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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
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To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2019) 206 final
Subject:	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 Romania, Italy and Austria

Delegations will find attached document COM(2019) 206 final.

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Brussels, 22.5.2019
COM(2019) 206 final

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
Romania, Italy and Austria**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This decision covers the mobilisation of the European Union Solidarity Fund (EUSF) for an amount of EUR 293 551 794 to provide assistance to Romania, Italy and Austria further to disasters that took place in these countries in the course of 2018. This mobilisation is accompanied by Draft Amending Budget (DAB) No 3/2019¹ that proposes to enter the necessary appropriations in the general budget 2019, both in commitments and payments.

2. INFORMATION AND CONDITIONS

2.1 Romania – flooding in the North East region in summer 2018

From mid-June to early August 2018, the North East region of Romania was affected by repeated heavy rainfall and subsequent extensive flooding triggering important damage to infrastructure and households and losses in agriculture.

- (1) Romania applied for a contribution of the EUSF on 7 September 2018, within the deadline of 12 weeks following the first occurrence of damage. The application was limited to the North East region, by far the region most affected by the floods, where the first damage was recorded on 16 June. In their application letter the Romanian authorities announced that an update would soon be sent as the damage assessment was not yet complete due to the long duration of the flooding.
- (2) The disaster is of natural origin.
- (3) The application was presented on the basis of the criteria for a 'regional natural disaster' as laid down in Article 2(3) of the Regulation. In their initial application of 7 September the Romanian authorities estimated the total direct damage at EUR 196,8 million. As this amount represents only 1,24 % of GDP of the affected Nord East NUTS 2 level region the initial application failed to meet the essential condition laid down in the Regulation for mobilising the EUSF and would therefore not have been eligible for a contribution from the Solidarity Fund.
- (4) On 9 October 2018 the Romanian authorities submitted, as announced earlier, a revised application with total direct damage now amounting to EUR 327,7 million. This amount represents 2,07% of regional GDP and thus exceeds the required threshold of 1,5% of regional GDP (i.e EUR 238 million in the case of the Nord Est region).
- (5) The Commission's analysis of Romania's revised application still revealed a number of inconsistencies. The Commission therefore requested the Romanian authorities for clarification which was provided on 14 December 2018.

¹ COM(2019)205, 22.5.2019.

- (6) In their application the Romanian authorities describe in detail the impact of the disaster. Repeated waves of heavy rainfall between mid June and early August led to flooding and subsequent damage to infrastructure, in agriculture and private households in all six counties of the North East region, in particular in Neamt, Bacau and Suceava. Dykes and dams on inland watercourses, over 4 000 km of roads and streets (national and local), bridges, water treatment and sewage systems, electricity and gas distribution, drinking water provision and irrigation systems, 32 schools and other public buildings suffered damage.
- (7) The Romanian authorities estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 294 million and presented it broken down by type of operation. The largest share (over EUR 154 million) concerns the costs for securing protective infrastructure (embankments), followed by the costs to restore the transport infrastructure of over EUR 127 million.
- (8) Romania did not request the payment of an advance.
- (9) The Romanian authorities confirmed that there is no insurance coverage of eligible costs.
- (10) The affected region is part of the 'less developed regions' under the European Structural and Investment Funds (ESI Funds) for 2014-2020. In their application the Romanian authorities did not signal to the Commission the intention to reallocate funding from the ESI Funds programmes towards recovery measures.
- (11) Romania did not activate the Union Civil Protection Mechanism.
- (12) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

2.2 Italy – extreme weather events in autumn 2018

In October and early November 2018 the majority of the Italian regions from the Alpine areas in the north down to Sicily suffered from repeated onslaughts of heavy rain and strong winds with resulting flooding and landslides, making this the most devastating autumn season in recent history with a great number of casualties and widespread physical damage.

- (1) Italy applied for a financial contribution from the Solidarity Fund on 20 December 2018 within the deadline of 12 weeks after the first damage was recorded on 2 October. On 27 March 2019 Italy submitted, on its own initiative, updated information with higher damage estimates for three of the affected regions.
- (2) The disaster is of natural origin.
- (3) The application was presented on the basis of the criteria for a 'major natural disaster' as laid down in Article 2(2) of the Regulation. The Italian authorities estimate the total direct damage caused by the disaster at EUR 6,6 billion (updated

amount). This amount represents over 192% of the threshold applicable to Italy of EUR 3,4 billion.

- (4) In their application the Italian authorities describe in detail the nature and scale of destruction caused by the extreme weather events which turned out to be the worst autumn season in recent history. 34 people were reported dead and 1 person missing. The disaster affected almost all of the Italian regions from North to South including Friuli Venezia Giulia, the Autonomous Provinces of Trento and Bolzano, Liguria, Lombardy, Tuscany, Emilia Romagna, Lazio, Campania, Calabria, Sicily, Sardinia and above all the Veneto region. Valle d'Aosta and Abruzzo reported less damage.
- (5) The disaster caused in particular major disruptions to the road network at state, regional, provincial and municipal level through landslides and fallen trees, cutting off a number of isolated mountain and coastal municipalities. Disruption of river networks, slope movements, landslides and flooding occurred in most of the regions. The operation of schools and other public services was interrupted. Wind gusts up to 200 km/h caused important losses in forests (some 8,5 million cubic metres of timber) with serious consequences for the wood related economy and tourism (lifts, huts etc destroyed). In Veneto, in particular, some 130 Natura 2 000 protected sites suffered damage on more than 414 000 hectares of land. Flooding of public and private buildings was reported in almost all regions. Sewerage systems treatment plants were blocked. Electrical power and gas networks were interrupted.
- (6) According to the Commission's analysis, the weather events during the period covered by the application can be a single event from a meteorological and hydrological point of view. Furthermore, the geographical extent and order of magnitude of the damages claimed by the Italian authorities appear plausible, taking into account the impacts reported by Copernicus Rapid Mapping activations and the database of the European Severe Storms Laboratory.
- (7) Italy estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at over EUR 1 700 million and presented it broken down by type of operation. The largest share (over EUR 810 million) of eligible costs concerns expenditure for the securing of protective infrastructure. The second largest share concerns costs for the restoration of infrastructure of over EUR 478 million.
- (8) Italy did not request the payment of an advance.
- (9) The Italian authorities confirmed that there is no insurance coverage of eligible costs.
- (10) Three of the affected regions qualify as "less developed regions" under the ESI Funds 2014-2020 (Calabria, Campania and Sicily), two as "regions in transition" (Abruzzo and Sardinia) whereas the other 9 regions are "more developed regions". The Italian authorities did not signal to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.
- (11) Italy did not request the activation of the Union Civil Protection Mechanism. However, an information note was sent to the Emergency Response Coordination Center ERCC via the Common Emergency Communication and Information System CECIS.

- (12) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

2.3 Austria – extreme weather events in autumn 2018

At the end of October 2018, the meteorological phenomena affecting Italy also impacted a number of the alpine/southern regions of Austria, in particular Carinthia and Eastern Tyrol.

- (1) Austria applied for a contribution from the Solidarity Fund on 14 January 2019 within the deadline of 12 weeks after the first damage was recorded on 28 October 2018. On 20 February 2019 Austria submitted, on its own initiative, updated information with slightly higher damage estimates for the affected regions.
- (2) The disaster is of natural origin.
- (3) The Austrian authorities estimate the total direct damage caused by the disaster at EUR 326,2 million. This amount is considerably below the major disaster threshold applicable to Austria in 2018 of EUR 2,1 billion. It also remains below the threshold for a so-called regional disaster, i.e. 1,5% of regional gross domestic product weighted according to the share of damage in the affected regions. The disaster therefore does neither qualify as a 'major natural disaster' nor as a 'regional natural disaster' under the terms of the Regulation. However, as the disaster was caused by the same meteorological conditions which caused the major disaster in Italy, the Austrian authorities presented their application under the so called 'neighbouring country provision' laid down in Article 2(4) of the Regulation, whereby an eligible country affected by the same disaster qualifying as a major disaster in a neighbouring eligible country may also benefit from Solidarity Fund aid.
- (4) The Austrian authorities provided a detailed description of the impact of the disaster. By far the largest damage was caused in the southernmost Austrian Land Carinthia and in the adjacent province of Eastern Tyrol, both Alpine areas bordering on Italy. Early flood alert system, warnings issued to the population and the rapid intervention of the civil protection forces prevented that people were injured or killed. A number of settlements were evacuated as a precautionary measure. The severe rainfall and storm with wind speeds of up to 130 km/h led, however, to flooding of buildings, considerable windfall damage in forests, landslides cutting off roads and power cuts. Over 7 000 members of the emergency services including the army, and 5 helicopters were in action over several days.
- (5) Austria estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 214,5 million and presented it broken down by type of operation. The largest share (over EUR 85 million) of eligible costs concerns costs for the securing of protective infrastructure (river embankments). The second largest share concerns the measures to avoid soil erosion amounting to over EUR 72 million.
- (6) The Austrian authorities did not request the payment of an advance.
- (7) The Austrian authorities confirmed that there is no insurance coverage of eligible costs.

- (8) The affected regions are "more developed regions" under the ESI Funds (2014-2020). In their application the Austrian authorities indicated that they intend to use monies from the Austrian Rural Development Programme funded by the European Agricultural Fund for Rural Development for the recreation of protective forests.
- (9) Austria did not request the activation of the Union Civil Protection Mechanism.
- (10) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

2.5 Conclusion

For the reasons set out above, the disasters referred to in the applications submitted by Romania, Italy and Austria meet the conditions set out in the Regulation for mobilising the EUSF.

3. FINANCING FROM THE EUSF ALLOCATIONS 2019

Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020² (hereafter "the MFF regulation"), and in particular Article 10 thereof allows for the mobilisation of the EUSF, within an annual ceiling of EUR 500 000 000 (2011 prices). Point 11 of the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation on budgetary matters and on sound financial management³ (IIA) lays down the modalities for the mobilisation of the EUSF.

As solidarity was the central justification for the creation of the EUSF, the Commission takes the view that aid should be progressive. That means that, according to previous practice, the portion of the damage exceeding the "major natural disaster" threshold for mobilising the EUSF (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 %.

The contribution may not exceed the estimated total cost of eligible operations. The methodology for calculating the aid was set out in the 2002-2003 Annual Report on the EUSF and accepted by the Council and the European Parliament.

On the basis of the applications from Romania, Italy and Austria, the calculation of the financial contribution from the EUSF, based on the estimate of total direct damages caused is as follows:

Member States	Qualification of disaster	Total direct damage	Major disaster threshold	2,5% of direct damage up to threshold	6% of direct damage above threshold	Total amount of aid	Advances paid
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² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

		(EUR million)	(EUR million)	(EUR)	(EUR)	proposed (EUR)	(EUR)
ROMANIA	Regional (Art. 2(3))	327,692	986,378	8 192 300	-	8 192 300	0
ITALY	National (Art. 2(2))	6 630,276	3 446,057	86 151 425	191 053 170	277 204 595	0
AUSTRIA	Neighbouring country (Art. 2(4))	326,196	2 118,701	8 154 899	-	8 154 899	0
TOTAL						293 551 794	0

In accordance with Article 10(1) of the MFF regulation, the total amount available for the mobilisation of the EUSF at the beginning of 2019 was EUR 851 082 072, being the sum of the 2019 allocation of EUR 585 829 691, plus the 2018 allocation of EUR 265 252 381 that remained unspent and was carried over to 2019.

The amount that may be mobilised at this stage of the year 2019 is EUR 704 624 649. This corresponds to the total amount available for the mobilisation of the EUSF at the beginning of 2019 (EUR 851 082 072), minus the retained amount of EUR 146 457 423 in order to respect the obligation of keeping aside 25 % of the 2019 annual allocation until 1 October 2019 as stipulated by Article 10(1) of the MFF regulation.

EUSF financing summary table	Amount EUR
2018 allocation carried forward to 2019	265 252 381
2019 allocation	585 829 691

Total available at the beginning of 2019	851 082 072
Minus 25% of the 2019 allocation retained	-146 457 423

Maximum amount currently available (2018+2019 allocations)	704 624 649
Total amount of aid proposed to be mobilised for Romania, Italy and Austria	- 293 551 794

Remaining availabilities until 1 October 2019	411 072 855

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 Romania, Italy and Austria

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 Fund⁴, and in particular Article 4(3) thereof,

Having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management⁵, and in particular point 11 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 natural disasters.
- (2) The Fund is not to exceed a maximum annual amount of EUR 500 000 000 (2011 prices), as laid down in Article 10 of Council Regulation (EU, Euratom) No 1311/2013⁶.
- (3) On 7 September 2018, Romania submitted an application to mobilise the Fund, following extreme weather events provoking extensive floods.
- (4) On 20 December 2018, Italy submitted an application to mobilise the Fund, following extreme weather events.
- (5) On 14 January 2019, Austria submitted an application to mobilise the Fund, following extreme weather events.
- (6) The applications by Romania, Italy and Austria meet the conditions for providing a financial contribution from the Fund, as laid down in Article 4 of Regulation (EC) No 2012/2002.

⁴ OJ L 311, 14.11.2002, p. 3.

⁵ OJ C 373, 20.12.2013, p. 1.

⁶ 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).

- (7) The Fund should therefore be mobilised in order to provide a financial contribution to Romania, Italy and Austria.
- (8) 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 2019, the European Union Solidarity Fund shall be mobilised as follows in commitment and payment appropriations:

- (a) the amount of EUR 8 192 300 shall be provided to Romania;
- (b) the amount of EUR 277 204 595 shall be provided to Italy;
- (c) the amount of EUR 8 154 899 shall be provided to Austria.

Article 2

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

For the Council

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