Supplementary Answer
given by Mr Fischler on behalf of the Commission

(6 February 2003)

The Commission is sending direct to the Honourable Member and to Parliament’s Secretariat a table containing the information requested.

(2003/C 137 E/197)

WRITTEN QUESTION P-3210/02
by Robert Sturdy (PPE-DE) to the Commission

(5 November 2002)

Subject: Natural disaster relief funding for recent storms across the EU

Having regard to the devastating storms across Europe over the weekend which destroyed homes, lives and infrastructure as well as causing severe social disturbance, can the Commission inform me as to whether any emergency provisions are foreseen to complement Member States’ disaster funds and whether any funds will be released from unspent EU structural funds as happened in the floods earlier this year?

In addition to this, is the Commission going to accelerate procedures for the deployment of state aid and allow additional flexibility in this area?

Finally, have the disaster relief fund and EU solidarity fund been set up yet and will storm-damaged areas qualify for monies, given that one of the stated focus areas of the funds is ‘short-term reconstruction of destroyed infrastructures and facilities in the fields of energy, water and wastewater, telecommunication, transport, health and education’?

Answer given by Mr Barnier on behalf of the Commission

(13 December 2002)

After the floods that hit central Europe during August 2002 the Commission proposed a Council Regulation establishing the European Union Solidarity Fund (EUSF) making available up to EUR 1 billion per annum to grant emergency aid in the event of major disasters. The Council adopted the EUSF regulation on 11 November 2002.

Upon request of the country affected the fund may mainly be mobilised for natural disasters, including storms and flooding, if certain criteria are met. Damages must be higher than 0.6% of Gross National Income (GNI) of the country concerned or EUR 3 billion. Under exceptional circumstances regional disasters not fulfilling these criteria may also benefit from the fund if the major part of the region’s population is affected and if it has serious and lasting repercussions on living conditions and the economic stability of the region.

The Structural Funds may only be mobilised to help relieve disaster damage within the regions assisted under the Structural Funds and must respect the conditions set out in the relevant programmes. Managing authorities of Structural Funds programmes may however propose programme changes which the Commission will examine on a case by case basis.

So far as State aid is concerned, Article 87 (2) (b) of the EC Treaty provides that aid to make good the damage caused by natural disasters or exceptional occurrences shall be compatible with the Treaty. Thus
the Commission can approve aid of up to 100% of the losses caused by a natural disaster. In accordance
with Council Regulation (EC) No 659/1999 (1), the Commission must reach an initial decision on notified
State aid within 2 months of receipt of the notification, although in practice the Commission will aim to
approve this type of aid more quickly.


(2003/C 137 E/198)

WRITTEN QUESTION P-3211/02
by Antonio Di Pietro (ELDR) to the Commission
(5 November 2002)

Subject: Corruption in Lesotho

On 17 September of this year the High Court in Lesotho convicted Acres International, a large Canadian
engineering firm, of paying bribes in order to win contracts put out to tender at international level in
connection with the Lesotho Highlands Water Project (LHWP), and on 28 October it imposed a fine of
Maloti 22058091, the equivalent of USD 2.1 million.

Many other companies based in EU Member States are accused of corruption in connection with the
Lesotho project, and the German Lahmeyer International company is currently on trial. The European
Investment Bank (EIB) and the European Development Fund (EDF) were involved in financing the project
with grants and loans to the tune of EUR 122.5 million and EUR 59.8 million respectively. Export credit
agencies from four EU Member States are also involved in financing the project.

According to the World Bank, on 16 November 1999 representatives of the EIB and the EU took part in a
meeting of project donors in Pretoria to discuss the implications of the corruption case in Lesotho.
According to a report published in the respected South African Business Day newspaper on
30 November 1999, the EU had pledged to provide representatives of the Lesotho government with
financial assistance to cover the costs of the trial.

In view of the historic precedent set by the Lesotho government in the fight against corruption at
international level and the exemplary conviction of Acres International,

— Does the Commission intend to honour the promise of financial support for the government of
Lesotho to enable the corruption case to be carried to its conclusion in the High Court?

— Does the Commission intend to check whether the EDF and the EIB showed due diligence in relation
to the grants and loans granted in connection with the Lesotho Highlands Water Project?

— Does the Commission intend to make every effort to ensure that companies found guilty of corruption
are excluded from any future projects financed by development assistance and Member States’ export
credit agencies or with funds from EU institutions?

Answer given by Mr Nielson on behalf of the Commission
(7 January 2003)

The case, to which the Honourable Member refers, concerns a large construction project in Lesotho which
was co-financed by the European Development Fund (EDF) together with several other international
donors.

The question regarding the possible reactions of the export credit agencies of the Member States and
regarding eventual sanctions taken by the European Investment Bank is outside the scope of the
Commission’s competencies.