



2021/0077(BUD)

29.3.2021

DRAFT REPORT

on the proposal for a decision of the European Parliament and of the Council
on the mobilisation of the European Union Solidarity Fund
(COM(2021)0201 – C9-0117/2021 – 2021/0077(BUD))

Committee on Budgets

Rapporteur: Eider Gardiazabal Rubial

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

**on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Union Solidarity Fund to provide assistance to Greece and France in relation to natural disasters and to Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia and Spain in relation to a public health emergency
(COM(2021)0201 – C9-0117/2021 – 2021/0077(BUD))**

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2021)0201 – C9-0117/2021),
 - having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund¹,
 - having regard to Regulation (EU) No 461/2020 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation 2012/2002 in order to provide financial assistance to Member States and to countries negotiating their accession to the Union that are seriously affected by a major public health emergency²,
 - having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027³, and in particular Article 9 thereof,
 - having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources⁴, in particular point 10 thereof,
 - having regard to the letter from the Committee on Regional Development,
 - having regard to the report of the Committee on Budgets (A9-0000/2021),
1. Welcomes the decision as a sign of the Union's solidarity with the Union's citizens and regions hit by natural disasters and the major public health emergency caused by the COVID-19 pandemic in 2020;
 2. Stresses the urgent need to release financial assistance through the European Union Solidarity Fund to the affected regions;

¹ OJ L 311, 14.11.2002, p. 3.

² OJ L 99, 31.03.2020, p. 9.

³ OJ L 433I, 22.12.2020, p. 11.

⁴ OJ L 433I, 22.12.2020, p. 28.

3. Approves the decision annexed to this resolution;
4. Instructs its President to sign the decision with the President of the Council and arrange for its publication in the *Official Journal of the European Union*;
5. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Union Solidarity Fund to provide assistance to Greece and France in relation to natural disasters and to Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia, Spain in relation to a public health emergency

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund¹, and in particular Article 4(3) thereof,

Having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources², and in particular point 10 thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) The European Union Solidarity Fund ('the Fund') aims to enable the Union to respond in a rapid, efficient and flexible manner to emergency situations in order to show solidarity with the population of regions struck by major or regional natural disasters or a major public health emergency.
- (2) The Fund is not to exceed the ceilings as laid down in Article 9 of Council Regulation (EU, Euratom) No 2020/2093³. In accordance with Article 9(2) and 9(4) of that Regulation, the maximum amount that can be mobilised by the Fund from the 2021 allocation until 1 September 2021 is EUR 477 543 750. In accordance with Article 4a (4) of Regulation (EC) No 2012/2002, the amount of EUR 50 000 000 has already been inscribed in the general budget for the financial year 2021 (in commitments and payments) for the payment of advances. In addition, an amount of EUR 47 981 598 of the 2020 allocation was not used until the end of that year and is carried over to 2021. Therefore, the maximum amount available under the EUSF at this point in 2021 is EUR 525 525 348, which is enough to cover the needs under this Decision.
- (3) On 29 October 2020, Greece submitted an application to mobilise the Fund, following the floods in August 2020 in Sterea Ellada.

¹ OJ L 311, 14.11.2002, p. 3.

² OJ L 433I, 22.12.2020, p. 28.

³ Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027 (OJ L 433I, 22.12.2020, p. 11).

- (4) On 9 December 2020, Greece submitted an application to mobilise the Fund, following the damages caused by the cyclone Ianos in September 2020 that affected the Regions of Ionia Nisia, Sterea Ellada, Ditiki Ellada, Thessalia and Peloponnisos.
- (5) On 22 January 2021, Greece submitted an application to mobilise the Fund, following the earthquake in October 2020 that affected the islands of Samos, Ikaria and Chios.
- (6) On 21 December 2020, France submitted an application to mobilise the Fund, following the damages caused by Storm Alex in Provence-Alpes-Côtes d’Azur region in October 2020.
- (5) By 24 June 2020, Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia and Spain submitted applications to mobilise the Fund in relation to the major public health emergency caused by the COVID-19 pandemic in early 2020.
- (6) The applications by those Member States meet the conditions for providing a financial contribution from the Fund, as laid down in Article 4 of Regulation (EC) No 2012/2002.
- (7) The Fund should therefore be mobilised in order to provide a financial contribution to Greece and France in relation to the natural disasters and to Albania, Austria, Belgium, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia, Spain in relation to the major public health emergency.
- (8) In the case of Croatia, since the final aid amount exceeds the advance already paid, no further amount needs to be mobilised and the unduly paid advance will be recovered in accordance with Article 4a of Regulation (EC) No 2012/2002.
- (9) In order to minimise the time taken to mobilise the Fund, this Decision should apply from the date of its adoption,

HAVE ADOPTED THIS DECISION:

Article 1

For the general budget of the Union for the financial year 2021, the European Union Solidarity Fund shall be mobilised as follows in commitment and payment appropriations in relation to natural disasters:

- (a) the amount of EUR 3 300 100 shall be provided to Greece in relation to the floods in Sterea Ellada, including the amount of EUR 330 010 as advance payment;
- (b) the amount of EUR 21 588 519 shall be provided to Greece in relation to cyclone Ianos, including the amount of EUR 2 158 852 as advance payment;
- (c) the amount of EUR 2 531 301 shall be provided to Greece in relation to the earthquake in the islands of Samos, Chios and Ikaria, including the amount of EUR 253 131 as advance payment;
- (d) the amount of EUR 59 325 000 shall be provided to France in relation to the storm Alex, including the amount of EUR 5 932 500 as advance payment.

Article 2

For the general budget of the Union for the financial year 2021, the European Union Solidarity Fund shall be mobilised as follows in commitment and payment appropriations in relation to a major public health emergency:

- (a) the amount of EUR 905 271 shall be provided to Albania;
- (b) the amount of EUR 31 755 580 shall be provided to Austria;
- (c) the amount of EUR 37 298 777 shall be provided to Belgium;
- (d) the amount of EUR 17 373 205 shall be provided to Czechia ;
- (e) the amount of EUR 3 588 755 shall be provided to Estonia;
- (f) the amount of EUR 91 365 053 shall be provided to France;
- (g) the amount of EUR 13 648 386 shall be provided to Germany;
- (h) the amount of EUR 3 994 022 shall be provided to Greece;
- (i) the amount of EUR 13 136 857 shall be provided to Hungary;
- (j) the amount of EUR 20 480 330 shall be provided to Ireland;
- (k) the amount of EUR 76 271 930 shall be provided to Italy;
- (l) the amount of EUR 1 177 677 shall be provided to Latvia;
- (m) the amount of EUR 2 828 291 shall be provided to Lithuania;
- (n) the amount of EUR 2 857 025 shall be provided to Luxembourg;
- (o) the amount of EUR 199 505 shall be provided to Montenegro;
- (p) the amount of EUR 18 039 670 shall be provided to Portugal;
- (q) the amount of EUR 13 926 870 shall be provided to Romania;
- (r) the amount of EUR 11 968 276 shall be provided to Serbia;
- (s) the amount of EUR 36 639 441 shall be provided to Spain.

Article 3

This Decision shall enter into force on the day of its publication in the *Official Journal of the European Union*.

It shall apply from ... *[the date of its adoption]***.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

*** Date to be inserted by the Parliament before the publication in OJ.*

EXPLANATORY STATEMENT

The Commission proposes to mobilise the European Union Solidarity Fund (EUSF) to grant financial assistance for natural disasters in Greece and France between August and October 2020 and to 17 Member States and 3 accession countries in relation to the Covid-19 public health emergency in 2020.

Natural disasters in Greece and France

The three disasters in Greece and the disaster in France are qualified as ‘regional natural disasters’ in accordance with Article 2(3) of the EUSF Regulation, i.e. a natural disaster in a NUTS 2-level region resulting in direct damage exceeding 1.5% of that region's GDP or 1.5% of weighted GDP in the case of a multi-regional disaster.

Floods in Sterea Ellada, Greece (August 2020)

On 9 August 2020, Storm “Thalia” caused torrential rainfall (300mm of rain in 8 hours), intense thunderstorms and strong winds. The torrential rain caused two rivers to burst their banks, blocked roads and led to the flooding of 3,000 homes. The six main bridges across the Lilas River collapsed. The extreme weather caused extensive damage to the electricity grid, public infrastructure and private housing, and a significant chunk of the regional road network was rendered unusable. The rapid rainfall caused flash floods and landslides, claiming eight lives.

The Greek authorities estimate total direct damage at EUR 132 004 000 or 1.54% of the GDP of the Sterea Ellada region, i.e. above the threshold of EUR 128 286 000. The application from Greece is therefore eligible for a contribution from the EUSF.

Cyclone Ianos in Greece (September 2020)

Cyclone Ianos, a rare Mediterranean tropical-like cyclone, hit Greece between 17 and 20 September 2020, with winds of up to 120 km/h, torrential rain and flooding. Four people lost their lives and there was huge damage to houses and infrastructure. Heavy rainfall also caused storm surges and led to the cities of Karditsa and Mouzaki being flooded for several days. A state of emergency was declared for the islands of Ithaca, Kefalonia, and Zakynthos due to widespread flooding and power cuts.

The application relates to five NUTS 2-level regions (Ionia Nisia, Sterea Ellada, Ditiki Ellada, Thessalia, Peloponnisos). The Greek authorities estimate the total direct damage at EUR 863 540 756 or 11.08% of the weighted GDP of the five regions, i.e. above the threshold of EUR 116 933 271. The application from Greece is therefore eligible for a contribution from the EUSF.

Earthquake on the islands of Samos, Ikaria and Chios, Greece (October 2020)

On 30 October 2020, a 7.0-magnitude earthquake struck about 14km northeast of the Greek island of Samos, with some 150 aftershocks recorded in the three days thereafter. The initial

earthquake caused three tsunami waves up to 1.5m high, which swept across parts of northern Samos. The earthquake and tsunami caused damage on the islands of Samos, Ikaria and Chios, killing two and injuring 19 people due to the collapse of buildings and to falling fragments. Churches, schools, museums and private houses suffered damage, as did a significant part of the road network.

The Greek authorities estimate the total direct damage at EUR 101 252 020. The damage caused represents 39.72% of the GDP of the Voreio Aigaio region and thus exceeds the threshold of EUR 38 239 500. The application from Greece is therefore eligible for a contribution from the EUSF.

Storm Alex in Provence-Alpes-Côtes d’Azur region, France (October 2020)

Storm Alex swept across France from 1 to 4 October 2020, causing particularly severe damage in the Provence-Alpes-Côtes d’Azur region with once-in-a-century rainfall intensity triggering landslides, flash flooding and severe erosion. Hundreds of houses were affected and nine people died. The hardest hit municipalities, in the Roya, Tiné and Vesubia valleys, were cut off due to damage to water, electricity and road networks. The storm caused significant damage to public and private property, to road and rail infrastructure and to electricity grids.

The French authorities estimate total direct damage at EUR 2 373 000 000. The damage caused represents 1.5% of the GDP of the Provence-Alpes-Côtes d’Azur region and thus exceeds the threshold of EUR 2 372 040 600. The application from France is therefore eligible for a contribution from the EUSF.

Summary

In the case of natural disasters, the Commission applies the following method for determining aid amounts: a country receives 2.5% of the total amount of eligible public expenditure up to the country-specific threshold for major health emergencies (i.e. 0.6 % of GNI or EUR 3 billion in 2011 prices, whichever is the lower amount), plus 6% for any public expenditure exceeding the threshold.

The table below provides an overview of the applications and payments in relation to natural disasters.

Member State	<i>Total direct damage</i> (EUR)	<i>Applied regional disaster threshold</i> [1.5% of GDP] (EUR)	<i>Total amount of aid proposed</i> (EUR) 2.5% of total direct damage	<i>Advances</i> (EUR)
GREECE floods Sterea Ellada	132 004 000	128 286 000	3 300 100	330 010
GREECE cyclone Ianos	863 540 756	116 933 271	21 588 519	2 158 852
GREECE earthquake	101 252 020	38 239 500	2 531 301	253 131
FRANCE storm Alex	2 373 000 000	2 372 040 600	59 325 000	5 932 500
TOTAL			86 744 920	8 674 493

Covid-19 applications

In 2020, as part of the Coronavirus Response Investment Initiative, the EUSF Regulation was amended to include major public health emergencies within the scope of the Fund⁴, meaning that Covid-19-related spending is eligible for EUSF support.

The Commission received 22 applications for a financial contribution from the EUSF from 19 Member States (Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Poland, Portugal, Romania, Slovenia and Spain) and three accession countries (Albania, Montenegro and Serbia). Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain requested and received an advance on the anticipated contribution from the EUSF in accordance with Article 4a of the EUSF Regulation. The amount paid as an advance is deducted from the final payment.

The Commission assessed all applications in a single package to ensure consistent and equal treatment. It is to be noted that, following the assessment and exchanges with the Polish and Slovenian authorities, it was determined that the total direct public expenditure reported had been overestimated and therefore had to be reduced, meaning that both Member States' total public expenditure remained below the threshold for EUSF support.

In the case of major public health emergencies, the Commission applies a similar method for determining aid amounts as for natural disasters: a country receives 2.5% of the total amount of eligible public expenditure up to the country-specific threshold, plus 6% for any public expenditure exceeding the threshold. As this calculation led to a total amount for all countries exceeding the available budget, the amounts per country were reduced on a pro rata basis.

Country	Total claimed public expenditure (EUR)	Total eligible public expenditure accepted by the EC (EUR)	Major public health emergency threshold (million EUR)	Potential aid amount (EUR)	Pro-rata aid amount (EUR)	Advance paid	Amount for balance payment to be mobilised (EUR)
Albania	54 998 000	54 755 654	38,852	1 925 519	905 271	0	905 271
Austria	2 111 595 244	1 798 883 065	1 153,959	67 544 419	31 755 580	0	31 755 580
Belgium	2 192 550 000	2 132 102 000	1 388,322	79 334 850	37 298 777	0	37 298 777
Croatia	658 771 839	358 524 373	151,638	16 204 132	7 618 270	8 462 280	0 ⁵
Czechia	1 832 510 000	959 231 097	588,597	36 952 971	17 373 205	0	17 373 205
Estonia	173 328 000	171 932 664	76,647	7 633 315	3 588 755	0	3 588 755
France	7 011 813 781	4 284 611 574	1 792,639	194 334 329	91 365 053	0	91 365 053
Germany	2 079 000 000	2 079 000 000	1 792,639	61 997 635	29 147 795	15 499 409	13 648 386
Greece	623 925 000	623 925 000	551,220	18 142 800	8 529 722	4 535 700	3 994 022
Hungary	1 997 208 000	1 632 956 193	385,263	84 493 167	39 723 926	26 587 069	13 136 857
Ireland	1 997 000 000	1 996 328 000	762,921	93 077 445	43 759 771	23 279 441	20 480 330
Italy	3 755 558 000	3 749 558 000	1 792,639	162 231 115	76 271 930	0	76 271 930

⁴ Regulation (EU) 2020/461 of the European Parliament and of the Council of 30 March 2020.
⁵ EUR 844 010 will be recovered from Croatia.

Latvia	178 626 000	91 884 602	85,947	2 504 931	1 177 677	0	1 177 677
Lithuania	176 974 000	176 932 597	131,433	6 015 801	2 828 291	0	2 828 291
Luxembourg	168 230 000	168 230 000	114,768	6 076 920	2 857 025	0	2 857 025
Montenegro	15 329 000	15 329 000	14,154	424 350	199 505	0	199 505
Portugal	3 470 870 000	2 318 870 000	598,233	118 194 045	55 568 181	37 528 511	18 039 670
Romania	848 631 000	841 391 000	596,025	29 622 585	13 926 870	0	13 926 870
Serbia	495 400 765	495 400 765	121,926	25 456 636	11 968 276	0	11 968 276
Spain	15 750 543 061	2 941 717 381	1 792,639	113 760 678	53 483 861	16 844 420	36 639 441
			TOTAL	1 125 927 643	529 347 741	132 736 830	397 454 921

The table below provides a detailed breakdown for each recipient Member State/accession country:

Conclusion

For the reasons set out above, the applications submitted by France and Greece, as well as the applications by 17 Member States and 3 accession countries in relation to the Covid-19 pandemic, meet the conditions set out in the Regulation.

In accordance with Article 9(2) of the MFF Regulation, the overall annual ceiling of the Solidarity and Emergency Aid Reserve (SEAR) is EUR 1 200 000 000 in 2018 prices (EUR 1 273 450 000 in current prices). Article 9(4) of the MFF Regulation contains two limitations on the SEAR mobilisation. Firstly, 25% of the overall 2021 SEAR allocation (EUR 318 362 500 in current prices) must be retained until 1 October 2021 and then becomes available for all components of SEAR. Secondly, until 1 September, no more than 50% of the overall SEAR allocation, after the deduction of the 25%, may be mobilised by the EUSF. As such, no more than EUR 477 543 750 of the 2021 SEAR allocation may be mobilised by the EUSF until 1 September 2021. In accordance with Article 4a(4) of the EUSF Regulation, the EUR 50 000 000 already included in the General Budget 2021 will be used for the payment of the advances for the four natural disasters, with the remaining amount (i.e. EUR 41 325 507) available for advances needed later in the year. In addition, EUR 47 981 598 from the 2020 allocation was not used by the end of that year and is to be carried over to 2021.

The mobilisation requires a dual budgetary operation - the carry-over of EUR 47 981 598 from 2020, which is included in Draft Amending Budget No 2/2021, and the transfer of EUR 427 543 750 from the SEAR line to the EUSF operational budget line, as set out in DEC No 3/2021. Subject to approval of DAB 2/2021, the maximum amount available under the EUSF will be EUR 525 525 348, enough to cover the needs under this Mobilisation Decision.

The table below summarises the budgetary situation for the EUSF after mobilisation.

Amount currently available under the EUSF:	
Annual SEAR allocation for 2021	<i>EUR 1 273 450 000</i>
Minus 25% of 2021 SEAR allocation to be retained until 1 October 2021	<i>-EUR 318 362 500</i>

Total SEAR allocation available until 1 October	EUR 955 087 500
Amount available for EUSF until 1 September from the 2021 SEAR allocation (50%)	EUR 477 543 750
Carry-over of unspent 2020 allocation via DAB 2/2021	EUR 47 981 598
Total amount available for EUSF until 1 September 2021	EUR 525 525 348
Total amount to be mobilised for the natural disasters in Greece and France and for the COVID-19 applications	EUR 484 199 841
Remaining funds available until 1 September 2021	EUR 41 325 507

Having assessed the Commission proposal for a decision in detail, your Rapporteur recommends its swift approval to ensure that the amounts can be quickly released. After the challenges of 2020, it is important to show concrete European solidarity with all Member States and accession countries concerned. The Rapporteur calls on the Commission to ensure that this financial contribution be delivered with particular urgency to those countries affected.

LETTER FROM THE COMMITTEE ON REGIONAL DEVELOPMENT

(To be received)