



Plenary sitting

A9-0343/2021

10.12.2021

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 Croatia in relation to the series of earthquakes starting from
28 December 2020
(COM(2021)0963 – C9-0403/2021 – 2021/0359(BUD))

Committee on Budgets

Rapporteur: Karlo Ressler

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	5
EXPLANATORY STATEMENT	7
OPINION IN LETTER FORM OF THE COMMITTEE ON REGIONAL DEVELOPMENT	10
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	12
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	13

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 Croatia in relation to the series of earthquakes starting from 28 December 2020 (COM(2021)0963 – C9-0403/2021 – 2021/0359(BUD))

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2021)0963 – C9-0403/2021),
 - 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) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027², and in particular Article 9 thereof,
 - having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European 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 resources³, and in particular point 10 thereof,
 - having regard to its resolution of 21 January 2021 on mitigating the consequences of earthquakes in Croatia⁴,
 - having regard to its resolution of 20 October 2021 on the effectiveness of Member States' use of EU Solidarity Fund money in cases of natural disasters⁵,
 - having regard to the letter from the Committee on Regional Development,
 - having regard to the report of the Committee on Budgets (A9-0343/2021),
1. Expresses its deepest solidarity and sympathy with all the individuals affected by the earthquakes, with their families, and with Croatia's national, regional and local authorities involved in relief efforts;
 2. Welcomes the decision as a tangible and visible form of the Union's solidarity with its citizens and the regions in Croatia affected by the earthquakes between 28 December 2020 and 21 February 2021;

¹ OJ L 311, 14.11.2002, p. 3.

² OJ L 433I, 22.12.2020, p. 11.

³ OJ L 433I, 22.12.2020, p. 28.

⁴ Texts adopted, P9_TA(2021)0023.

⁵ Text adopted, P9_TA(2021)0429.

3. Stresses the urgent need to release financial assistance through the European Union Solidarity Fund (EUSF) to ensure that support can reach the affected regions in good time;
4. Regrets the considerable time taken from Croatia's application for financial assistance, on 18 March 2021 to the Commission proposal for mobilisation at the end of October 2021; underlines, again, the importance of rapid mobilisation of the European Union Solidarity Fund in future to provide relief to people and regions in need;
5. Highlights that the EUSF has been under considerable strain in the first year of the MFF 2021-2027, that natural disasters are inherently unpredictable and that, due to climate change, their number and severity will likely increase over time and become costlier; underlines, therefore, its growing concern regarding the scarcity of the resources available to the EUSF over the period 2021-2027; considers that the overall funding amount and allocation arrangements for the Solidarity and Emergency Aid Reserve (SEAR) do not ensure optimal effectiveness of the EUSF and calls for a revision of SEAR at the next review of the MFF 2021-2027;
6. Approves the decision annexed to this resolution;
7. 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*;
8. 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 Croatia in relation to the series of earthquakes starting from 28 December 2020

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 of the European Union and the European Commission on budgetary discipline, on cooperation on 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 major public health emergency.
- (2) The financial contribution from 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 the MFF Regulation, and taking into account the previous mobilisations of the Solidarity and Emergency Aid Reserve in 2021, the maximum amount that can be mobilised by the Fund is EUR 359 968 632, which is enough to cover the needs under this Decision.
- (3) On 18 March 2021, Croatia submitted an application to mobilise the Fund, following the series of earthquakes starting from 28 December 2020.
- (4) The application submitted by Croatia meets the conditions for providing a financial contribution from the Fund, as laid down in Articles 2 and 4 of Regulation (EC) No 2012/2002.
- (7) The Fund should therefore be mobilised in order to provide a financial contribution to Croatia.
- (8) In order to minimise the time taken to mobilise the Fund, this Decision should apply from the date of its adoption,

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).

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 to provide the amount of EUR 319 192 359 to Croatia in commitment and payment appropriations, including the amount of EUR 41 325 507 as advance payment.

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.*

EXPLANATORY STATEMENT

The Commission proposes to mobilise the European Union Solidarity Fund (EUSF) to grant financial assistance to Croatia following a series of earthquakes between 28 December 2020 and 21 February 2021. The proposal for a decision would release EUR 319 192 359 in financial assistance for Croatia, including the advance of EUR 41 325 507 that has already been paid.

Details of the earthquakes

The first earthquake (measuring 5 on the Richter scale) struck the Petrinja area on 28 December 2021. It was swiftly followed by a more powerful earthquake (6.2 on the Richter scale) the next day, which hit the wider Petrinja area, causing substantial casualties and damage. The worst hit places were the towns of Sisak (where 90% of all buildings suffered some degree of damage), Petrinja and Glina, as well as surrounding villages in the region. There was also damage in the Karlovacka and Zagrebacka counties. The 29 December earthquake was felt in neighbouring countries, including Slovenia, Bosnia-Herzegovina and Hungary. On 30 December, a series of strong aftershocks (up to 5.2 on the Richter scale) were felt and, in the subsequent few months, a total of 4,000 aftershocks were recorded.

The combined impact of the earthquakes has made it the most significant earthquake disaster in modern Croatian history. Eight people lost their lives and dozens more were injured as a consequence of the 29 December earthquake. On 4 January 2021, the Croatian government declared a state of natural disaster for the counties of Sisak-Moslavina, Zagreb and Karlovac.

Damage caused by the earthquakes

It is estimated that 1.55 million people (more than one-third of Croatia's population) were affected by the earthquakes. Family homes were most heavily impacted, with 72% of all damaged buildings being residential dwellings. 85% of damaged residential units are located in the county of Sisak-Moslavina.

The earthquakes caused significant damage to educational infrastructure (271 buildings damaged), architectural heritage, cultural infrastructure and healthcare facilities. Nearly all hospital buildings in Sisak and Petrinja were damaged, exposing patients with COVID-19 and other patients, including persons with disabilities and children, to increased health risks. The earthquakes also caused severe damage to local agricultural facilities, such as buildings, machinery, production fields and feed storage units, as well as to embankments and flood defence systems. Additional damage was also caused to buildings and infrastructure already damaged in the earthquake that hit Zagreb in March 2020.

The Croatian authorities estimated the total direct damage caused by the earthquakes at EUR 5 508 740 811 or 10.21% of Croatia's GNI. As such, it qualifies as a 'major natural disaster' under the EUSF Regulation since it exceeds the threshold of 0.6% of the country's GNI in 2021. The independent assessment conducted by the Commission confirmed the affected area, the overall number of people affected by the earthquakes and the distribution of damage.

Croatia estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 1.66 billion, with the largest share (over 368 million EUR) for temporary accommodation, followed by restoration of affected natural areas to avoid immediate effects from soil erosion (304 million EUR) and clean-up operations (228 million EUR).

The rapid and professional reaction by the national, regional and local authorities, civil protection and rescue units, the Croatian armed forces, various humanitarian organisations and in particular hundreds of volunteers greatly mitigated the immediate consequences of the earthquake. Likewise, the solidarity of the Member States and other countries helped in relieving the burden as they lent their support in the form of basic necessities, financial aid, volunteers and other assistance.

Financial assistance

Croatia filed its application for assistance on 18 March 2021, within the 12-week deadline from the first damage occurring, and requested an advance pursuant to Article 4a of the Regulation. An advance of EUR 41 325 507 was paid to Croatia following the adoption of a Commission Implementing Decision on 23 June 2021.

In accordance with standard practice, aid intensity is proposed to be greater for damage exceeding the threshold for EUSF intervention, with a 2.5% assistance rate for damage under the threshold and 6% above as set out below:

<i>Qualification of disaster</i>	<i>Total direct damage in EUR</i>	<i>Major disaster threshold</i>	<i>2.5% assistance rate up to the threshold</i>	<i>6% assistance rate above the threshold</i>	<i>Total amount of assistance proposed</i>	<i>Advance paid</i>
Major	5 508 740 811	323 774 000	8 094 350	311 098 009	319 192 359	41 325 507

Conclusion

For the reasons set out above, the application submitted by Croatia meets 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 lays down that, as of 1 September each year, the remaining part of the SEAR may be used for any of the SEAR components. Moreover, 25% of the total SEAR allocation had to be retained until 1 October 2021, at which point it became available for all components.

The EUSF was mobilised to the tune of EUR 484 199 841 earlier in 2021 to provide assistance to Greece and France in relation to natural disasters and to 20 countries in relation to the Covid-19 pandemic. The table below sets out the situation regarding the SEAR/EUSF.

Amount currently available under the EUSF:	
Annual SEAR allocation for 2021	EUR 1 273 450 000
Plus unspent amount of EUSF 2020 carried over	EUR 47 981 598
Minus EUSF amount already mobilised in 2021	- EUR 484 199 841
Minus amount already mobilised by other SEAR components	- EUR 477 263 125
SEAR amount available for mobilisation	EUR 359 968 632
Total amount proposed for Croatia	EUR 319 192 359
Remaining SEAR funds available until the end of 2021	EUR 40 776 273

As the table demonstrates, virtually all SEAR availabilities have been exhausted in 2021. It is also important to note that no EUSF monies have so far been disbursed to provide assistance for the floods and forest fires in the summer of 2021.

In the case of severe earthquakes, such as those recently witnessed in Croatia, mitigation of the consequences and reconstruction inherently take more time than for some other natural disasters. This should be taken into account in order to ensure that there is sufficient absorption time for funding. Your Rapporteur therefore considers that any future revision of the EUSF Regulation should consider an extension of the 18-month deadline for the use of EUSF funding, as laid down in Article 8(1), in the case of severe earthquakes.

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 and reach those communities in Croatia dealing with the aftermath of the earthquakes. The Rapporteur calls on the Commission to ensure that this financial contribution be delivered with particular urgency to Croatia.

OPINION IN LETTER FORM OF THE COMMITTEE ON REGIONAL DEVELOPMENT

Mr Johan Van Overtveldt
Chair
Committee on Budgets
BRUSSELS

Subject: Mobilisation of the European Union Solidarity Fund to provide assistance to Croatia (COM(2021)0963 – 2021/0359(BUD))

Dear Mr Van Overtveldt,

A Commission proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Union Solidarity Fund (EUSF) to provide assistance to Croatia further to the series of earthquakes that occurred between 28 December 2020 and 21 February 2021 (COM(2021) 963 final) has been referred for opinion to the Committee on Regional Development. I understand that a report on this is soon to be adopted in the Committee on Budgets.

This decision covers the mobilisation of the EUSF in accordance with Council Regulation (EC) No 2012/2002 for an amount of EUR 319 192 359.

It is accompanied by DEC No 28/2021 that proposes to transfer the amount of EUR 277 866 852 from the Solidarity and Emergency Aid Reserve (SEAR) line to the EUSF operational budget line, both in commitments and payments, in accordance with Article 9 of Council Regulation (EU, EURATOM) No 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021-2027.

In accordance with Article 9(2) of the MFF Regulation, the overall annual ceiling of the SEAR is EUR 1 200 000 000 in 2018 prices or EUR 1 273 450 000 in current prices. Article 9(4) of the MFF Regulation stipulates that as of 1 September of each year, the remaining part of the amount available under SEAR may be used for assistance by any of the SEAR components. Furthermore, in line with Article 9(4) of the MFF Regulation 25% of the overall 2021 SEAR allocation (EUR 318 362 500 in current prices) had to be retained until 1 October 2021 and became available for all the components of SEAR as of that date.

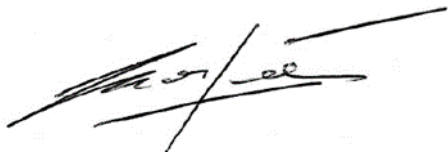
It should be recalled that following an earlier Mobilisation Decision in 2021, the EUSF has already been used for a total amount of EUR 484 199 841 to provide assistance to Greece and France in relation to natural disasters and to 20 Member States and accession countries in relation to a public health emergency.

Therefore, the maximum amount available for mobilisation under the EUSF at this point is EUR 359 968 632, which is enough to cover the needs under this Mobilisation decision.

These appropriations will be used for the payment of the remaining amount to Croatia, after deducting the already paid advance of EUR 41 325 507.

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 European Union Solidarity Fund to allocate the above-mentioned amounts as proposed by the Commission.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Younous OMARJEE', with a long horizontal stroke extending to the right.

Younous OMARJEE

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	9.12.2021
Result of final vote	<div style="display: flex; justify-content: flex-end; align-items: center;"> <div style="text-align: right; padding-right: 10px;"> + : - : 0 : </div> <div style="text-align: right;"> 41 0 0 </div> </div>
Members present for the final vote	Rasmus Andresen, Robert Biedroń, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, Andor Deli, José Manuel Fernandes, Eider Gardiazabal Rubial, Alexandra Geese, Vlad Gheorghe, Valentino Grant, Elisabetta Gualmini, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larrouturnou, Janusz Lewandowski, Silvia Modig, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Jonás Fernández, Mario Furore, Henrike Hahn

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

41	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Overtveldt
ID	Anna Bonfrisco, Valentino Grant, Joachim Kuhs, Hélène Laporte
NI	Andor Deli, Mario Furore
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureșan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nicolae Ștefănuță, Nils Torvalds
S&D	Robert Biedroń, Paolo De Castro, Jonás Fernández, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Pierre Larrourou, Victor Negrescu, Nils Ušakovs
The Left	Silvia Modig, Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, David Cormand, Alexandra Geese, Henrike Hahn

0	-
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0	0
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Key to symbols:

+ : in favour

- : against

0 : abstention