Basic information

2011/2022(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 1/2011: mobilisation of the EU Solidarity Fund; flooding in Poland, Slovakia, Hungary, Czech Republic, Croatia and Romania **Subject** 3.70.11 Natural disasters, Solidarity Fund 8.70.60 Previous annual budgets	

Key players

European Parliament	**Committee responsible**	**Rapporteur**	**Appointed**
	BUDG Budgets		
		Shadow rapporteur GODMANIS Ivars (ALDE)	
Council of the European Union			
European Commission	**Commission DG**	**Commissioner**	
	Budget	LEWANDOWSKI Janusz	

Key events

Date	Event	Reference	Summary
14/01/2011	Commission draft budget published	COM(2011)0009	Summary
15/03/2011	Council position on draft budget published	07704/2011	Summary
24/03/2011	Committee referral announced in Parliament		
31/03/2011	Vote in committee		Summary
01/04/2011	Budgetary report tabled for plenary	A7-0115/2011	
06/04/2011	Decision by Parliament	T7-0128/2011	Summary
06/04/2011	Results of vote in Parliament		
06/04/2011	Draft budget approved by Council		
06/04/2011	End of procedure in Parliament		
30/06/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2022(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/05155

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE456.884	27/01/2011	
Amendments tabled in committee		PE458.772	17/02/2011	
Budgetary report tabled for plenary, 1st reading		A7-0115/2011	01/04/2011	
Budgetary text adopted by Parliament		T7-0128/2011	06/04/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	07704/2011	15/03/2011	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2011)0009	14/01/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2011/0368
OJ L 172 30.06.2011, p. 0001 Summary

Amending budget 1/2011: mobilisation of the EU Solidarity Fund; flooding in Poland, Slovakia, Hungary, Czech Republic, Croatia and Romania

2011/2022(BUD) - 15/03/2011 - Council position on draft budget

On 14 January 2011, the Commission forwarded to the Council draft amending budget (DAB) No 1 to the general budget for 2011, relating to the mobilisation of the EU Solidarity Fund for a total amount of **EUR 182 388 893** in commitment and payment appropriations. The objective of the financial assistance is to cover damages caused by heavy rainfall and flooding that hit Poland, Slovakia, the Czech Republic, Hungary, Romania and Croatia during the months of May, June and July 2010.

The corresponding appropriations are to be recorded under Article 13 06 01 (EU Solidarity Fund - Member States) for an amount of EUR 178 562 910 and under Article 13 06 02 (EU Solidarity Fund - Countries negotiating for accession) for an amount of **EUR 3 825 983**.

The Council reached an agreement on the following position:

- to accept the mobilisation of the Fund and the amount proposed by the Commission;
- to **establish a "negative reserve"** as provided for in Article 44 of the Financial Regulation **for compensating the payment appropriations by creating Chapter 40 03 (Negative Reserve) with a total amount of -EUR 182 388 893**. This amount will have to be drawn up as soon as possible and in any case before the end of the financial year by means of transfers in accordance with the procedure laid down in Articles 23 and 24 of the Financial Regulation.

On 15 March 2011, the Council adopted its position on draft amending budget No 1 of the European Union for the financial year 2011 as set out in the technical annex to this explanatory memorandum (see *Council doc. 7704/11 ADD 1*).

Amending budget 1/2011: mobilisation of the EU Solidarity Fund; flooding in Poland, Slovakia, Hungary, Czech Republic, Croatia and Romania

2011/2022(BUD) - 14/01/2011 - Commission draft budget

PURPOSE: presentation of Draft Amending Budget (DAB) No 1 for the year 2011.

CONTENT: Draft Amending Budget (DAB) No 1 for the year 2011 covers the mobilisation of the EU Solidarity Fund for an amount of **EUR 182 388 893** in commitment and payment appropriations relating to the effects of heavy rainfalls in Poland, Slovakia, the Czech Republic, Hungary, Croatia and Romania.

This amount is justified as follows:

(1) Poland: in May and June, two consecutive flood waves affected a large part of the Polish territory coming from the south to the north moving downstream the main rivers Vistula, Oder and Warta. The floods hit almost all provinces ('voivodeships') of Poland causing significant damages to the farming sector, to public infrastructure and private assets, to transport networks and to cultural heritage sites.

The analysis of the Commission services revealed that the methods used by Poland for estimating the different categories of damage are very plausible. The Polish authorities estimate the total direct damage at EUR 2.999 billion. This amount represents 0.8468 % of Poland's Gross National Income (GNI) and exceeds the normal threshold for mobilising the Solidarity Fund of EUR 2.124 billion (i.e. 0.6 % of GNI based on 2008 data).

(2) Slovakia: Slovakia was hit by record heavy rainfall in May and June 2010. Areas were drenched, slopes slid and the wide-spread flooding caused severe damage to public and private infrastructure, to road and train networks, agriculture and businesses. The floods and landslides occurred mainly in the central and eastern parts of Slovakia that are considered as economically less developed. The largest damages were registered in the Prešov and Košice regions. The major part of damage occurred in the field of agriculture. The Slovak authorities estimate the total direct damage at EUR 561 133 594. This

amount represents 0.8902 % of Slovakia's GNI and exceeds the normal threshold for mobilising the Solidarity Fund applicable to Slovakia in 2010 of EUR 378.205 million (i.e. 0.6 % of GNI based on 2008 data).

(3) Hungary: as a result of one month of near-continuous rainfall in May and June 2010 severe flooding occurred in Hungary causing widespread damage to the agricultural sector, residential properties and businesses, to the road network and other infrastructure with the north-eastern and central parts of the country being particularly badly affected. The Hungarian authorities estimate the total direct damage at EUR 719 343 706. This amount represents 0.7307 % of Hungary's GNI and exceeds the normal threshold for mobilising the Solidarity Fund applicable to Hungary in 2010 of EUR 590.710 million (i.e. 0.6 % of GNI based on 2008 data).

(4) Czech Republic: the territory of the Czech Republic was hit by severe torrential rains during May and June 2010. These rains resulted in two interconnected waves of floods which affected the North-

Eastern part of the territory causing damages to residential properties and businesses, to the road network and other infrastructure. The area worst hit is located in the North-Eastern part of the Czech Republic and includes four regions (Moravian-Silesian, Olomouc, Zlín and South-Moravian Region) that are bordering on Poland, Slovakia and Austria. The Czech authorities estimate the total direct damage caused by the disaster at EUR 204 456 041. As this amount is below the threshold of EUR 824.029 million (i.e. 0.6 % of the Czech Republic's GNI) the disaster does not qualify as a "major

natural disaster" under the terms of Council Regulation (EC) No 2012/2002. However, the Czech Republic was affected by the same flooding disaster which led to the major disaster in Poland and Slovakia. 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.

(5) Croatia: in May and June 2010, Croatia was faced with intense rain with hail and thunderstorms causing severe floods that struck eastern and central parts of the country. The disaster caused significant damages to the agriculture sector, public and private property and the transport infrastructure. The disaster is of natural origin. The Croatian authorities estimate the total direct damage caused by the disaster at EUR 153 039 303. As this amount is below the threshold of EUR 275.804 million (i.e. 0.6 % of Croatia's GNI) 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 Hungary. 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.

(6) Romania: at the end of June lasting until July, Romania was affected by heavy flooding and land slides covering the major part of the territory. The disaster caused significant damages to infrastructure, to the agricultural sector and to private and public property. The Romanian authorities estimate the total direct damage at EUR 875 757 770. As this amount exceeds the threshold for mobilising the Solidarity Fund of EUR 787.935 million applicable to Romania in 2010 the disaster qualifies as a “major natural disaster”.

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. By applying the same percentage methodology for calculating aid as the previous years, the Commission proposes the total amount of aid as follows:

- Poland: EUR 105 567 155
- Slovakia: EUR 20 430 841
- Hungary: EUR 22 485 772
- Czech Republic: EUR 5 111 401
- Croatia: EUR 3 825 983
- Romania: EUR 24 967 741.

Total: **EUR 182 388 893** for the total financial envelope.

Amending budget 1/2011: mobilisation of the EU Solidarity Fund; flooding in Poland, Slovakia, Hungary, Czech Republic, Croatia and Romania

2011/2022(BUD) - 06/04/2011 - Final act

PURPOSE: definitive adoption of the amending budget No 1 of the European Union for the financial year 2011.

LEGISLATIVE ACT: 2011/368/EU, Euratom.

CONTENT: the European Parliament definitively adopted the amending budget 1/2011 of the European Union, in accordance with its resolution of 6 April 2011 (please refer to the summary of the resolution).

This amending budget aims at mobilising the EU Solidarity Fund for an amount of **EUR 182 388 893** in commitment and payment appropriations in order to mitigate the effects of flooding resulting from heavy rainfall in Poland, Slovakia, the Czech Republic, Hungary, Croatia and Romania.

Amending budget 1/2011: mobilisation of the EU Solidarity Fund; flooding in Poland, Slovakia, Hungary, Czech Republic, Croatia and Romania

2011/2022(BUD) - 06/04/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 591 votes to 22, with 53 abstentions, a resolution approving, without amendment, the Council’s position on Draft amending budget (DAB) No 1/2011 of the European Union for the financial year 2011, Section III – Commission.

Parliament recalls that this DAB aims at mobilising the EU Solidarity Fund for an amount of **EUR 182.4 million** in commitment and payment appropriations in order to mitigate the effects of flooding resulting from heavy rainfall in Poland, Slovakia, the Czech Republic, Hungary, Croatia and Romania. The purpose of this Draft amending budget No 1/2011 is to formally enter this budgetary adjustment into the 2011 budget.

In parallel, Parliament recalls that the Council has decided to establish a ‘negative reserve’ as provided for by Article 44 of the Financial Regulation. It states that this Council's decision is only pragmatic. It **does not provide sustainable and financially sound solution for potential future unforeseen needs**,

and should therefore be considered as a one-off option. It states that the Council called on the Commission to present ‘as soon as possible’ a proposal for drawing upon the negative reserve.

In this context, Parliament considers that the forthcoming Draft amending budget on the budgeting of the surplus for the financial year 2010 will provide a suitable and timely opportunity for drawing upon the negative reserve.

Parliament takes note of Draft amending budget No 1/2011. It is of the opinion that the EU Solidarity Fund should be mobilised as swiftly as possible following a natural catastrophe, and that applications for financial assistance, evaluation and drafting of the proposals, and adoption of relevant budgetary and legislative acts should be dealt with in an effective and fast-acting manner.