments on the line with a token entry (p.m.), in order to allow the final payments to be made;
- **an increase in the level of payment appropriations, given the overall shortage of payment appropriations for 2012**.

On the question of the mobilisation of the Solidarity Fund, Members recall the European Parliament's position expressed in its resolution of 12 June 2012 on the Council position on Draft amending budget No 2/2012, relating to another mobilisation of the Solidarity Fund, in which Parliament greatly deplored in a specific case of mobilisation of the Solidarity Fund, that the other branch of the budgetary authority had waited 8 weeks before adopting its position, sticking to its interpretation of Protocol 1 of the Treaty on the Functioning of the European Union (deadline for national parliaments' information). They consider of great **importance the quick release of financial assistance through the EU Solidarity Fund (EUSF) for those affected by natural catastrophes**. They strongly reiterate their call to Council not to harm efforts towards a prompter delivery of Union assistance through any undue postponement of its decision on such sensitive and pressing issue.

Members also recall that for the previous mobilisation of the EUSF (Amending Budget No 2/2012 for October 2011 flooding in Liguria and Tuscany), the budgetary authority did not need to provide fresh money only because some unexpected sources for redeployments appeared for the required amount. They underline that the **current shortage of payment appropriations strictly excludes any such redeployment to be envisaged for this case**. In so doing, they approve, without amendment, Council's position on Draft amending budget No 5/2012.

Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011

2012/2242(BUD) - 20/11/2012 - Council position on draft budget

On 19 September 2012, the Commission forwarded to the Council draft amending budget (DAB) No 5 to the general budget for 2012, in particular regarding the mobilisation of the EU Solidarity Fund for a total amount of **EUR 670 192 359** in commitment and payment appropriations. Its objective is to provide financial assistance to Italy in response to a series of earthquakes that hit the region of Emilia-Romagna in May 2012.

The corresponding appropriations are to be recorded under Article 13 06 01 (EU Solidarity Fund - Member States).

On 20 November 2012, the Council decided to accept the Commission's proposal **without making any amendments**.

Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011

2012/2242(BUD) - 21/11/2012 - Budgetary text adopted by Parliament

The European Parliament adopted by 661 votes to 17, with 6 abstentions, a resolution approving, without amendment, Council's position on Draft amending budget No 5/2012 of the European Union for the financial year 2012, Section III- Commission.

Parliament recalls that this Draft amending budget relates to the mobilisation of the EU Solidarity Fund (EUSF) for an amount of **EUR 670 192 359** in commitment and payment appropriations relating to the series of earthquakes in Emilia-Romagna, Italy in May 2012.

It also covers:

- the formally entering of this budgetary adjustment into the 2012 budget, and the modification of the budget line 16 05 03 01 – Preparatory action – European Year of Volunteering 2011 to replace the "dash" for payments on the line with a token entry (p.m.), in order to allow the final payments to be made;
- **an increase in the level of payment appropriations, given the overall shortage of payment appropriations for 2012**.

On the question of the mobilisation of the Solidarity Fund, Parliament recalls its position expressed in its resolution of 12 June 2012 on the Council position on Draft amending budget No 2/2012, relating to another mobilisation of the Solidarity Fund, in which Parliament greatly deplored in a specific case of mobilisation of the Solidarity Fund, that the other branch of the budgetary authority had waited 8 weeks before adopting its position, sticking to its interpretation of Protocol 1 of the Treaty on the Functioning of the European Union (deadline for national parliaments' information). It considers of great **importance the quick release of financial assistance through the EU Solidarity Fund (EUSF) for those affected by natural catastrophes**. It strongly reiterates its call to Council not to harm efforts towards a prompter delivery of Union assistance through any undue postponement of its decision on such sensitive and pressing issue.

Parliament also recalls that for the previous mobilisation of the EUSF (Amending Budget No 2/2012 for October 2011 flooding in Liguria and Tuscany), the budgetary authority did not need to provide fresh money only because some unexpected sources for redeployments appeared for the required amount. It underlines that the **current shortage of payment appropriations strictly excludes any such redeployment to be envisaged for this case**.

In so doing, it approves, without amendment, Council's position on Draft amending budget No 5/2012. It instructs its President to declare that Amending budget No 5/2012 has been definitively adopted and arrange for its publication in the Official Journal of the European Union.

Amending budget 5/2012: mobilisation of the EU Solidarity Fund for Italy; European Year of Volunteering 2011

2012/2242(BUD) - 21/11/2012 - Final act

PURPOSE: definitive adoption of amending budget No 5 of the European Union for the financial year 2012.

LEGISLATIVE ACT: 2013/10/EU, Euratom.

CONTENT: the European Parliament definitively adopted amending budget 5/2012 of the European Union, in accordance with its resolution of 21 November 2012 (please refer to the summary of the resolution).

This Draft amending budget relates to the mobilisation of the EU Solidarity Fund (EUSF) for an amount of **EUR 670 192 359** in commitment and payment appropriations relating to the series of earthquakes in Emilia-Romagna, Italy in May 2012.