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PROPOSAL

From:	Secretary-General of the European Commission, signed by Mr Jordi AYET PUIGARNAU, Director
date of receipt:	30 April 2020
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union

No. Cion doc.:	COM(2020) 200 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 Portugal, Spain, Italy and Austria

Delegations will find attached document [COM\(2020\) 200 final](#).

Encl.: [COM\(2020\) 200 final](#)



Brussels, 30.4.2020
COM(2020) 200 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
Portugal, Spain, Italy and Austria**

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

This decision covers the mobilisation of the European Union Solidarity Fund (EUSF) in accordance with Council Regulation (EC) No 2012/2002 ('the Regulation') for an amount of EUR 278 993 814 to provide assistance to Portugal, Spain, Italy and Austria further to disasters that took place in these countries in the course of 2019. This mobilisation is accompanied by Draft Amending Budget (DAB) No 4/2020¹ that proposes to enter the necessary appropriations in the general budget 2020, both in commitments and payments.

2.1 Portugal - Hurricane Lorenzo in the Azores in October 2019

Hurricane Lorenzo was an Atlantic tropical cyclone, the easternmost and closest to Europe ever registered. During late September, it developed from a tropical wave into a Category 5 hurricane. Travelling north-east Hurricane Lorenzo passed through the Azores on 2 October 2019, causing severe damage to public and private infrastructures and impacted on the daily lives of people, businesses and institutions.

- (1) Portugal applied for EUSF financial assistance on 8 November 2019, within the deadline of 12 weeks after the first damage was recorded on 2 October 2019. The application relates to a single NUTS level 2 region (Região Autónoma dos Açores) and was submitted as a 'regional 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) The Portuguese authorities estimate the total direct damage caused by the disaster at EUR 328,5 million. The application was presented on the basis of the criteria for 'regional disasters' as laid down in Article 2(3) of the Regulation which defines a 'regional disaster' as any natural disaster resulting in a region at NUTS level 2 of an eligible State in direct damage in excess of 1,5% of that region's GDP. For the outermost regions – which include the Azores – the threshold is 1% of regional GDP. The reported direct damage represents 8,4% of the region's GDP (EUR 3 927 million based on 2016 data) and thus exceeds the 1% threshold. The application submitted by Portugal is therefore eligible for a contribution from the EUSF.
- (4) Total direct damage is the basis for the calculation of the amount of the financial contribution from the Fund. The financial contribution may only be used for essential emergency and recovery operations as defined in Article 3 of the Regulation.
- (5) In its application, Portugal requested the payment of an advance as laid down in Article 4a of the Regulation. On 11 December 2019 the Commission adopted Implementing Decision C(2019)9067 awarding a 10 % advance amounting to EUR 821 270 on the anticipated financial contribution from the Fund and subsequently paid it out in full to Portugal.
- (6) In their application the Portuguese authorities describe the nature and impact of the disaster. As of 26 September, the Azores Regional Civil Protection and Fire Service prepared for the passage of the hurricane. The main damage was then caused in areas particularly exposed to wind and waves, most importantly the harbours. Also, water, energy and communication networks were disrupted. Roads, airports, schools and

¹ COM(2020) 190, 30.4.2020.

hospitals were damaged as well as other public assets. As a consequence, private people, businesses, fisheries and agriculture as well as tourism suffered losses. The severe damage to coastal protection infrastructure left the population exposed to greater risks.

- (7) Portugal estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 279,3 million and presented it broken down by type of operation. The overwhelming part of eligible costs (almost EUR 270 million) concerns costs for the restoration of transport infrastructure, in particular harbours.
- (8) The Portuguese authorities communicated that no data was currently available on insurance coverage of eligible costs.
- (9) The affected region is a "less developed region" under the European Structural and Investment Funds (2014-2020). The Portuguese authorities signalled to the Commission that they do not intend reallocating funding from the ESI Funds programmes towards recovery measures.
- (10) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on going. The Portuguese application briefly describes that Recommendation 2002/413/EC of the European Parliament and of the Council laying down the general principles and options for an Integrated Coastal Zone Management Strategy in Europe serves as guiding basis for coastal management and definition of coastal protection interventions in the Azores. Work is underway on the implementation of Directive 2007/60/EC on the Assessment and Management of Flood Risk and coastal degradation.

2.2 Spain – Flooding in the regions of Valencia, Murcia, Castilla-La Mancha and Andalusia in September 2019

From 9 September 2019 a rare meteorological phenomenon described as “isolated high altitude depression” (Depresión Aislada en Niveles Altos, DANA) affected the south east of the Iberic peninsula. The phenomenon, which is characterised by extreme rainfall resulting in flooding, culminated between 12 and 16 September and very seriously affected large areas of the regions of Valencia, Murcia, Castilla-La Mancha and Andalusia.

- (1) Spain applied for EUSF financial assistance on 28 November 2019, within the deadline of 12 weeks after the first damage was recorded on 9 September 2019. The application relates to four of Spain’s NUTS level 2 regions (Comunidad Valenciana, Región de Murcia, Castilla-La Mancha and Andalucía) and was submitted as a 'regional disaster' under Article 2(3) of the Regulation. Following a request from the Commission additional information to complete the application was submitted on 18 December 2019 and 29 January 2020.
- (2) The disaster is of natural origin and therefore falls within the field of application of the EUSF.
- (3) The Spanish authorities estimate the total direct damage caused by the disaster at EUR 2 269,7 million. The application was presented on the basis of the criteria for 'regional disasters' as laid down in Article 2(3) of the Regulation which defines a 'regional disaster' as any natural disaster resulting in a region at NUTS level 2 of an eligible State in direct damage in excess of 1,5 % of that region's GDP. As the disaster concerns several regions, the average GDP weighted by the share of damage in each regions is applied. Accordingly, the amount of damage reported by Spain represents 2,65 % of the weighted regional GDP.

- (4) Total direct damage is the basis for the calculation of the amount of the financial contribution from the Fund. The financial contribution may only be used for essential emergency and recovery operations as defined in Article 3 of the Regulation.
- (5) In its application, Spain requested the payment of an advance as laid down in Article 4a of the Regulation. On 13 February 2020 the Commission adopted Implementing Decision C(2020)905 awarding a 10 % advance amounting to EUR 5 674 336 on the anticipated financial contribution from the Fund and subsequently paid it out in full to Spain.
- (6) In their application the Spanish authorities described the nature and impact of the disaster. The extreme amount of rainfall exceeded the records of the past 140 years and led to severe flooding which cost the lives of 8 persons. Thousands of people had to be evacuated from their homes and placed in emergency accommodation. DANA severely impacted on the living conditions of the population in the affected areas and caused important private and public physical damage. Roads, railway and airport infrastructure was damaged and services had to be suspended. Erosion caused damage to the water networks, protective infrastructure and the environment. Equally, beaches were eroded and coastal infrastructure damaged.
- (7) Spain estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 650,6 million and presented it broken down by type of operation. The largest share of eligible costs (over EUR 385 million) concerns costs for cleaning up operations. The second largest share concerns the repair of infrastructure amounting to EUR 247 million.
- (8) Upon a request from Spain Copernicus provided satellite images to support response measures.
- (9) The Spanish authorities confirmed that there is no insurance coverage of eligible cost.
- (10) The Comunidad Valenciana is a "more developed region" under the European Structural and Investment Funds (2014-2020), the other three regions are so-called transition regions. The Spanish authorities signalled to the Commission that they do not intend reallocating funding from the ESI Funds programmes towards recovery measures.
- (11) As regards the implementation of Union legislation on disaster risk prevention and management, Spain informed that it had transposed the EU Floods Directive into Spanish law and has just complete the first phase with a risk evaluation and the establishment of risk maps. The results were reviewed in the second phase The result of this review was approved by the National Council for Civil Protection. The new plans are due in December 2022. Moreover, Civil Protection Plans have been drawn up against the risk of Floods, both at the state level and in the Autonomous Communities.

2.3 Italy - Extreme weather events in the autumn of 2019

During late October and November 2019 a series of connected extreme weather events affected most of the Italian territory from north to south causing severe damage from flooding and landslides and culminating in the flooding of Venice.

- (1) Italy applied for a financial contribution from the EUSF on 10 January 2020 within the deadline of 12 weeks after the first damage was recorded on 20 October 2019.

- (2) The disaster is of natural origin and falls within the field of application of the EUSF.
- (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 5 619,878 million (updated amount). This amount represents over 157% of the threshold applicable to Italy for mobilising the EUSF (damage over EUR 3 billion in 2011 prices). The application from Italy is therefore eligible for a contribution from the EUSF.
- (4) Italy did not request the payment of an advance.
- (5) In their application, the Italian authorities describe in detail the nature and scale of destruction caused by the extreme weather events. The disaster hit the Italian territory with different intensity and impact on the population, the economy and the environment, depending on the location. In all, 17 regions suffered damage with Veneto, Piedmont, Liguria, Sicily and Emilia Romagna being the most affected. Veneto alone and in particular the severe flooding of the city of Venice accounted for almost one third (EUR 1,8 billion) of total damage. Abruzzo, Basilicata, Calabria, Campania, Friuli Venezia-Giulia, Lazio, Puglia, Tuscany, and the Autonomous Province of Bolzano suffered to a lesser degree. Marche, Valle d’Aosta and the Autonomous Province of Trento were the least affected.

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. In Veneto, in particular, some 130 Natura 2000 protected sites suffered damage on more than 414 000 hectares of land. Flooding of public and private buildings was reported in almost all regions. Major losses occurred in agriculture with direct damage to agricultural structures (greenhouses, machinery). Sewerage systems treatment plants were blocked. Electrical power and gas networks were interrupted.

In Veneto flooding caused enormous damage to public and private properties, commercial and economic industrial activities as well as activities and to tertiary services. A tidal peak of over 187 cm above sea level has led to the flooding of over 85 % of the Venice city. The waves of *aqua alta* caused significant damage to the artistic and cultural heritage of the historic centre of Venice and to the innumerable assets on the main islands of the Lagoon, including damage to artefacts, considerable damages to the paper assets such as books, manuscripts and archives. The flooding of some 75 historic churches resulted in structural damage and affected furnishings and a vast archive heritage. In addition, the water transport system of Venice suffered damage to numerous landing structures, ferries and speedboats. Furthermore, electrical and electronic equipment was damaged.

In Piedmont the disaster affected over 800 municipalities. In Liguria, it led to floods, subsidence processes and landslides, damaging in particular the road system. In Sicily it led to severe repercussions on the supply of services and economic losses resulting from the interruption of agriculture and production. In Emilia-Romagna flooding of the river network led to bank erosions, floods and overflows of ditches and canals with consequent damage to residential areas, production, riverbank defences and to hydraulic installations. The storms also caused considerable damage

to coastal defence works, the almost complete destruction of the artificial dune that protecting the coast. Land erosions and landslides occurred in the hilly and mountainous areas with severe impact on the road network.

- (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 damage claimed by the Italian authorities appear plausible.
- (7) Italy estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at over EUR 1 110,1 million and presented it broken down by type of operation. The largest share of eligible costs (over EUR 479 million) concerns expenditure for restoring preventive infrastructure and the protection of the cultural heritage. The second largest share concerns costs for the restoration of essential infrastructure (EUR 465 million).
- (8) The Italian authorities confirmed that there is no insurance coverage of eligible costs.
- (9) Out of the 17 affected regions, five qualify as "less developed regions" under the ESI Funds 2014-2020 (Basilicata, Calabria, Campania, Puglia and Sicily), Abruzzo qualifies as "regions in transition" whereas the other 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.
- (10) Italy did not request the activation of the Union Civil Protection Mechanism. However, an information note was sent to the Emergency Response Coordination Centre ERCC via the Common Emergency Communication and Information System CECIS.
- (11) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

2.4 Austria - Extreme weather events in November 2019

Between 11 and 23 November 2019, the south-western parts of Austria suffered from severe flooding, in particular in Carinthia and Eastern Tyrol. The events were triggered by the same meteorological conditions that lead to a major disaster in Italy. The extreme weather caused considerable damage to essential public infrastructure, private homes, businesses and forests. The events were very similar to the ones one year earlier, albeit causing less damage.

- (1) Austria applied for a contribution from the EUSF on 29 January 2020 within the deadline of 12 weeks after the first damage was recorded on 11 November 2019. On 9 March 2020 Austria submitted, on its own initiative, updated information with slightly higher damage estimates for the affected regions.
- (2) The disaster is of natural origin and falls within the field of application of the EUSF.
- (3) The Austrian authorities estimate the total direct damage caused by the disaster at EUR 93,2 million. This amount is considerably below the major disaster threshold applicable to Austria in 2020 of EUR 2 307,9 million (i.e. 0,6 % of Austria's gross national income). 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 eligible State’ 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 EUSF assistance. This condition is met.

- (4) The Austrian authorities did not request the payment of an advance.
- (5) 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. Land Salzburg and Land Styria suffered minor damage. Heavy rain led to flooding of numerous watercourses causing damage mostly to transport infrastructure and closure of roads. A number of bridges were severely damaged. Unusual snowfall and avalanches added to the problems and caused damage in forestry. Railway connections were interrupted, homes and public buildings were flooded, some settlements were temporarily cut off and electricity supply was interrupted.
- (6) Austria estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 61,3 million and presented it broken down by type of operation. The largest share (over EUR 40 million) of eligible costs concerns costs for the recovery of damage to the transport network. Measures against soil erosion account for some EUR 13 million.
- (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 using 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 Portugal, Spain, Italy and Austria meet the conditions set out in the Regulation for mobilising the EUSF.

3. FINANCING FROM THE EUSF ALLOCATIONS 2020

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 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 applications from Portugal, Spain, 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	<i>Qualification of disaster</i>	<i>Total direct damage</i> <i>(EUR million)</i>	<i>Applied regional disaster threshold</i> <i>[1.5 % of GDP/ 1 % of GDP for outermost regions]</i> <i>(million EUR)</i>	<i>Major disaster threshold</i> <i>(EUR million)</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>	<i>Total amount of aid proposed</i> <i>(EUR)</i>	<i>Advances paid</i> <i>(EUR)</i>
PORTUGAL	<i>Regional</i> <i>(Art. 2(3))</i>	328,508	39,271	-	8 212 697	-	8 212 697	821 270
SPAIN	<i>Regional</i> <i>(Art. 2(3))</i>	2 269,734	1 287,076	-	56 743 358	-	56 743 358	5 674 336
ITALY	<i>Major</i> <i>(Art. 2(2))</i>	5 619,878	-	3 585,278	89 631 943	122 076 039	211 707 982	-
AUSTRIA	<i>Neighbouring</i> <i>(Art. 2(4))</i>	93,191	-	-	2 329 777	-	2 329 777	-
TOTAL							278 993 814	

In accordance with Article 10(1) of the MFF regulation, the total amount available for the mobilisation of the EUSF at the beginning of 2020 was EUR 1 150 524 045, being the sum of the 2020 allocation of EUR 597 546 284, plus the 2019 allocation of EUR 552 977 761 that remained unspent and was carried over to 2020.

The amount that may be mobilised at this stage of the year 2020 is EUR 1 001 137 474. This corresponds to the total amount available for the mobilisation of the EUSF at the beginning of 2020 (EUR 1 150 524 045), minus the retained amount of EUR 149 386 571 in order to respect the obligation of keeping aside 25 % of the 2020 annual allocation until 1 October 2020 as stipulated by Article 10(1) of the MFF regulation.

EUSF financing summary table	Amount EUR
2019 allocation carried forward to 2020	552 977 761
2020 allocation	597 546 284 -----
Total available at the beginning of 2020	1 150 524 045
Minus 25% of the 2020 allocation retained	-149 386 571 -----
Maximum amount currently available (2019+2020 allocations)	1 001 137 474
Total amount of aid proposed to be mobilised for Portugal, Spain, Italy and Austria	- 278 993 814 -----
Remaining availabilities until 1 October 2020	722 143 660

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 Portugal, Spain, 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 8 November 2019, Portugal submitted an application to mobilise the Fund, following extreme weather events in Azores.
- (4) On 28 November 2019, Spain submitted an application to mobilise the Fund, following extreme rainfall resulting in flooding in the regions of Valencia, Murcia, Castilla-La Mancha and Andalusia.
- (5) On 10 January 2020, Italy submitted an application to mobilise the Fund following extreme weather events in 17 Regions in the autumn of 2019.
- (6) On 29 January 2020, Austria submitted application to mobilise the Fund following extreme weather events in November 2019.
- (7) The applications by Portugal, Spain, 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.
- (8) The Fund should therefore be mobilised in order to provide a financial contribution to Portugal, Spain, Italy and Austria.

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).

- (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 2020, the European Union Solidarity Fund shall be mobilised as follows in commitment and payment appropriations:

- (a) the amount of EUR 8 212 697 shall be provided to Portugal;
- (b) the amount of EUR 56 743 358 shall be provided to Spain;
- (c) the amount of EUR 211 707 982 shall be provided to Italy;
- (d) the amount of EUR 2 329 777 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
The President

For the Council
The President

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