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REPORT

on Draft amending budget No 1/2006 of the European Union for the financial year 2006 (Floods in Bulgaria, Romania and Austria)
(0000/2006 – C6-0000/2006 – 2006/2066(BUD))

Section III – Commission

Committee on Budgets

Rapporteur: Giovanni Pittella

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Draft amending budget No 1/2006 of the European Union for the financial year 2006 (Floods in Bulgaria, Romania and Austria) - Section III – Commission (00000/2006 – C6-0000/2006 – 2006/2066(BUD))

The European Parliament,

- having regard to the Treaty establishing the European Community, and in particular Article 272(4), penultimate subparagraph, thereof,
- having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 177 thereof,
- having regard to Council Regulation (EC, Euratom) No 1605/2002 of 25 June 2002 on the Financial Regulation applicable to the general budget of the European Communities¹, and in particular Articles 37 and 38 thereof,
- having regard to the general budget of the European Union for the financial year 2006, as finally adopted on 15 December 2005²,
- having regard to the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure³,
- having regard to the Interinstitutional Agreement of 7 November 2002 between the European Parliament, the Council and the Commission on the financing of the European Union Solidarity Fund supplementing the Interinstitutional Agreement of 6 May 1999 between the European Parliament, the Council and the Commission on budgetary discipline and improvement of the budgetary procedure⁴,
- having regard to the decision of the European Parliament and of the Council of to mobilise the European Union Solidarity Fund to the amount of EUR 106 357 627 to grant financial assistance to Bulgaria, Romania and Austria in order to help those countries to cope with the severe damage caused by floods between April and August 2005,
- having regard to Preliminary draft amending budget No 1/2006 of the European Union for the financial year 2006, which the Commission presented on 10 March 2006 (SEC(2006)325),
- having regard to Draft amending budget No 1/2006, which the Council established on ...

¹ OJ L 248, 16.9.2002, p. 1.

² OJ L 078, 15.3.2006.

³ OJ C 172, 18.6.1999, p. 1. Agreement amended by Decision 2003/429/EC of the European Parliament and of the Council (OJ L 147, 14.6.2003, p. 25).

⁴ OJ C 283, 20.11.2002, p. 1.

2006 (00000/2006 – C6-0000/2006),

- having regard to Rule 69 of and Annex IV to its Rules of Procedure,
 - having regard to the report of the Committee on Budgets (A6-0139/2006),
- A. whereas the European Union should show its solidarity with the population of regions of Member States affected by natural disasters which have serious repercussions on living conditions, the natural environment or the economy,
- B. whereas the appropriate budgetary resources for the European Union's financial assistance have been mobilised in accordance with the provisions of the European Union Solidarity Fund and of the Interinstitutional Agreement of 7 November 2002 relating to its financing,
- C. whereas the purpose of Draft amending budget No 1/2006 is to formally enter these budgetary resources in the 2006 budget,
1. Welcomes Draft amending budget No 1/2006, the purpose of which is to enter without delay the budgetary resources mobilised from the European Union Solidarity Fund in the 2006 budget so that those affected by these natural disasters can be assisted;
 2. Approves Draft amending budget No 1/2006 unamended;
 3. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

Background

Between April and August 2005 severe floods hit large parts of central and eastern Europe causing severe damage in a number of countries. Within the ten week deadline set by Article 4 of Council Regulation (EC) No 2012/2002¹ Bulgaria, Romania and Austria applied for financial assistance from the EU Solidarity Fund relating to the storm.

Commission proposal

In their PDAB 1 presented on 10 March 2006, the Commission proposes to grant the following amounts:

	Direct damage	<i>Amount based on 2.5 %</i>	<i>Amount based on 6 %</i>	Total amount of aid proposed (in EUR)
Bulgaria: Floods May 2005	222 279 548	2 581 850	7 140 333	9 722 183
Bulgaria: Floods August 2005	237 446 248	2 581 850	8 050 335	10 632 185
Romania: Floods April/May 2005	489 529 837	7 552 850	11 244 950	18 797 800
Romania: Floods July/August 2005	1 049 681 003	7 552 850	44 854 020	52 406 870
Austria: Floods August 2005	591 943 573	14 798 589	0	14 798 589
Total				106 357 627

The total annual budget available for the Solidarity Fund is EUR 1 billion. In 2006, no resources have already been earmarked for earlier applications leaving EUR 1 billion available. The amount proposed will leave at least 25 % of the European Union Solidarity Fund available for allocation during the last quarter of the year, as required by Article 4(2) of Regulation 2012/2002.

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 and 6 % above. It is proposed to apply the same percentages in this case.

Remarks

Once again, your rapporteur can only regret that the current procedures do not allow for a speedier processing of requests to the Solidarity Fund. Thus, Member States in need of financial assistance are subjected to unnecessary delays, in this case of one full year!

Your rapporteur hopes that with the new Interinstitutional Agreement currently under

¹ Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p 3).

negotiation new rules will come into force which will enable the Union to react more quickly to natural disasters in one of its Member States. It is unacceptable that, as a general rule, emergency aid takes much longer within the Union than when granted to third countries.

PROCEDURE

Title	Draft amending budget No 1/2006 of the European Union for the financial year 2006 (Floods in Bulgaria, Romania and Austria)
References	00000/2006 – C6-0000/2006 – 2006/2066(BUD)
Legal basis	Articles 272 EC and 177 Euratom
Basis in Rules of Procedure	Rule 69 and Annex IV
Committee responsible Date of referral	BUDG 0.0.0000
Committee(s) asked for opinion(s) Date of referral	
Rapporteur Date appointed	Giovanni Pittella 6.12.2004
Previous rapporteur	Salvador Garriga Polledo
Preliminary draft amending budget Date presented by Commission	No 1/2006 – SEC(2006)0325 10.3.2006
Date draft amending budget established by the Council	0.0.0000
Date draft amending budget forwarded by the Council	0.0.0000
Discussed in committee	24.4.2006
Date adopted	24.4.2006
Result of final vote	for: 23 against: 0 abstentions: 0
Members present for the final vote	Reimer Böge, Simon Busuttil, Paulo Casaca, Gérard Deprez, Valdis Dombrovskis, Brigitte Douay, Hynek Fajmon, Salvador Garriga Polledo, Neena Gill, Catherine Guy-Quint, Silvana Koch-Mehrin, Janusz Lewandowski, Vladimír Maňka, Mario Mauro, Jan Mulder, Giovanni Pittella, Nina Škottová, Kyösti Virrankoski, Ralf Walter
Substitutes present for the final vote	Lidia Joanna Geringer de Oedenberg, Constanze Angela Krehl, Hans-Peter Martin, Margarita Starkevičiūtė
Substitutes under Rule 178(2) present for the final vote	
Date tabled	25.4.2006
Comments (available in one language only)	...