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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	18 October 2019
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2019) 496 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 Greece

Delegations will find attached document [COM\(2019\) 496 final](#).

Encl.: [COM\(2019\) 496 final](#)



Brussels, 18.10.2019
COM(2019) 496 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
Greece**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This decision covers the mobilisation of the European Union Solidarity Fund (EUSF) in accordance with Council Regulation (EC) No 2012/2002 of 11 November 2002¹ (hereafter referred to as the 'Regulation') for an amount of EUR 4 552 517 to provide assistance to Greece further to the flooding and landslide disaster that took place in 2019. This mobilisation will be financed in full through the partial use of commitment and payment appropriations already entered into the 2019 budget for covering advances, after deducting the already paid advance of EUR 455 252. An amending budget is therefore not required.

2. INFORMATION AND CONDITIONS

Between 23 and 26 February 2019 exceptionally heavy rain and storm hit Crete, in particular the western part of the island. The resulting floods and landslides caused the loss of human life and have had disastrous consequences for infrastructure and economic activities, in particular on roads and in agriculture.

- (1) Greece applied for a contribution from the EUSF on 15 May 2018, within the deadline of 12 weeks after the first damage was recorded. The application was submitted as a 'regional natural disaster' under Article 2(3) of the Regulation.
- (2) The disaster is of natural origin and therefore falls within the field of application of the EUSF.
- (3) Greece estimates the total direct damage at EUR 182,1 million. The damage caused on Crete represents 2,1 % of the GDP of the concerned NUTS 2 level region Kriti and thus exceeds the threshold of EUR 129,8 million, i.e. 1,5% of regional GDP laid down in the Regulation.
- (4) In its application Greece requested the payment of an advance as laid down in Article 4a of the Regulation. On 19 July 2019 the Commission adopted Implementing Decision C(2019) 5514 awarding a 10 % advance of EUR 455 252 on the anticipated financial contribution from the Fund and subsequently paid it out in full to Greece.
- (5) In their application the Greek authorities describe in detail the situation following the severe weather events and the efforts made to assist the affected population. The cyclone, which hit Crete from February 23 killed one person who drowned in a stream and caused serious damage mainly in the Chania and Rethymnon districts where the largest cumulative rain was recorded. Most damage was caused to the municipal and provincial road network including the Northern Motorway of Crete, in rural production to crops and livestock, but also in private homes. Seven bridges were damaged, one of which collapsed completely. Dozens of landslides and fallen trees blocked roads and cut off entire areas. Erosion caused problems on

¹ Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 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, 27.6.2014, p. 143).

embankments and the destruction of drainage systems. Damage was also caused to the electricity network.

- (6) Greece estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 173,9 million and presented it broken down by type of operation. The largest share (over EUR 145 million) concerns the costs to restore the transport infrastructure (roads and bridges), followed by the cost of cleaning up operations of EUR 20 million.
- (7) The Greek authorities confirmed that there is no insurance coverage of eligible costs.
- (8) The affected region is part of the 'transition regions' under the European Structural and Investment Funds (2014-2020). In their application the Greek authorities did not signal to the Commission the intention to reallocate funding from the ESI Funds programmes towards recovery measures.
- (9) Greece did not activate 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.
- (11) In the context of the implementation of Directive 2007/60/EC on the assessment and management of flood risks, the following actions were completed: The Preliminary Flood Risk Assessment Report (March 2012), Identification of the High Risk Flood Potential Areas in the country's 14 Water Districts and an update of the Preliminary Flood Risk Assessment Report (November 2012). The Preliminary Flood Risk Assessment for the Evros river basin was updated (November 2014). Flood and Risk Hazards for the 14 Water Chambers of the Country (March 2017) were completed. The Flood Risk Management Plans of all Water Bodies of the country, including the River Basin Hazards Flood Risk Management Plan for Crete.

2.5 Conclusion

For the reasons set out above, the disaster referred to in the application submitted by Greece meets 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.

² 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).

³ OJ C 373, 20.12.2013, p. 1.

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 application from Greece, the calculation of the financial contribution from the EUSF, based on the estimate of total direct damages caused is as follows:

Member States	<i>Qualification of disaster</i>	<i>Total direct damage</i> <i>(million EUR)</i>	<i>Major disaster threshold</i> <i>(million EUR)</i>	<i>2,5% of direct damage up to threshold</i> <i>(EUR)</i>	<i>6% of direct damage above threshold</i> <i>(EUR)</i>	Total amount of aid proposed (EUR)	Advances paid (EUR)
GREECE	<i>Regional (Art. 2(3))</i>	182,1	1 086,1	4 552 517	-	4 552 517	455 252
TOTAL						4 552 517	455 252

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 remaining 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 557 530 278. This corresponds to the total amount available for the mobilisation of the EUSF at the beginning of 2019 (EUR 851 082 072), minus the previous mobilisation⁴ (EUR 293 551 794). In accordance with Article 10(1) of the MFF Regulation , 25 % of the original 2019 allocation needs to be retained until October 2019. However, as the payment to Greece will occur after 1 October, the provision is not relevant for this case.

Amount currently available under the Solidarity Fund:	
Annual allocation of 2019	<i>EUR 585 829 691</i>
Plus unspent amount of 2018 allocation carried over to 2019	<i>+ EUR 265 252 381</i>
Minus amount mobilised for Romania, Italy and Austria (AB 3)	<i>- EUR 293 551 794</i>
TOTAL availability until December 2019	<i>EUR 557 530 278</i>

⁴ Texts adopted P9_TA-PROV(2019)0013 and P9_TA-PROV(2019)0014.

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

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 Fund⁵, 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 management⁶, 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 1311/2013⁷.
- (3) On 15 May 2019 Greece submitted an application to mobilise the Fund, following exceptionally heavy rain and storm which hit Crete between 23 and 26 February 2019 and led to floods and landslides.
- (4) The application by Greece meets the conditions for providing a financial contribution from the Fund, as laid down in Article 4 of Regulation (EC) No 2012/2002.
- (5) The Fund should therefore be mobilised in order to provide a financial contribution to Greece.
- (6) By Decision (EU) 2019/277 of the European Parliament and of the Council⁸, the Fund was mobilised to provide the sum of EUR 50 000 000 in commitment and payment

⁵ OJ L 311, 14.11.2002, p. 3.

⁶ OJ C 373, 20.12.2013, p.1.

⁷ 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).

appropriations for the payment of advances for the financial year 2019. Those appropriations have only been used to a very limited extent. Consequently, there is scope for financing the full amount for the present mobilisation through the reallocation of the appropriations available for the payment of advances in the general budget of the Union for the financial year 2019.

- (7) 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 to provide the amount of EUR 4 552 517 to Greece, in commitment and payment appropriations.

The amount referred to in the first paragraph shall be financed from the appropriations mobilised for the payment of advances in the Union budget for the financial year 2019. The appropriations available for the payment of advances shall be reduced accordingly.

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

⁸ OJ L 54, 22.2.2019, p. 5.

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