Amending budget 3/2011: mobilisation of the EU Solidarity Fund; flooding in Slovenia, Croatia and Czech Republic

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PURPOSE: to present Draft Amending Budget (DAB) No 2 to the General Budget 2011.

CONTENT: DAB 2/2011 covers the mobilisation of the EU Solidarity Fund for an amount of **EUR 19 546 647** in commitment and payment appropriations relating to the effects of heavy rainfalls in Slovenia, Croatia and the Czech Republic.

This amount is required due to the occurrence of the following catastrophes:

1) Slovenia: the Slovenian authorities claim assistance for damages caused by flooding which occurred due to intense rainfall in September 2010. The disaster was of natural origin and therefore falls within the field of application of the Solidarity Fund. The Slovenian authorities estimate the total direct damage caused by the disaster at EUR 251 300 861. This amount represents 115.45 % of the normal threshold for mobilising the Solidarity Fund applicable to Slovenia in 2010. As the estimated total direct damage of EUR 251.3 million exceeds the threshold for mobilising the Solidarity Fund applicable to Slovenia the disaster qualifies as a “major natural disaster” under the terms of Council Regulation (EC) No 2012/2002 and falls thus within the main field of application of the Solidarity Fund. The flooding affected 137 of Slovenia's 210 municipalities and caused widespread damage to infrastructure, businesses and private property. The cost of operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 is estimated at EUR 171.3 million and broken down by type of operation.

2) Croatia: Croatia faced intense rain in September 2010 causing severe floods that particularly struck the area of Western Croatia. The disaster caused significant damages to infrastructure, to the agriculture sector and to private property. The disaster was of natural origin. The Croatian authorities estimate the total direct damage caused by the disaster at EUR 47 002 839. As this amount is below the threshold of EUR 275 804 million (i.e. 0.6 % of Croatia's GNI of 2008) the disaster does not qualify as a "major natural disaster" according to Council Regulation (EC) No 2012/2002. However, Croatia was affected by the same flooding disaster which led to the major disaster in Slovenia. Therefore, the condition set out in Article 2(2) second subparagraph of Council Regulation (EC) No 2012/2002, whereby a country affected by the same major disaster as a neighbouring country may exceptionally benefit from Solidarity Fund aid, was found to be met. As a country in the process of negotiating its accession to the EU, Croatia is eligible for EU Solidarity Fund assistance. As regards the impact and consequences of the flooding, the Croatian authorities report that over a thousand private homes (houses and apartments) were flooded and many families needed to be evacuated. Significant damages were caused to energy, water and waste water infrastructure, transport, education and health infrastructure. Most damages however were caused to the farming sector. The cost of essential emergency operations eligible under Article 3(2) of Council Regulation (EC) No 2012/2002 has been estimated by the Croatian authorities at EUR 28 647 292.

3) Czech Republic: in August 2010, the northern parts of the Czech Republic experienced unusually heavy rainfall triggering rivers to burst their banks, forcing people to leave their homes and causing damage to public infrastructures, private homes, agriculture and businesses. The disaster was of natural origin and therefore falls within the field of application of the Solidarity Fund. The Czech authorities estimate the total direct damage caused by the disaster at EUR 436 477 560. This amount represents 53 % of the normal threshold for mobilising the Solidarity Fund applicable to the Czech Republic in 2010. As

total damage remains below the normal threshold for mobilising the Solidarity Fund the application was examined on the basis of the criteria for so-called “extraordinary regional disasters” laid down in Article 2 (2), final subparagraph, of Regulation (EC) No 2012/2002 setting out the conditions for mobilising the Solidarity Fund “under exceptional circumstances”. Under these criteria, a region can exceptionally benefit from assistance from the Fund where that region has been affected by an extraordinary disaster, mainly a natural one, affecting the major part of its population, with serious and lasting repercussions on living conditions and the economic stability of the region. Now, in its application, the Czech Republic indicated that, in the Liberec Region, 262 088 inhabitants in 81 municipalities were directly affected (out of a total of 439 027 inhabitants). In the District of Dín, 43 municipalities were concerned with nearly 90% of the total population affected. As regards the requirement to demonstrate serious and lasting repercussions on the living conditions and the economic stability of the region, the application highlights the destruction of vital infrastructures (such as in the fields of transport, water and energy), the impact on businesses and the severe damage to a great number of family homes. The cost of operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 is estimated at EUR 334 772 020. The largest share of the cost of emergency operations (EUR 195 million) concerns the cost in the field of transport infrastructures.

Financing: the total annual budget available for the Solidarity Fund is EUR 1000 million. 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. Applying the same method of calculation as in previous years, the amounts of assistance to the countries concerned are as follows:

- Slovenia – floods in September 2010 « Major disaster »: EUR 251 300 861 – proposed EU aid: EUR 7 459.637;
- Croatia – floods in September 2010 «Neighbouring country criterion»: EUR 47 002 839 – proposed EU aid : EUR 1 175 071;
- Czech Republic – floods in August 2010: EUR 436 477 560 – proposed EU aid: EUR 10 911 939.

Total: EUR 19 546 647 for the total allocation.