

# Amending budget 5/2013: mobilisation of the EU Solidarity Fund for Slovenia, Croatia and Austria

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**PURPOSE** : presentation of Draft Amending Budget No 5 for the year 2013 covering the **mobilisation of the EU Solidarity Fund relating to a flooding disaster in Slovenia, Croatia and Austria in 2012**.

**CONTENT** : this Draft Amending Budget (DAB) No 5 for the year 2013 covers the mobilisation of the EU Solidarity Fund for an amount of **EUR 14 607 942** in commitment and payment appropriations relating to a flooding disaster in Slovenia, Croatia and Austria in autumn 2012.

Intense rainfall between the end of October and early November 2012 caused rivers to burst their banks flooding in wider areas of the rivers Sava, Kupa, Mura and Drava in Slovenia and in the basins of the rivers Mura, Drava and Lavant in Austria, as well as on the territory of Croatia. The floods caused damage to private and public buildings, water and waste water infrastructure, businesses and to agricultural land and forests.

**Slovenia's application** : Slovenia submitted an application for financial assistance from the European Union Solidarity Fund under the **major disaster** criterion.

The Commission services have carried out a thorough examination of the application in accordance with Council Regulation (EC) No 2012/2002. The most important elements of the assessment are summarised as follows :

- the Slovenian authorities estimated the total direct damage at over EUR 359.535 million. This amount exceeds by far the threshold for mobilising the Solidarity Fund of EUR 214,021 million applicable to Slovenia in 2013 (i.e. 0.6% of GNI based on 2011 data). As the estimated total direct damage exceeds the threshold the disaster qualifies as a “major natural disaster”;
- as regards the impact and consequences of the flooding, the Slovenian authorities reported over 6 130 records of damage in agriculture and forestry. Over 2 500 homes, administrative and economic facilities, schools, local road infrastructure... suffered damage;
- the cost of operations eligible under Article 3(2) of Regulation (EC) No 2012/2002 is estimated at EUR 249.608 million and presented broken down by type of operation. The largest share of the cost of emergency operations (over EUR 194 million) concerns recovery operations in the field of water and waste water management.

**Croatia's application** : Croatia's application was submitted under the so-called 'neighbouring country criterion'. Like Slovenia, it submitted its application under the major disaster criterion. The most important elements of the assessment are summarised as follows :

- the Croatian authorities estimate the total direct damage caused by the disaster at over EUR 11.463 million. As this amount is below the threshold of EUR 259.805 million, the disaster does not qualify as a "major natural disaster" according to Council Regulation (EC) No 2012/2002. However, the disaster in Croatia had the same origins as the flooding 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 regards the impact and consequences of the flooding, the Croatian authorities report that important infrastructure and private and public property was damaged in 9 counties, in 4 of which

counties the disaster also had effects on the local economy and living conditions of some 795 000 inhabitants. Croatia reports damages to agricultural and forest areas, to industrial, commercial and agricultural facilities, private homes, to dykes, bridges, etc;

- the cost of essential emergency operations has been estimated by the Croatian authorities at EUR 4.49 million.

**Austria's application** : as with Croatia, the disaster is of a natural origin and its application was submitted under the so-called 'neighbouring country criterion'. The most important elements of the assessment are summarised as follows :

- the estimated total direct damage caused by the disaster amounts to EUR 9.6 million. This amount represents only a small fraction of the threshold therefore the disaster therefore does not by far qualify as a "major disaster" according to Council Regulation (EC) No 2012/2002. It does, however, fall under the 'neighbouring country criterion';
- the Austrian authorities describe the impact of the disaster on the town of Lavamünd, located at the immediate confluence of the rivers Drava (Drau) and Lavant on Austria's border with Slovenia. Due to heavy rains both rivers burst their banks and Lavamünd was inundated with water rising up to two meters high damaging 4 public buildings, 37 private homes and 16 businesses and local infrastructure. 181 inhabitants were directly affected.

**Financing** : the total annual budget available for the Solidarity Fund is EUR 1 000 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. 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.

In term of the intervention, it is proposed to mobilise the Solidarity Funds as follows :

- **Slovenia flooding** : EUR 359 534 838 of direct damage accepted : EU aid : **EUR 14 081 355**
- **Croatia flooding** : EUR 11 463 479 of direct damage accepted : EU aid : **EUR 286 587**
- **Austria flooding** : EUR 9 600 000 of direct damage accepted : EU aid : **EUR 240 000**.

**Total : EUR 14 607 942.**

**In conclusion**, it is proposed to accept the applications submitted by Slovenia, Croatia and Austria relating to the flooding disasters of October/November 2012 and to propose the mobilisation of the Solidarity Fund for each of these cases.

In accordance with the logic of DAB No 1 of 2013 on the financing needs related to the accession of Croatia to the European Union, which is planned for 1 July 2013, it is proposed to enter the amounts related to the Croatian application under heading 3b of the financial framework.

With respect to the payment appropriations, the Commission in the proposal for DAB No 2 of 2013 left an unallocated margin of EUR 14,8 million under the 2013 ceiling for payments of the multiannual financial framework, precisely to cover these known requests for the mobilisation of the EU Solidarity Fund.