

# EUROPEAN PARLIAMENT

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**A6-0321/2005**

14.11.2005

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## **REPORT**

on Draft amending budget No 7/2005 of the European Union for the financial year 2005 (Storm in Northern Europe)  
(13489/2005 – C6-0358/2005 – 2005/2172(BUD))

Section III – Commission

Committee on Budgets

Rapporteur: Salvador Garriga Polledo

PR\_BUD\_DABCom

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on Draft amending budget No 7/2005 of the European Union for the financial year 2005  
- Section III – Commission  
(13489/2005 – C6-0358/2005 – 2005/2172(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 27 June 2002 on the Financial Regulation applicable to the general budget of the European Communities<sup>1</sup>, and in particular Articles 37 and 38 thereof,
- having regard to the general budget of the European Union for the financial year 2005, as finally adopted on 16 December 2004<sup>2</sup>,
- 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 procedure<sup>3</sup>,
- 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 procedure<sup>4</sup>,
- having regard to the decision of the European Parliament and of the Council of .... to mobilise the European Union Solidarity Fund for the amount of EUR 92 880 830 to grant financial assistance to Sweden, Estonia, Latvia and Lithuania for severe damages caused by a major storm on 8 January 2005,
- having regard to Preliminary draft amending budget No 6/2005 of the European Union for the financial year 2005, which the Commission presented on 8 September 2005 (SEC(2005)1083),
- having regard to Draft amending budget No 7/2005, which the Council established on 7 November 2005 (13489/2005 – C6-0358/2005),
- having regard to Rule 69 of and Annex IV to its Rules of Procedure,

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<sup>1</sup> OJ L 248, 16.9.2002, p. 1.

<sup>2</sup> OJ L 60, 8.3.2005, p. 1.

<sup>3</sup> OJ C 172, 18.6.1999, p. 1. Agreement amended by Decision 2003/429/EC (OJ L 147, 14.6.2003, p. 25).

<sup>4</sup> OJ C 283, 20.11.2002, p. 1.

- having regard to the report of the Committee on Budgets (A6-0321/2005),
- A. whereas the European Union should show its solidarity with the population of regions of Member States concerned 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 2005 relating to its financing,
- C. whereas the purpose of Draft Amending Budget No 7/2005 is to formally enter these budgetary resources in the 2005 budget,
  - 1. Welcomes Draft Amended Budget No 7/2005, the purpose of which is to enter without delay the budgetary resources mobilised as part of the European Union Solidarity Fund in the 2005 budget so that those affected by these natural disasters can be assisted;
  - 2. Approves Draft Amending Budget N° 7/2005 unamended;
  - 3. Instructs its President to forward this resolution to the Council and Commission.

## EXPLANATORY STATEMENT

### Background

1. On 8 January 2005 a major storm hit large parts of northern Europe causing severe damage in a number of countries. Within the ten week deadline set by Article 4 of Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund Sweden, Estonia, Latvia and Lithuania applied for financial assistance from the EU Solidarity Fund.

### Commission proposal

2. In their PDAB 6 presented on 8 September 2005, the Commission proposes to grant the following amounts:

(EUR))

	Direct damage	Amount based on 2.5%	Amount based on 6%	Total amount of aid proposed
Sweden	2 297 313 252	40 081 300	41 643 675	81 724 975
Estonia	47 868 000	1 130 225	159 540	1 289 765
Latvia	192 590 000	1 477 300	8 009 880	9 487 180
Lithuania	15 156 395	378 910		378 910
<b>Total</b>				<b>92 880 830</b>

3. 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.

### Reaction to the Commission proposal

4. At the Trialogue of 18 October 2005, Council and Parliament agreed to fully endorse the Commission proposal and show their solidarity to these Member States severely affected by the January storm. As the Commission confirmed, the necessary amounts will be available without endangering other priorities due to an unexpected increase in revenue in the budget 2005. Therefore, no fresh money is needed to fulfil the obligations agreed.
5. On the occasion of the Trialogue, your rapporteur has regretted that the current rules and 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. Your rapporteur has therefore invited Council to consider improved ways and means to speed up Community reaction to natural disasters in the Member States.

## PROCEDURE

<b>Title</b>	Draft amending budget No 7/2005 of the European Union for the financial year 2003, Section III – Commission
<b>References</b>	13489/2005 – C6-0358/2005 – 2005/2172(BUD)
<b>Legal basis</b>	Articles 272 EC and 177 Euratom
<b>Basis in Rules of Procedure</b>	Rule 69 and Annex IV
<b>Committee responsible</b> Date of referral	BUDG 14.11.2005
<b>Committee(s) asked for opinion(s)</b> Date of referral	
<b>Rapporteur</b> Date appointed	Salvador Garriga Polledo 25.11.2003
<b>Previous rapporteur</b>	
<b>Preliminary draft amending budget</b> Date presented by Commission	No 7/2005 – SEC(2005)1083 8.9.2005
<b>Date draft amending budget established by the Council</b>	7.11.2005
<b>Date draft amending budget forwarded by the Council</b>	0.0.0000
<b>Discussed in committee</b>	14.11.2005
<b>Date adopted</b>	14.11.2005
<b>Result of final vote</b>	for: 15 against: abstentions:
<b>Members present for the final vote</b>	Laima Liucija Andrikienė, Reimer Böge, Hynek Fajmon, Salvador Garriga Polledo, Louis Grech, Catherine Guy-Quint, Anne E. Jensen, Wiesław Stefan Kuc, Janusz Lewandowski, Vladimír Maňka, Giovanni Pittella, Antonis Samaras, László Surján, Helga Trüpel
<b>Substitutes present for the final vote</b>	Peter Šťastný
<b>Substitutes under Rule 178(2) present for the final vote</b>	
<b>Date tabled – A6</b>	14.11.2005                      A6-0321/2005
<b>Comments</b>	...