

Amending budget 1/2009: mobilisation of the EU Solidarity Fund for Romania, financing

2009/2008(BUD) - 23/01/2009 - Commission preliminary draft budget

PURPOSE: to present preliminary draft amending budget (**PDAB**) No 1/2009.

CONTENT: this preliminary draft amending budget No 1 for the year 2009 covers the following elements:

- mobilisation of the EU Solidarity Fund for an amount of EUR 11.8 million in commitment and payment appropriations relating to the effects of **floods affecting Romania**;
- a corresponding reduction in payment appropriations of EUR 11.8 million from the line 13 03 16 (European Regional Development Fund (ERDF)-Convergence).

Overview: in July 2008, a fairly extensive part of Romania was affected by heavy rain, leading to severe flooding and landslides. Within the 10-week deadline set by Article 4 of Council Regulation (EC) No 2012/2002, the Romanian authorities applied for financial assistance from the EU Solidarity Fund. The application relates to five counties (Maramures, Suceava, Botosani, Iasi, Neamt) in the north-eastern part of Romania. The Romanian authorities indicated that the major part of the population living in this area has been affected. 241 municipalities with a total population of 1.6 million inhabitants suffered directly from the disaster, with a partial or total destruction of private homes and agricultural crops.

The cost of essential emergency operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 has been estimated by the Romanian authorities at EUR 390.8 million and has been broken down by type of operation. The main bulk of the operation concerns the immediate restoration to working order of transport and water infrastructures and the immediate securing of preventive infrastructure for floods protection.

Therefore, it is proposed that the application made by Romania relating to the flooding in July 2008 be accepted as a “extraordinary regional disaster” and that the Solidarity Fund should be used.

Financing: the total annual budget available for the Solidarity Fund is EUR 1 billion. The rate applied in the past for defining the allocations for major disasters is 2.5% of total direct damage. It is proposed to apply the same percentages in this case and to grant the following aid amounts:

- Direct damage: EUR 471 415 101;
- Threshold: EUR 566 845 000;
- Total amount proposed: **EUR 11 785 377**.

At this early stage in the budget year it is difficult to accurately predict where redeployment might be possible. However, to avoid the need for fresh payment appropriations, it is proposed that an amount of EUR 11.8 million would be allocated from budget line 13 03 16 European Regional Development Fund (ERDF)-Convergence to budget line 13 06 01 to cover the corresponding needs related to the mobilisation of the EU Solidarity Fund.

Conclusion: the Commission proposes to finance **EUR 11.8 million** from the European Regional Development Fund (ERDF)-Convergence to cover the corresponding needs related to the mobilisation of the EU Solidarity Fund with a view to assisting Romania. The operation will have no impact on the budget.