REPORT

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 Latvia

Committee on Budgets

Rapporteur: Inese Vaidere
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION


The European Parliament,


– having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund¹,

– having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020², and in particular Article 10 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 management³, and in particular point 11 thereof,

– having regard to the letter from the Committee on Regional Development,

– having regard to the report of the Committee on Budgets (A8-0357/2018),

1. Welcomes the decision as a sign of the Union’s solidarity with Union citizens and the regions hit by the natural disaster;

2. Stresses the urgent need to release financial assistance through the European Union Solidarity Fund ('the Fund') to the regions affected by the natural disaster in the Union in 2017;

3. Supports Member States using European structural and investment funds for the reconstruction of the affected regions; invites the Commission to support and rapidly approve the financial reallocation of the partnership agreements requested by Member State to this end;

4. Calls on Member States to utilise the financial contribution from the Fund in a transparent way, guaranteeing a fair distribution throughout the affected regions;

5. Approves the decision annexed to this resolution;

6. 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;

7. 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 Latvia

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 Fund\(^1\), 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 management\(^2\), 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 1311/2013\(^3\).

(3) On 14 November 2017, Latvia submitted an application to mobilise the Fund, following a long-lasting period of intense rainfalls during summer and autumn 2017 leading to the saturation of soils and subsequent flooding.

(4) The application by Latvia 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 Latvia.

(6) By Decision (EU) 2018/508 of the European Parliament and of the Council\(^4\), the Fund was mobilised to provide the sum of EUR 50 000 000 in commitment and payment appropriations for the payment of advances for the financial year 2018. 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.

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\(^1\) OJ L 311, 14.11.2002, p. 3.
mobilised for the payment of advances in the general budget of the Union for the financial year 2018.

(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 2018, the European Union Solidarity Fund shall be mobilised to provide the amount of EUR 17 730 519 to Latvia, in commitment and payment appropriations.

The amount of the mobilisation 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 2018. 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

For the European Parliament For the Council

The President 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 relating to flooding in Latvia.

The natural disaster that occurred during 2017 in the EU caused a great deal of destruction in the regions affected, which qualify as “less developed regions”. The mobilisation of the EU Solidarity Fund is a sign of solidarity in the Union to the country and people that suffered as a result of force majeure.

Latvia – Flooding in 2017

During August, September and October 2017, Latvia was affected by a long-lasting period of intense rainfalls leading to the saturation of soils and subsequent flooding throughout the country, particularly the Latgale region and surrounding territories. The flood destroyed crops and caused widespread damage to water courses, the drainage system, connected water treatment installations as well as road and railway infrastructure.

In their application, received by the Commission on 14 November 2017 and completed on 27 April 2018, the Latvian authorities estimated total direct damage caused by the disaster at EUR 380.5 million. As this amount exceeds the 'major disaster threshold' for mobilising the EUSF applicable to Latvia in 2017 of EUR 145 740 000 (i.e. 0.6% of Latvia’s Gross National Income based on 2015 data), the disaster qualifies as a ‘major natural disaster’ as defined by the EUSF Regulation.

The cost of eligible essential emergency operations, as defined in Article 3 of the Regulation, has been estimated by the Latvian authorities at EUR 36.2 million.

The affected regions fall under the category of "less developed regions" under the European Structural and Investment (ESI) Funds (2014-2020). The Latvian authorities did not signal to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.

Latvia did not request the payment of an advance.

In line with past practice, the Commission proposes to apply the rate of 2.5 % of total direct damage up to the level of Latvia’s “major disaster” threshold. The total amount of aid proposed is therefore EUR 17 730 519.

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

The proposed mobilisation will be financed in full through the partial use of the remaining EUR 47 479 154 in commitment and payment appropriations already entered into the 2018 budget for covering advances. An amending budget is therefore not required.

The total amount available for the mobilisation of the EUSF at the beginning of 2018 was EUR 421 142 057, being the sum of the remaining 2018 allocation of EUR 280 371 754, plus the remaining 2017 allocation of EUR 140 770 303 that remained unspent and was carried over to 2018.

The amount that may be mobilised at this stage of the year 2018 is EUR 139 397 191. This corresponds to the total amount available for the mobilisation of the EUSF at the beginning of 2018 (EUR 421 142 057), minus the retained amount of EUR 143 585 709 in order to respect the obligation of keeping aside 25 % of the 2018 annual allocation until 1 October 2018 as stipulated by Article 10(1) of the MFF regulation, minus EUR 104 166 951 mobilised for Greece, Spain, France and Portugal\(^1\) and minus EUR 33 992 206 mobilised for Bulgaria, Greece, Lithuania and Poland\(^2\) earlier this year.

Member States should apply the financial aid rapidly and in a transparent way, guaranteeing a fair distribution throughout the affected regions.

The Rapporteur supports Member States using Structural and Investment Funds for the reconstruction of the affected regions, and invites the Commission to support and rapidly approve the reallocation of the partnership agreements requested by Member State for the reconstruction of the regions.

The Rapporteur recommends the swift approval of the Commission proposal for a decision annexed to this report, in sign of solidarity with the affected regions.

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Mr Jean ARTHUIS
Chairman
Committee on Budgets
European Parliament

Subject: Mobilisation of the European Union Solidarity Fund to provide assistance to Latvia

Dear Mr Arthuis,

The European Commission has transmitted to the European Parliament its proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Union Solidarity Fund (COM(2018)0658), on the basis of the application to mobilise the Fund submitted by Latvia further to the flooding disaster that took place in this country in the course of 2017.

The Commission proposes the mobilisation of the European Union Solidarity Fund, estimating the damages caused by the disasters as follows:

<table>
<thead>
<tr>
<th>Member States</th>
<th>Qualification of disaster</th>
<th>Total direct damage (million EUR)</th>
<th>Major disaster threshold (million EUR)</th>
<th>2.5% of direct damage up to threshold (EUR)</th>
<th>6% of direct damage above threshold (EUR)</th>
<th>Total amount of aid proposed (EUR)</th>
<th>Advances paid (EUR)</th>
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<tbody>
<tr>
<td>LATVIA</td>
<td>Major (Art. 2(2))</td>
<td>380,524</td>
<td>145,740</td>
<td>3,643,500</td>
<td>14,087,019</td>
<td>17,730,519</td>
<td>0</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>17,730,519</td>
<td>0</td>
</tr>
</tbody>
</table>

The Commission proposes to finance the full amount for this mobilisation through the reallocation of the appropriations mobilised from the EUSF for the payment of advances in the general budget of the Union for 2018, given that those appropriations have only been used to a limited extent.
The Committee coordinators have assessed this proposal, and asked me to write to you reporting that the majority of this Committee has no objection to this mobilisation of the EU Solidarity Fund to allocate the above-mentioned amount as proposed by the Commission.

Yours sincerely,

Iskra MIHAYLOVA
# INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

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<th>Date adopted</th>
<th>5.11.2018</th>
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| **Result of final vote** | +: 27  
| | -: 1  
| | 0: 0  |
| **Members present for the final vote** | Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, Manuel dos Santos, José Manuel Fernandes, Eider Gardiazabal Rubial, Jens Geier, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Siegfried Mureşan, Jan Olbrycht, Paul Rübig, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Marco Zanni |
| **Substitutes present for the final vote** | Karine Gloanec Maurin, Alain Lamassoure, Janusz Lewandowski, Andrey Novakov |
| **Substitutes under Rule 200(2) present for the final vote** | Michael Detjen, André Elissen |
## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

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<td>ALDE</td>
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<td>Michael Detjen, Eider Gardiazabal Rubial, Jens Geier, Karine Gloanec Maurin, John Howarth, Vladimír Maňka, Manuel dos Santos, Isabelle Thomas</td>
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<td>VERTS/ALE</td>
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Key to symbols:
+ : in favour
- : against
0 : abstention