



2019/2023(BUD)

11.7.2019

DRAFT 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 Romania, Italy and Austria
(COM(2019)0206 – C9-0005/2019 – 2019/2023(BUD))

Committee on Budgets

Rapporteur: Siegfried Mureşan

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
EXPLANATORY STATEMENT	7
ANNEX – LETTER FROM THE COMMITTEE ON REGIONAL DEVELOPMENT	10

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 Romania, Italy and Austria
(COM(2019)0206 – C9-0005/2019 – 2019/2023(BUD))**

The European Parliament,

- having regard to the Commission proposal to the European Parliament and the Council (COM(2019)0206 – C9-0005/2019),
 - 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 (A9-0000/2019),
1. Welcomes the decision as a sign of the Union's solidarity with the EU citizens and regions hit by the natural disasters;
 2. Stresses the urgent need to release financial assistance through the European Union Solidarity Fund ('the Fund') to the regions affected by natural disasters in the Union in 2018;
 3. Welcomes the Commission proposal⁴ of 7 March 2019 to amend the EU Civil Protection Mechanism as a key tool for strengthening the EU's disaster risk management capacities, with a financial envelope for the 2021-2027 financing period that matches the level of ambition set in the Decision (EU) 2019/420 of the European Parliament and of the Council⁵ and in line with the European Parliament resolution of 14 November 2018 on the Multiannual Financial Framework 2021-2027⁶; is convinced that the Fund and the EU Civil Protection Mechanism should go hand in hand in preventing, preparing for and responding to natural disasters in the Member States;

¹ OJ L 311, 14.11.2002, p. 3.

² OJ L 347, 20.12.2013, p. 884.

³ OJ C 373, 20.12.2013, p. 1.

⁴ COM(2019)0125.

⁵ Decision (EU) 2019/420 of the European Parliament and of the Council of 13 March 2019 amending Decision No 1313/2013/EU on a Union Civil Protection Mechanism (OJ L 77I, 20.3.2019, p. 1.).

⁶ P8-TA-PROV(2018)0449.

4. Approves the decision annexed to this resolution;
5. 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*;
6. 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 Austria, Italy and Romania

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 Fund⁷, 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 management⁸, 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 1311/2013⁹.
- (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.

⁷ OJ L 311, 14.11.2002, p. 3.

⁸ OJ C 373, 20.12.2013, p. 1.

⁹ 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...

For the European Parliament

For the Council

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

EXPLANATORY STATEMENT

The Commission proposes to mobilise the European Union Solidarity Fund (hereafter the 'Fund') to grant financial assistance relating to extreme weather events that took place in the course of 2018 in Romania, Italy and Austria.

Romania - Flooding

In the summer of 2018, repeated severe rainfall in Romania's North East region caused large-scale flooding in all six of the region's counties with significant damages to infrastructure, such as dams, dykes, roads, bridges, water treatment and sewage systems, electricity and gas distribution, drinking water provision and irrigation systems, schools and other public buildings. There were also significant losses in agriculture and damages to private households.

In their application, received by the Commission on 7 September 2018, the Romanian authorities estimated total direct damages at EUR 196,8 million or 1,24% of the affected region's GDP, i.e. below the threshold value for mobilising the EUSF in a NUTS 2 level region (of 1,5% of regional GDP). In the revised application submitted on 9 October 2018 and completed on 14 December 2018, the damage estimate was increased to EUR 327,7 million or 2,07% of regional GDP, thus making the disaster qualify as a 'regional natural disaster' within the meaning of Article 2(3) of the EUSF Regulation.

The total cost of eligible essential emergency and recovery operations, as defined under Article 3(2) of the Regulation, was estimated by the Romanian authorities at EUR 294 million, with the largest shares concerning the costs of securing protective infrastructure (embankments) and of restoring transport infrastructure.

The affected region falls in the category of 'less developed regions' under the European Structural and Investment Funds (ESIF) for the 2014-2020 financing period. The Romanian authorities did not declare the intention to reallocate funding from the ESIF programmes towards recovery measures. No advance was requested.

In line with past practice, the Commission proposes applying the rate of 2,5 % of total direct damage for cases under the 'major disaster' threshold (i.e. 0,6 % of GNI or EUR 3 billion in 2011 prices, whichever is the lower amount). **The total amount of assistance proposed is therefore EUR 8 192 300.**

Italy - Extreme weather events

In autumn 2018, extreme weather events hit almost all Italian regions from North to South, triggering landslides, flooding and fallen trees, resulting in 34 casualties and 1 missing

person. The material damages included major disruptions in the road and river networks, damages to public and private buildings, interruptions in electrical power and gas networks, and significant losses for the wood-related economy as well as tourism. These weather events can be considered a single event from a meteorological point of view.

In their application of 20 December 2018 and updated on 27 March 2019, the Italian authorities presented damage estimates of EUR 6,6 billion (updated amount), corresponding to 192% of the threshold value applicable to Italy. These damage reports were confirmed by Copernicus Rapid Mapping reports and the European Severe Storms Laboratory database. As a result, the application qualifies under the criteria for a ‘major natural disaster’ as laid down in Article 2(2) of the Regulation.

The cost of emergency and recovery operations was estimated at over EUR 1 700 million, with the largest share for securing protective infrastructure.

Three of the affected regions (Calabria, Campania and Sicily) are ‘less developed regions’ under the ESIF, two are ‘regions in transition’ (Abruzzo and Sardinia), while the remaining 9 are ‘more developed regions’. No intention to reallocate ESIF funding towards recovery measures was signalled.

Again according to previous practice, the Commission considers that assistance should be progressive and proposes applying a rate of 2,5% to the portion of the damage below the ‘major natural disaster’ threshold value and 6% to the damage portion in excess of the threshold. **The total amount of aid proposed is thus EUR 277 204 595.**

Austria - Extreme weather events

In October 2018, the Carinthia and Eastern Tyrol regions in southern Austria were affected by the same meteorological phenomena that hit Italy. Heavy rainfall and storm winds led to flooding, significant damage to forests, landslides and power cuts.

The Austrian authorities applied for a contribution from the Fund on 14 January 2019 and updated the application on 20 February 2019. The total direct damage estimate of EUR 326,2 million is below the threshold for ‘major disasters’ applicable to Austria in 2018 as well as the ‘regional disaster’ threshold of 1,5% of regional GDP. As the disaster was caused by the same meteorological conditions as the major disaster in Italy, the application is eligible under the so-called ‘neighbouring country provision’ described in Article 2(4) of the Regulation.

The cost of emergency and recovery operations was estimated by the Austrian authorities at EUR 214,5 million, with the largest shares concerning measures to secure river embankments and avoid soil erosion.

The affected regions are ‘more developed regions’ under the ESIF. The Austrian authorities

did not request the payment of an advance but declared the intention to use funds under the European Agricultural Fund for Rural Development for protective forest recreation measures.

The Commission proposes applying the usual 2,5% rate for disasters under the ‘neighbouring country’ provision, thus arriving at a **proposed total financial contribution from the Fund of EUR 8 154 899**.

Conclusion

The total amount proposed to be mobilised for Romania, Italy and Austria is EUR 293 551 794. This requires an **amendment to the 2019 budget** by means of a draft amending budget (DAB 3/2019) that aims at increasing budget line *13 06 01 'Assistance to Member States in the event of a major natural disaster with serious repercussions on living conditions, the natural environment or the economy'* by the aforementioned amount in both commitment and payment appropriations.

The total amount available at the start of 2019 was EUR 851 082 072, i.e. the sum of the 2019 allocation of EUR 585 829 691 and the portion of the 2018 allocation of EUR 265 252 381 that remained unspent and was carried over to 2019.

This is the first mobilisation decision of 2019 and leaves available an amount of EUR 557 530 278 for the remainder of 2019, well above the amount legally required to be retained until 1 October 2019 in accordance with Article 10(1) of the MFF regulation (25% of the 2019 annual allocation, i.e. EUR 146 457 423).

The Rapporteur supports Member States using ESIF funds for the reconstruction of the affected regions, and invites the Commission to support and rapidly approve the reallocation of the partnership agreement requested by Austria for the reconstruction of these regions.

The Rapporteur recommends the swift approval of the Commission proposal for a decision annexed to this report, leading to the rapid mobilisation of the aforementioned amounts, as a sign of European solidarity with the three Member States concerned.

ANNEX – LETTER FROM THE COMMITTEE ON REGIONAL DEVELOPMENT

(To be received)