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**COVER NOTE**

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| From:            | Secretary-General of the European Commission,<br>signed by Mr Jordi AYET PUIGARNAU, Director  |
| date of receipt: | 19 October 2016   |
| To:              | Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of<br>the European Union  |
| No. Cion doc.:   | COM(2016) 680 final   |
| Subject:         | Draft amending budget No 6 to the general budget 2016 accompanying the<br>proposal to mobilise the European Union Solidarity Fund to provide<br>assistance to Germany |

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Delegations will find attached document COM(2016) 680 final.

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Encl.: COM(2016) 680 final



EUROPEAN  
COMMISSION

Brussels, 19.10.2016  
COM(2016) 680 final

**DRAFT AMENDING BUDGET No 6  
TO THE GENERAL BUDGET 2016**

**Accompanying the proposal to mobilise the European Union Solidarity Fund to provide  
assistance to Germany**

Having regard to:

- the Treaty on the Functioning of the European Union, and in particular Article 314 thereof, in conjunction with the Treaty establishing the European Atomic Energy Community, and in particular Article 106a thereof,
- Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union<sup>1</sup>, and in particular Article 41 thereof,
- the general budget of the European Union for the financial year 2016, as adopted on 25 November 2015<sup>2</sup>,
- Amending budget No 1/2016<sup>3</sup>, adopted on 14 April 2016,
- Amending budget No 2/2016<sup>4</sup>, adopted on 6 July 2016,
- Draft amending budget No 3/2016<sup>5</sup>, adopted on 30 June 2016,
- Draft amending budget No 4/2016<sup>6</sup>, adopted on 30 September 2016,
- Draft amending budget No 5/2016<sup>7</sup>, adopted on 7 October 2016.

The European Commission hereby presents Draft amending budget No 6 to the 2016 budget to the European Parliament and to the Council.

## **CHANGES TO THE STATEMENT OF REVENUE AND EXPENDITURE BY SECTION**

The changes to the statement of revenue and expenditure by section are available on EUR-Lex (<http://eur-lex.europa.eu/budget/www/index-en.htm>). An English version of the changes to this statement is attached for information as a budgetary annex.

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<sup>1</sup> OJ L 298, 26.10.2012, p. 1.  
<sup>2</sup> OJ L 48, 24.2.2016, p. 1.  
<sup>3</sup> OJ L 143, 31.5.2016, p. 1.  
<sup>4</sup> OJ L 248, 15.9.2016, p. 1.  
<sup>5</sup> COM(2016) 227 final, 30.6.2016.  
<sup>6</sup> COM(2016) 623, 30.9.2016.  
<sup>7</sup> COM(2016) 660, 7.10.2016.

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## 1. INTRODUCTION

Draft Amending Budget (DAB) No 6 for the year 2016 covers the mobilisation of the European Union Solidarity Fund (EUSF) for an amount of EUR 31 475 125 in commitment and payment appropriations. The mobilisation relates to floods in Germany.

## 2. MOBILISATION OF THE EUROPEAN UNION SOLIDARITY FUND

Late August 2016 the Commission received an application for EUSF financial assistance relating to natural disasters in Germany (floodings in May/June 2016).

The Commission services have carried out a thorough examination of the application in accordance with Council Regulation (EC) No 2012/2002<sup>8</sup> establishing the EUSF (hereafter "the Regulation"), in particular with Articles 2, 3 and 4 thereof.

The most important elements of the assessments are summarised here below.

### 2.1 Germany – Summer Floods

- (1) During May and June 2016, the Lower Bavarian administrative district of Rottal-Inn was affected by a series of extremely intense, short-lived cases of flooding/flash floods causing destruction of public and private infrastructure, private homes and in agriculture.
- (2) The flooding is of natural origin and therefore falls within the main field of application of the EUSF.
- (3) The application from Germany was received on 19 August 2016, within the deadline of 12 weeks after the first damage was recorded on 28 May 2016.
- (4) Germany did not request the payment of an advance.
- (5) The German authorities estimated the total direct damage caused by the disaster at EUR 1 259,005 million. This amount represents 38% of the “major disaster” threshold for mobilising the EUSF of EUR 3 312,242 million applicable to Germany in 2016 (i.e. EUR 3 billion in 2011 prices).
- (6) As total direct damage remains below the major disaster threshold for activating the Solidarity Fund the application was presented and examined on the basis of the criteria for "regional disasters" as laid down in Article 2(3) of the Regulation which defines a 'regional disaster' as any natural disaster resulting in a region at NUTS level 2 of an eligible State in direct damage in excess of 1,5% of that region's GDP. The German application relates to a single NUTS level 2 region, namely 'Niederbayern (DE22)'. The reported direct damage of EUR 1 259,005 million represents 3,03% of the region's GDP (EUR 41 522 million based on 2014 data) and exceeds the 1,5% threshold of article 2(3) of the Regulation. The application from Germany is therefore eligible for a contribution from the Solidarity Fund.

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<sup>8</sup> Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund, (OJ L 311 of 14.11.2002, p. 3) as amended by Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014 (OJ L 189 of 27.06.2014, p.143).

- (7) As regards the impact and consequences of the disaster, the Lower Bavarian administrative district of Rottal-Inn was hit the hardest. In particular the town of 'Simbach am Inn' was almost entirely destroyed on the first of June. An area of approximately 430 km<sup>2</sup> with about 5 000 homes, was flooded in the district of Rottal-Inn. At the time of application, over 2 000 people were still unable to return to their houses and had to seek provisional accommodation. The impact of the events in June affected the municipal area of Waldkirchen (district of Freyung-Grafenau) where 90 houses were flooded. Parts of the local hospital were brought to a standstill. In total, more than 47 000 people in Lower Bavaria were affected and seven people lost their lives. The events caused significant damage to businesses and agriculture. In addition, heavy damage to the basic infrastructure was reported: traffic routes such as railway lines, local and national roads were rendered impassable, leading to serious traffic problems. Water supply and sewage services were cut off and there was damage to the electricity network. In the town of 'Simbach am Inn' there was no municipal water supply for three weeks. Besides the efforts of numerous relief organisations, a total of over 12 000 personnel were deployed, including approximately 5 700 members of the fire brigade and 1 000 Bavarian police officers.
- (8) The cost of essential emergency operations eligible under Article 3(2) of the Regulation has been estimated by the German authorities at EUR 94,196 million and has been broken down by type of operation. The largest share of the cost of emergency operations (over EUR 52,227 million) concerns recovery operations in the field of transport. The second largest share of cost concerns the cleaning-up measures amounting to EUR 21,083 million.
- (9) The affected region is a "more developed region" under the European Structural and Investment (ESI) Funds (2014-2020). The German authorities have not signalled to the Commission their intention to reallocate funding from the ESI Fund programme towards recovery measures.
- (10) As regards the implementation of Union legislation on disaster risk prevention and management there is currently no infringement procedure on-going. Moreover, the German application gives a detailed overview of prevention measures in place. For instance, in 2014, the Bavarian Ministry of the Interior, Building and Transport worked out a special investment programme for flood defence with all stakeholders, which runs for four years (2015-2018) with a total investment of EUR 25 million. Regarding local flood alert and mobilisation plans, the ministry provided the civil protection authorities and municipalities with guidelines on drawing up or extending their flood alert and mobilisation plans followed by numerous information and training sessions.
- (11) At the date of submitting the application Germany was not subject to infringement proceedings concerning Union legislation relating to the nature of the disaster.
- (12) The German authorities confirmed that there is no insurance coverage of eligible costs, except those already identified by them amounting to EUR 0,131 million.

### **3. FINANCING**

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 "major disaster" threshold for mobilising the Fund (i.e. 0,6% of GNI or EUR 3 billion in 2011 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. For regional disasters and disasters accepted under the "neighbouring country" provision the

rate is 2,5%. This rate was applied as the disaster did not exceed the major disaster threshold applicable to Germany in 2016.

The Commission therefore proposes to apply the same percentages and to mobilise the following aid amount:

| <b>Disaster</b> | <i>Direct damage</i><br>(million EUR) | <i>Total cost of eligible operations</i><br>(million EUR) | <i>Applied regional disaster threshold</i><br>[1,5% of GDP]<br>(million EUR) | <i>2,5% of direct damage</i><br>(EUR) | <i>6% of direct damage above threshold</i> | <i>Total amount of aid proposed</i><br>(EUR) |
|-----------------|---------------------------------------|---|--|---------------------------------------|--|--|
| GERMANY         | 1 259,005                             | 94,196  | 622,8  | 31 475 125                            | ~  | 31 475 125                                   |
| <b>TOTAL</b>    |                                       |   |  |                                       |  | <b>31 475 125</b>                            |

This is the second proposal for a mobilisation decision of the European Union Solidarity Fund in 2016. The total amount of aid proposed above complies with the ceiling provisions of the Multiannual Financial Framework (MFF) regulation<sup>9</sup> of EUR 552 040 402 (i.e. EUR 500 000 000 in 2011 prices).

In addition, in accordance with Article 10(1) of the Council Regulation on the multiannual financial framework<sup>10</sup>, as the 2015 allocation of EUR 541 216 080 remained unspent, it is carried over for one year to 2016. Therefore, the total remaining amount for mobilisations of the EUSF at the beginning of 2016 was EUR 1 093 256 482. The remaining unspent amount is currently EUR 1 091 604 648, following the first 2016 mobilisation proposal (EUR 1 651 834, earthquake in the Ionian Islands, Greece).

#### 4. CONCLUSION

The Commission proposes to mobilise the European Union Solidarity Fund for the case of Germany presented above and to amend the budget 2016 by increasing budget article 13 06 01 '*Assistance to Member States in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy*' by EUR 31 475 125 both in commitment and in payment appropriations.

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

<sup>9</sup> OJ L 347, 20.12.2013, p. 884.

<sup>10</sup> Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020, OJ L 347, 20.12.2013, p. 884.