



EUROPEAN COMMISSION

Brussels, 28-VII-2004  
C(2004) 2971

**Subject: State Aid / Ireland  
Aid No. N 207/04  
Compensation for Landslide Damage in Co. Mayo**

Sir,

The Commission wishes to inform Ireland that, having examined the information supplied by your authorities on the aid referred to above, it has decided to raise no objections to the relevant aid as it is compatible with the EC Treaty.

*In taking this decision the Commission has relied on the following considerations:*

## **I. PROCEDURE**

- 1) The measure was notified in accordance with Article 88 (3) of the EC Treaty from the Permanent Representation of Ireland to the European Union by letter of 6 May 2004, registered on 14 May 2004. Further information was received by letter of 23 June 2004, registered on 29 June 2004.

## **II. DESCRIPTION**

### **2.1 Title**

- 2) Compensation for Landslide damage in Co. Mayo.

Mr Brian COWEN  
Minister for Foreign Affairs  
St. Stephen's Green 80  
Dublin 2  
Ireland

## **2.2 Objective**

- 3) Aid to assist farmers towards the cost of cleaning debris and repairing fencing following the landslide of 19 September 2003.

## **2.3 Budget**

- 4) 100 000 €.

## **2.4 Duration**

- 5) The aid refers to compensation for the landslide of 19 September 2003 in Co. Mayo. The aid will be paid as soon as Commission approval is granted.

## **2.5 Recipients**

- 6) Around 50 farmers.

## **2.6 Measure**

- 7) Following a freak rainstorm on the night of 19 September 2003, some 50 farmers in the Pullathomas area of North Co. Mayo were affected by an ensuing landslide.
- 8) The landslide in question was confined to a relatively small area but caused severe damage to roads, bridges etc. This damage was made good by the Local Authority concerned. However, a number of farms in the area suffered damage in terms of debris from the landslide lodging on the small areas of agricultural land and, in most cases, fencing which the farmers had erected had been destroyed/washed away.
- 9) Payments from any insurance policy will be deducted. The Irish authorities have provided photographic evidence of the landslide.

## **2.8 Cumulation with other aid schemes**

- 10) None.

## **2.9 Aid intensity**

- 11) It is estimated that the compensation will cover 70% of the cost of repairs. The Irish authorities have given assurances that it will in no case exceed 100%.

## **III. ASSESSMENT**

### **3.1 Presence of aid**

- 12) Article 87(1) prohibiting State aid applies if an aid is granted by a Member State or through State resources in any form whatsoever which distorts or threatens to distort competition by favouring certain undertakings or the production of certain goods in so far as it affects trade between Member States.

- 13) The measure confers an advantage on specific recipients, agricultural enterprises who have suffered from natural disasters or exceptional occurrences. The aid is granted through state resources. The measure may affect competition and trade between Member States. It is clear that there is an extensive trans-border trade with agricultural products<sup>1</sup>.
- 14) According to Article 87(2)(b) of the EC Treaty, aid to make good the damage caused by natural disasters shall be compatible with the common market. For this derogation to be applicable, aid measures must fulfil the requirements of state aid legislation, *in primis* Regulation 1/2004 of 23 December 2003 on the application of Articles 87 and 88 of the EC Treaty to State aid to small and medium-sized enterprises active in the production, processing and marketing of agricultural products<sup>2</sup>. If this is not applicable, then assessment should be based on the Community guidelines for State aid in the agriculture sector<sup>3</sup> (hereinafter: “the Guidelines”).
- 15) Regulation 1/2004 is not applicable to the proposed scheme, as the measure is not limited to small and medium-sized companies. Therefore, the Commission has based its assessment on the Guidelines. Concerning this aid, point 11.2 of the Guidelines applies.

### **3.2 Natural disasters and exceptional occurrences**

- 16) The aid resources are intended for repairing damage caused by a natural disaster in the form of a landslide. The aid for landslides, earthquakes, avalanches and floods is covered by point 11.2 of the Guidelines, according to which an aid rate of 100% is allowed for material damages. In the present aid scheme, the aid rate is limited to 70% of the cost of repairs, which means the maximum aid rate is complied with.

### **3.3 Overcompensation**

- 17) Aid according to this scheme can only be granted if no other public aid is awarded for the same purpose, and damage that can be covered by insurances is not eligible. Therefore, overcompensation can be excluded.

### **3.4 Conclusion**

- 18) The measure complies with the conditions of point 11.2 of the Community guidelines for state aid in the agriculture sector. It is therefore compatible with the common market.

## **IV. DECISION**

- 19) After examination of the notified measure in the light of the prevailing state aid rules, the Commission concludes that all relevant conditions for the application of article 87(2)(b) of the Treaty are fulfilled.
- 20) In view of the foregoing, I have the honour to inform you that the Commission has decided to raise no objections to the notified aid measure.

---

<sup>1</sup>For Ireland the intra-Community trade with agricultural products amounted to 3 656 Million € (imports) and 6 919 Million € (exports) in the year 2003 (source: Eurostat).

<sup>2</sup> OJ L 001 of 3.1.2004, p. 1-16

<sup>3</sup> OJ C 232, 12.8.2000, p. 19.

21) If this letter contains confidential information, which should not be disclosed to third parties, please inform the Commission within fifteen working days of the date of receipt. If the Commission does not receive a reasoned request by that deadline, you will be deemed to agree to the disclosure to third parties and to the publication of the full text of the letter in the authentic language on the Internet site: [http://europa.eu.int/comm/sg/sgb/state\\_aids/](http://europa.eu.int/comm/sg/sgb/state_aids/). Your request should be sent by registered letter or fax to:

European Commission,  
Directorate General for Agriculture  
Directorate Agro-economic legislation  
Office: Loi 130 5/128  
B-1049 Brussels  
(fax (+322) 296 7672).

Yours faithfully,

For the Commission

Franz Fischler  
Member of the Commission