Amending budget 7/2010: mobilisation of the EU Solidarity Fund following flooding in Ireland

2010/2217(BUD) - 24/09/2010 - Commission draft budget

PURPOSE: presentation of a draft amending budget (DAB) N° 8 to the general budget 2010.

CONTENT: this DAB No 8 for the year 2010 covers the following elements:

- mobilisation of the EU Solidarity Fund for an amount of **EUR 13 million** in commitment and payment appropriations relating to the effects of severe flooding affecting Ireland.
- a **corresponding reduction** in payment appropriations of EUR 13 million from the line 04 02 01 — Completion of European Social Fund (ESF) — Objective 1 (2000 to 2006).

In November 2009, the major part of Ireland was affected by heavy rain leading to severe flooding. The flooding caused severe damage to the agricultural sector, residential properties and businesses, to the road network and other infrastructure.

Subsequently, Ireland submitted an application for financial assistance from the European Union Solidarity Fund within the deadline of 10 weeks. The Commission services carried out a thorough examination of the application in accordance with Council Regulation (EC) No 2012/2002 and in particular with Article 2(2), final paragraph setting out the conditions for mobilising the Solidarity Fund " **under exceptional circumstances**".

One of the conditions set out in Regulation 2012/2002 for the exceptional mobilisation of the Solidarity Fund is that the major part of the population in the region to which the application relates must be affected . The region on which the Irish application is based comprises a coherent area of 15 counties with over 1.7 million inhabitants (around two thirds of the Irish territory and 40% of the population). A particular factor is the long duration of the flooding which in some areas lasted several months. It can thus be concluded, as described in the Irish application, that the major part of the population was affected.

Financing: the total annual budget available for the Solidarity Fund is EUR 1 billion. 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 for mobilising the Fund and 6% above.

It is proposed to apply the same percentages in this case and to grant the following aid amount of EUR 13 022 500.

At the current stage the expected needs on budget line 04 02 01 — Completion of European Social Fund (ESF) — Objective 1 (2000 to 2006) are such that payment appropriations of EUR 13 022 500 may be reallocated to budget line 13 06 01 to cover the corresponding needs related to the mobilisation of the EU Solidarity Fund to assist Ireland, which effectively makes the operation neutral in terms of the budget.