

Amending budget 4/2014: mobilisation of the EU Solidarity Fund for Italy, Greece, Slovenia and Croatia

2014/2073(BUD) - 08/09/2014 - Commission draft budget

PURPOSE: presentation of draft Amending Budget No 5 in order to mobilise the **EU Solidarity Fund for Italy, Greece, Slovenia, Croatia and Austria** which were affected by natural disasters.

CONTENT: draft Amending Budget (DAB) No 5 for the year 2014 covers the mobilisation of the EU Solidarity Fund for an amount of **EUR 46 998 528** in commitment and payment appropriations. The mobilisation relates to floods in Italy (Sardinia) during November 2013, an earthquake in Greece (Kefalonia), ice storms in Slovenia, and the same ice storms, followed by floods in Croatia, at end January / beginning February 2014.

Different types of natural disasters (floods, earthquakes and ice storms) have caused considerable damage to the applicant EU Member States of Italy, Greece, Slovenia and Croatia.

While [Regulation \(EU\) No 661/2014](#) of the European Parliament and of the Council amending [Council Regulation \(EC\) No 2012/2002](#) establishing the European Union Solidarity Fund entered into force, substantive rules cannot be applied retroactively.

The Commission has therefore carried out a thorough examination of the applications in accordance with the original provisions of Council Regulation (EC) No 2012/2002.

The main points of the assessment are as follows:

- **Italy:** following extreme flooding in Sardinia, the Italian authorities estimated total direct damage at EUR 652 418 691 which is below the major disaster threshold of EUR 3.8 billion applicable to Italy in 2014 (i.e. EUR 3 billion in 2002 prices) so that the disaster does not qualify as a "major natural disaster" according to the EUSF Regulation.

The application was then examined on the basis of the criteria for "extraordinary regional disasters" as laid down in Article 2(2), last subparagraph, of Regulation (EC) No 2012/2002 setting out the conditions for mobilising the Solidarity Fund "under exceptional circumstances".

Under these criteria, a region may 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.

- **Greece:** Kefalonia was affected by a heavy earthquake with a magnitude of 5.8 on the Richter scale, leaving 3 000 people homeless and several casualties. A significant number of houses were severely damaged while people had to be accommodated several nights in tents or in army ships.

The Greek authorities estimated total direct damage at EUR 147 332 790 which is below the major disaster threshold of EUR 1.2 billion applicable to Greece in 2014 (i.e. 0.6% of GNI based on 2012 data) so that the disaster does not qualify as a "major natural disaster" according to the EUSF Regulation.

As total direct damage remains below the major disaster threshold for activating the Solidarity Fund the application was examined on the basis of the criteria for "extraordinary regional disasters" as laid down in Article 2(2), last subparagraph, of Regulation (EC) No 2012/2002 setting out the conditions for mobilising the Solidarity Fund "under exceptional circumstances". Under these criteria, a region may exceptionally benefit from assistance from the Fund where the major part of its population is affected. Plausible evidence provided allows the conclusion that the major part of the region's population was directly affected.

-Slovenia: Slovenia was affected by some of the worst winter blizzards for decades in parts of Europe, affecting several countries including Croatia, Serbia, Romania and Bulgaria. Almost half of Slovenia's forests have been damaged by ice, while one in four homes was left without power, as heavy snow brought down electricity trees and lines. The Slovene authorities estimated total direct damage at EUR 428 733 722. This amount represents 1.23 % of Slovenia's GNI and exceeds the threshold for mobilising the Solidarity Fund of EUR 209.6 million applicable to Slovenia in 2014 (i.e. 0,6 % of GNI based on 2012 data). As the estimated total direct damage exceeds the threshold the disaster qualifies as a "major natural disaster".

- Croatia: Croatia was affected by the same weather phenomenon which led Slovenia to apply for funds from EU

Solidarity Fund. The northwest regions and part of the northern Adriatic were affected. In addition, as of 12 February, the melting ice and snow resulted in flooding which caused additional damage to important public basic infrastructures and private and public property.

The Croatian authorities estimated total direct damage at EUR 291 904 630. This amount represents 0.69 % of Croatia's GNI and exceeds the threshold for mobilising the Solidarity Fund of EUR 254,2 million applicable to Croatia in 2014 (i.e. 0.6 % of GNI based on 2012 data). As the estimated total direct damage exceeds the threshold the disaster qualifies as a "major natural disaster".

Financing: the Commission takes the view that aid from the Fund should be progressive. This means that, in accordance with previous practice, the portion of the damage exceeding the threshold (i.e. 0.6% of 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 and 6% for the part of the damage above.

It is proposed to apply the same percentages and to grant the following aid amounts:

- **Italy** –flooding : EUR 652 418 691 direct damage: EU aid **EUR 16 310 467**;
- **Greece** –earthquake: EUR 147.332.790 direct damage: EU aid **EUR 3 683 320**;
- **Slovenia** –storms : EUR 428 733 722 direct damage: EU aid **EUR 18.388.478**;
- **Croatia** –flooding : EUR 291 904 630 direct damage: EU aid **EUR 8 616 263** .

Total: EUR 46 998 528.

As this is the first mobilisation decision of 2014, the total amount of aid proposed above complies with the ceiling provisions of the Multi-Annual Financial Framework (MFF) regulation of EUR 530.6 million (EUR 500 million in 2011 prices) and it is also ensured that the required one quarter of this amount will be available on 1st October 2014 in order to cover needs arising until the end of the year.

In conclusion, it is proposed to mobilise the Solidarity Fund for each of these cases and to enter the corresponding appropriations into budget 2014 on budget item 13 06 01, both in commitment and in payment appropriations.

As the Solidarity Fund is a special instrument as defined in the MFF Regulation, the appropriations should be budgeted outside the corresponding MFF ceilings.