Mobilisation of the European Union Solidarity Fund: assistance to Latvia

2018/2230(BUD) - 20/09/2018 - Non-legislative basic document

PURPOSE: to mobilise the European Union solidarity fund to help Latvia following the floods in 2017.

PROPOSED ACT: Decision of the European Parliament and the Council.

CONTENT: Council Regulation (EU, EURATOM) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020, and in particular Article 10 thereof allows for the mobilisation of the EUSF, within an annual ceiling of EUR 500 million (2011 prices), above the ceilings of the relevant headings of the financial framework.

This proposal for a decision concerns the **mobilisation of the European Union solidarity fund (EUSF) for an amount of EUR 17 730 519 to assist Latvia** following the floods in 2017 throughout the country, and in particular in the Latgale region and surrounding territories.

Direct damage: Latvia estimated the total direct damage caused by the flood at **EUR 380.5 million**. This amount exceeds the 'major disaster threshold' for mobilising the EUSF applicable to Latvia in 2017 of EUR 145 740 000 (i.e. 0.6% of Latvia’s Gross National Income based on 2015 data). As the estimated total direct damage exceeds that threshold, the disaster qualifies as a ‘major natural disaster’ as defined by the Regulation.

Damage caused: the continuous rainfall and floods during August, September and October 2017 caused considerable damage in agriculture resulting in the loss of crops and the widespread clogging of the agricultural drainage system. State and local public infrastructure was also damaged, including water and transport infrastructure.

A total of 184 public roads were damaged, and rail traffic had to be temporarily suspended. A state of emergency was declared on 29 August 2017. Schools and other buildings in local communities had to be closed, rivers burst their banks and the flooding of wastewater treatment facilities resulted in water pollution that poses a threat to the environment.

The affected region is a ‘less developed region’ under the European structural and investment funds (2014-2020).

Costs: Latvia estimated the cost of emergency and recovery operations at **EUR 36.2 million** and presented it broken down by type of operation. By far the largest share of eligible costs (almost EUR 32 million) concerns the **public drainage system and related infrastructure**.

Financing: the Commission considers that Latvia's application fulfils the conditions for a financial contribution from the Fund and therefore proposes to grant a financial contribution to Latvia of EUR 17 730 519 in commitment and payment appropriations as part of the general budget of the Union for the financial year 2018.

As this intervention will be fully financed by part of the remaining EUR 47 479 154 of commitment and payment appropriations already entered into the 2018 budget to cover advances, **no amending budget is required**.

The amount that may be mobilised at this stage of the year 2018 is EUR 139 397 191. This corresponds to the total amount available for the mobilisation of the EUSF at the beginning of 2018 (EUR 421 142 057), minus the retained amount of EUR 143 585 709 in order to respect the obligation of keeping aside 25 % of the 2018 annual allocation until 1 October 2018 as stipulated by the MFF regulation, minus EUR 104 166 951 mobilised for Greece, Spain, France and Portugal and minus EUR 33 992 206 mobilised for Bulgaria, Greece, Lithuania and Poland earlier this year.