Basic information

2011/2065(BUD) BUD - Budgetary procedure	Procedure completed
Amending budget 3/2011: mobilisation of the EU Solidarity Fund; flooding in Slovenia, Croatia and Czech Republic **Subject** 3.70.11 Natural disasters, Solidarity Fund 8.70.60 Previous annual budgets **Geographical area** Croatia Czechia Slovenia	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
BUDG Budgets		
	Shadow rapporteur GODMANIS Ivars (ALDE)	

Council of the European Union

Council configuration	Meetings	Date
General Affairs	3092	2011-05-23

European Commission

Commission DG	Commissioner
Budget	LEWANDOWSKI Janusz

Key events

Date	Event	Reference	Summary
25/03/2011	Commission draft budget published	COM(2011)0154	Summary
23/05/2011	Draft budget approved by Council		
24/05/2011	Council position on draft budget published	10522/2011	Summary
07/06/2011	Committee referral announced in Parliament		
15/06/2011	Vote in committee		Summary
20/06/2011	Budgetary report tabled for plenary	A7-0233/2011	

05/07/2011	Decision by Parliament	T7-0302/2011	Summary
05/07/2011	Results of vote in Parliament		
05/07/2011	End of procedure in Parliament		
27/09/2011	Final act published in Official Journal		

Technical information

Procedure reference	2011/2065(BUD)
Procedure type	BUD - Budgetary procedure
Procedure subtype	Budget
Legal basis	Euratom Treaty A 106a-pa
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/7/05755

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE464.926	12/05/2011	
Budgetary report tabled for plenary, 1st reading		A7-0233/2011	20/06/2011	
Budgetary text adopted by Parliament		T7-0302/2011	05/07/2011	Summary

Council of the EU

Document type	Reference	Date	Summary
Council position on draft budget	10522/2011	24/05/2011	Summary

European Commission

Document type	Reference	Date	Summary
Commission draft budget	COM(2011)0154	25/03/2011	Summary

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Final act

Budget 2011/0624
OJ L 251 27.09.2011, p. 0001 Summary

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

2011/2065(BUD) - 14/07/2011 - Final act

PURPOSE: definitive adoption of amending budget No 3/2011.

LEGISLATIVE ACT: 2011/624/EU, Euratom.

CONTENT: the European Parliament has definitively adopted the amending budget 3/2011 of the European Union, in accordance with its resolution of 5 July 2011 (please refer to the summary of the resolution).

This amending budget covers the mobilisation of the EU Solidarity Fund for an amount of **EUR 19.5 million** in commitment and payment appropriations relating to the effects of heavy rainfalls in Slovenia, Croatia and the Czech Republic in August and September 2010. This amount shall be mobilised by redeploying appropriations from non utilised budget items.

It should be noted that this amending budget 3/2011 was initially referred to as amending budget 2/2011.

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

2011/2065(BUD) - 05/07/2011 - Budgetary text adopted by Parliament

The European Parliament adopted by 619 votes to 39, with 11 abstentions, a resolution aiming to amend the Council's position on Draft amending budget No 2/2011 of the European Union for the financial year 2011, Section III – Commission.

Parliament recalls that the Draft amending budget aims at mobilising the EU Solidarity Fund (EUSF) for an amount of **EUR 19.5 million** in commitment and payment appropriations following the heavy rainfalls that hit Slovenia, Croatia and Czech Republic in August and September 2010.

It recalls that the Council has decided to **redeploy appropriations** from budget items on the sole basis of low implementation rates, without taking into account that implementation of completion budget lines require further measures as regards controls and that not all Member States have taken the appropriate measures to facilitate the closures.

Members stipulate that the **negative reserve** established by the Council for Draft Amending Budget No 1/2011 is only pragmatic, does **not provide sustainable and financially sound solution to address the issue of unexpected needs in payment appropriations**, as underlined by the Parliament in its resolution of 6 April 2011.

Members state that the Commission has not yet presented a solution for the drawing upon of the negative reserve and that the payment appropriations decided for the European Globalisation Adjustment Fund (EGF) will most likely not suffice the needs for the whole year 2011, **requiring therefore a reinforcement**.

Parliament considers the **redeployments adopted by Council are in contradiction with the Joint Statement on payment appropriations**, to which it attaches value and feels committed.

It decides therefore to amend Council's position as shown in the annex to this resolution, with a view to:

- covering the needs ensuing from the mobilisation of the EUSF;
- drawing upon the negative reserve;
- reinforcing payments appropriations for the EGF.

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

2011/2065(BUD) - 24/05/2011 - Council position on draft budget

The Commission forwarded to the Council draft amending budget (DAB) No 2 to the general budget for 2011, relating to the mobilisation of the EU Solidarity Fund for a total amount of **EUR 19 546 647** in commitment and payment appropriations. Its aim is to provide financial assistance to the Czech Republic, Slovenia and Croatia which were affected by heavy flooding during the months of August and September 2010.

The corresponding appropriations are to be recorded under Article 13 06 01 (EU Solidarity Fund - Member States) for an amount of EUR 18 371 576 and under Article 13 06 02 (EU Solidarity Fund - Countries negotiating for accession) for an amount of EUR 1 175 071.

The Council reached an agreement on the following position:

- to accept the mobilisation of the Fund and the amounts as proposed by the Commission;
- to use redeployments in order to cover the corresponding payment appropriations as follows:
    - for the Czech Republic and Slovenia: to transfer EUR 9 800 000 from Article 04 02 01 (Completion ESF Objective 1 (2000-2006)) and EUR 8 571 576 from Article 04 02 06 (Completion ESF Objective 3 (2000-2006));
    - for Croatia: to transfer EUR 1 175 071 from Item 22 02 07 01 (Regional and horizontal programmes).

On 23 May 2011, the Council adopted its position on draft amending budget No 2 of the European Union for the financial year 2011 as set out in the technical annex to this draft Council budget (see *Council doc.10522/11 ADD*).

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

2011/2065(BUD) - 25/03/2011 - Commission draft budget

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.