


Procedure file

Basic information		
BUD - Budgetary procedure	2008/2316(BUD)	Procedure completed
Amending budget 10/2008: mobilisation of the Solidarity Fund for Cyprus, financing		
Subject 8.70.60 Previous annual budgets		

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

Key events			
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	Results of vote in Parliament		
18/12/2008	Decision by Parliament	T6-0621/2008	Summary
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

Commission preliminary draft budget	COM(2008)0731	07/11/2008	EC	Summary
Council draft budget	16264/2008	27/11/2008	CSL	Summary
Budgetary report tabled for plenary, 1st reading	A6-0481/2008	08/12/2008	EP	
Budgetary text adopted by Parliament	T6-0621/2008	18/12/2008	EP	Summary

Final act

[Budget 2009/44](#)

[OJ L 027 30.01.2009, p. 0091](#) Summary

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

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

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).

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

The Committee on Budgets unanimously adopted the report drafted by Kyösti VIRRANKOSKI (ALDE, FI) and approved the draft amending budget No 10/2008 of the European Union. It recalls that draft amending 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

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

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.