

EU

Emergency Solidarity Fund

In September 2002, the European Commission presented a proposal for a Regulation on the implementation modalities of a European Union Solidarity Fund. In accordance with political guidelines and consistent with budgetary proposals, the fund will consist of a swift instrument to react to the recent floods and to other future disasters, in addition to the Structural Funds.

The new Fund is intended to assist affected regions in the event of major natural, technological and environmental disasters. It will provide aid

- to restore immediately important infrastructure such as energy, water supply and treatment, communication, transport, health and education;



- for temporary accommodation of people and for the rescue teams providing for first needs;
- to safeguard security infrastructure such as dams; and
- to clean up damaged natural areas.

It will be accessible for the EU Member States and the candidate countries, excluding Turkey. Its scope will be limited to the most urgent needs.

The maximum annual amount which could be mobilised by the Fund is proposed to reach at least Euro 500 million in 2002 and Euro 1 billion afterwards. Where certain damage is covered by insurance policies, Community emergency assistance can still be provided, but must be repaid once the beneficiaries have been reimbursed by their insurance companies. Long-term rebuilding of infrastructure and businesses must be left to other instruments.

Funding will be granted on request by the affected country on the basis of an agreement between the European Commission and the beneficiary country. The Member State or candidate country will have two months to submit its request to the Commission, which will be bound to respond at the earliest opportunity. All funds committed will have to be used within a maximum of two years.

The implementation of the aid, in particular the selec-

tion of individual projects, will be the responsibility of the country and the regions concerned. The Member States should report on spending in the context of usual budgetary procedures. Pending the adoption of the Regulation, the Fund will be provided as an emergency measure and in the context of an amending budget for 2002 with at least Euro 500 million, supplemented by an additional Euro 250 million margin, and should be operational in October 2002.

Structural funds could also be used in eligible areas in order to support, for example, mid-term actions of reconstruction. In this respect, there will be the possibility to redirect funds initially earmarked for other programmes.

The Council of Ministers and the European Parliament now have to decide on the Regulation and the necessary budget for the Fund. Michel Barnier, Regional Policy Commissioner, emphasised the need to improve prevention and assistance to victims, urging the Member States to compare their relative performance and launch a policy debate on insurers' obligations. A country such as Germany does not currently benefit from a compulsory regime to deal with natural calamities, unlike France, where insurers are required to compensate even those individuals not covered once an area is declared a disaster zone. The Commissioner said that 'risk prevention will be one of the priorities of future European regional policy.' (MJ)

