



Brussels, 31.5.2018
COM(2018) 360 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
Bulgaria, Greece, Lithuania and Poland**

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 33 992 206 to provide assistance to Bulgaria, Greece, Lithuania and Poland further to disasters that took place in these countries in the course of 2017. This mobilisation is accompanied by Draft Amending Budget (DAB) No 4/2018² that proposes to enter the necessary appropriations in the general budget 2018.

2. INFORMATION AND CONDITIONS

2.1 Bulgaria – flooding

On 25 and 26 October 2017 the south-eastern part of Bulgaria experienced unusual intense rainfall and violent storms causing damage to bridges, drainage channels and retaining walls and the basic infrastructure.

- (1) Bulgaria applied for a contribution from the Solidarity Fund on 11 January 2018, within the deadline of 12 weeks after the first damage was recorded on 25 October 2017. The application 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 Bulgarian authorities estimate the total direct damage caused by the disaster at EUR 90,3 million. The application was presented on the basis of the provisions for 'regional disasters' 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. The damage caused by the flooding in Burgas represents 1,6 % of the GDP of the relevant Yugoiztochen NUTS level 2 region³ and therefore exceeds the 1,5 % threshold laid down in the Regulation. The application from Bulgaria is therefore eligible for a contribution from the EUSF.
- (4) In their application the Bulgarian authorities requested the payment of an advance. Following a preliminary assessment of the application, the Commission considered that the claimed amount of damage which only marginally exceeds the eligibility threshold required a more thorough assessment and that the payment of an advance is therefore not justified.
- (5) The Bulgarian application gives a detailed description of the meteorological situation and effects of the storm. Between 25 and 26 October 2017 intense and heavy rainfall, strong winds and storm surge from the Black Sea hit the territory of the Burgas district creating a critical situation. The state of emergency was declared and the Regional Plan for Disaster Protection was put in operation. The flood took 5 victims

¹ OJ L 311, 14.11.2002, p. 3.

² COM(2018) 361, 31.5.2018.

³ BG34 = Regional GDP for Yugoiztochen is EUR 5 327 million based on 2015 data.

and affected some 6 000 people, 142 residential and over 1 200 non-residential properties were flooded. High river waters and tidal waves flooded bridges and destroyed road infrastructure, drainage channels, drains and retaining walls, including the national road network. Municipal infrastructure including roads, bridges, water pipes, supporting walls, drainage protection, dykes, riverbeds, health and child care infrastructure were damaged or destroyed. The regional solid waste landfill was heavily damaged and temporarily decommissioned. The waste water treatment plant in Dolno Ezerovo was flooded and temporarily not functioning.

- (6) Bulgaria estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 90,1 million and presented it broken down by type of operation. The by far largest share of eligible costs (almost EUR 65 million) concerns the transport sector.
- (7) The Bulgarian authorities declared that 0,33 % of eligible cost are insured. They may therefore not receive a contribution from the EUSF.
- (8) The affected regions are 'less developed regions' under the European Structural and Investment (ESI) Funds (2014-2020). The Bulgarian authorities did not signal to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.
- (9) Bulgaria 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) The Bulgarian application provides a short description of the implementation of Union legislation on disaster risk prevention and management related to the nature of the disaster. Accordingly, Directive 2000/60/EC (Water Framework Directive) and Directive 2007/60/EC (Floods Directive) were transposed into the Bulgarian Water Act. Council Directive 2008/114/EC on critical infrastructures was transposed into the Bulgarian Disaster Protection Act.

2.2 Greece – earthquake on the island of Kos 2017

On 20 July 2017, an earthquake with a magnitude of 6,6 on the Richter scale affected the South Aegean region between Bodrum (Turkey) and the island of Kos (Greece) followed by a multitude of aftershocks. The ensuing damage mostly affected public infrastructure and assets as well as important cultural heritage sites.

- (1) Greece applied for a contribution from the EUSF on 11 October 2017, within the deadline of 12 weeks after the first damage was recorded on 21 July 2017. The application was submitted as a 'regional disaster' under Article 2(3) of the Regulation. On 9 March 2018, following a request from the Commission, Greece provided additional information necessary to complete the assessment of this case.
- (2) The disaster is of natural origin and therefore falls within the field of application of the EUSF.
- (3) The Greek authorities estimate the total direct damage caused by the disaster at EUR 101,4 million. The application was presented on the basis of the provisions for 'regional disasters' 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. The damage caused by the earthquake in Kos represents 1,8 % of the GDP of the relevant Southern Aegean⁴ NUTS level 2 region and therefore exceeds the 1,5 % threshold laid down in the Regulation. The application from Greece is therefore eligible for a contribution from the EUSF.

- (4) In their application the Greek authorities requested the payment of an advance. The Commission considered that the payment of an advance is not justified as essential additional information from Greece was required to make the preliminary assessment laid down in Article 4a of the Regulation.
- (5) In response to the earthquake rescue teams were brought in to assess the situation, carry out rescue activities, restore the island's vital functions (airport, port, hospital) and to coordinate the local emergency management authorities. Firefighters and the National Ambulance Service were mobilised to search for people trapped and injured. Special teams restored cut power lines. Greece reported 10 casualties and more than 100 people injured. Residents and a large number of tourists had to sleep in schools, parks and outdoors areas for several nights. The port of Kos was found to have suffered significant damage and could not be used for some days. 150 homes need to be repaired and 10 homes need rebuilding. 33 businesses require repairs and 5 need rebuilding. 3 public buildings were also affected. Many cultural heritage assets were damaged, primarily on the eastern side of the island, which was closer to the epicentre of the earthquake, in particular, monuments and archaeological sites in the town of Kos.
- (6) Greece estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 93,9 million and presented it broken down by type of operation. The largest share (over EUR 47,8 million) of eligible costs concerns measures to protect the cultural heritage. The second largest share (some EUR 41,1 million) concerns costs to restore the transport infrastructure.
- (7) The Greek authorities confirmed that there is no insurance coverage of eligible cost.
- (8) The affected region is a 'more developed region' under the European Structural and Investment (ESI) Funds (2014-2020). The Greek authorities signalled to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.
- (9) Greece did not activate the Union Civil Protection Mechanism.
- (10) As a secondary effect of the earthquake a local tsunami was generated that affected the coast of the Bodrum peninsula and parts of the coastline of the island of Kos. A post event survey was conducted by an international team composed of scientists from Turkey, Greece and the Commission's Joint Research Centre.
- (11) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

⁴ EL42 = Regional GDP for Notio Aigaio/Southern Aegean is EUR 6 045 million based on 2014 data.

- (12) The Greek application provides a description of the implementation of Union legislation on disaster risk prevention and management related to the nature of the disaster. Based on the strong earthquakes that hit Greece between 1978-1981, the Greek government set up a natural disaster risk prevention and management policy with the aim of improving resilience in local communities via a framework for implementing policies to reduce known risks, managing the impact of earthquakes, and procedures/action to prevent new risks.

2.3 Lithuania – flooding

During summer and autumn, Lithuania was affected by continuous rainfall resulting in fully saturated soils unable to absorb the excess water. This situation resulted in flooding causing mainly damage to the network infrastructure and in the agricultural sector.

- (1) Lithuania applied for a contribution from the Solidarity Fund on 22 December 2017, within the deadline of 12 weeks after the first damage was recorded on 4 October 2017. The application was submitted as a ‘major disaster’ under Article 2(2) of the Regulation. On 6 February 2018 Lithuania submitted additional information.
- (2) The disaster is of natural origin and therefore falls within the field of application of the EUSF.
- (3) Lithuania estimated the total direct damage caused by the flooding at EUR 407,4 million. This amount exceeds the ‘major disaster threshold’ for mobilising the EUSF applicable to Lithuania in 2017 of EUR 214,9 million (i.e. 0,6 % of Gross National Income based on 2015 data). As the estimated total direct damage exceeds that threshold, the disaster qualifies as a ‘major natural disaster’ and is therefore eligible for a contribution from the EUSF.
- (4) Lithuania did not request the payment of an advance.
- (5) The Lithuanian application gives a detailed description of the meteorological situation and effects of the long-lasting rainfalls. A period of excessive rainfall over several months with precipitation rates reaching up 280 % of the normal led to waterlogged soil, excessive inland waters and critical overloading of drainage systems. On 4 October 2017 Lithuania declared a nation-wide emergency. The long-term flow of excess water with sudden changes in water levels, soil and litter silt, and high water pressure damaged drainage systems and led to their critical condition. Land reclamation and drainage systems nationwide failed to absorb water. Overflowing rivers led to flooding of crop fields, farms and homes, electrical stations and affected cemetery areas. The heavy rainfalls also damaged over 100 km of district roads. Some 50 electricity black-outs were recorded, heating pipelines and thermal insulation were damaged.
- (6) Lithuania estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 240,2 million and presented it broken down by type of operation. Almost the entire eligible costs concern the restoration to working order of infrastructure in the field of water/waste water management including dams and drainage systems. The contribution from the EUSF may however not be used for repairs going beyond the state of these assets before the disaster.

- (7) The Lithuanian authorities confirmed that there is no insurance coverage of eligible cost.
- (8) The affected region is a 'less developed region' under the European Structural and Investment (ESI) Funds (2014-2020). The Lithuanian authorities did not signal to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures. However, following a request from Lithuania for support to farmers presented to the Commission in November 2017, the Commission adopted Implementing Regulation (EU) No 2018/108 on "an emergency measure in the form of aid to farmers due to the floods and heavy rainfalls in certain areas of Lithuania, Latvia, Estonia and Finland". The maximum amount provided to Lithuania is EUR 9,1 million.
- (9) Lithuania 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) The Lithuanian application provides a description of the national emergency prevention procedures in place without however referring specifically to the implementation of Union legislation on disaster risk prevention and management related to the nature of the disaster. The Law on Civil Protection of the Republic of Lithuania regulates procedures to be applied by state and municipal institutions and establishments, farms and other bodies to prepare for emergencies and prevent them. Under the legal acts, the Ministry of Agriculture, Ministry of Environment and municipal administrations have approved 3-year plans of emergency prevention measures. The State Emergency Management Plan approved in 2010 sets out the mobilisation and management of material and human resources in the wake of a state emergency. Under Order No 1V-114 of 2007, the responsibility for informing about the events and emergencies caused by hydro-meteorological and geological events lies with the Ministry of Environment and subordinate bodies.

2.4 Poland – storm

Between 9 and 12 August 2017 parts of Poland were affected by exceptionally violent storms and heavy rainfall causing widespread damage to private and public forests, public infrastructure and other assets.

- (1) Poland applied for a contribution from the Solidarity Fund on 25 October 2017, within the deadline of 12 weeks after the first damage was recorded on 9 August 2017. The application was submitted as a 'regional disaster' under Article 2(3) of the Regulation. On 23 March 2018, following a request from the Commission, Poland provided essential additional information necessary to complete the assessment of this case.
- (2) The disaster is of natural origin and therefore falls within the field of application of the EUSF.
- (3) The Polish authorities estimate the total direct damage caused by the disaster at EUR 491,2 million. The application was presented on the basis of the provisions for 'regional disasters' 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. The damage caused by the storm represents 2,0 % of weighted average regional GDP⁵ of the three regions concerned, namely Kuyavian-Pomeranian voivodeship, Pomeranian voivodeship and Greater Poland voivodeship and therefore exceeds the 1,5 % threshold laid down in the Regulation. The application from Poland is therefore eligible for a contribution from the EUSF.

- (4) Poland did not request the payment of an advance.
- (5) The Polish application gives a detailed description of the meteorological situation at the beginning of August 2017. The storm came with intense rain and local hail causing 6 fatalities and 39 people injured. The districts of Toruń and Gdańsk were hardest hit. Poland immediately took action to rescue human life, and to secure damaged buildings, to remove fallen trees which blocked many roads and railways and cut power lines. Most damage occurred in the forest sector. Poland estimates that in the three affected regions a total of 9,8 million m³ of timber was destroyed. The disaster caused significant losses in natural resources and affected for instance 22 forest reserves, 15 bird species and 134 habitats (Natura 2000), including the oldest forest reserve "Czeszewski Forest" in Jarocin Forest District. Forest infrastructure like roads, bridges, forest lodges and buildings of forest education centres, tourist sites and other facilities were seriously damaged. In addition, over 13 600 farms and about 99 000 ha of crops were affected. In the energy sector, 5 000 pylons need to be repaired, as well as 758 transformer stations and over 451 km of power lines.
- (6) Forests in Poland are of particular importance to the environment and are protected by a variety of regulations. They cover about 30 % of Poland's territory, 81 % of them are public. 77 % of the Polish forests are under the administration of the State Forests National Forest Holding. They include national parks, nature reserves, areas of protected landscape, Natura 2000 sites, areas of ecological importance, nature and landscape complexes and documentation sites. The areas of Natura 2000 network cover about 20% of Poland.
- (7) Poland estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 324,5 million and presented it broken down by type of operation. The largest share (over EUR 259,1 million) of eligible costs concerns measures in relation to the immediate restoration of affected zones to avoid immediate effects from soil erosion. The second largest share (EUR 42,4 million) concerns costs to restore the transport infrastructure.
- (8) The Commission noted that problems occurred in the past regarding the compliance of forest management activities with the EU environmental legislation. In order to prevent non-compliance of envisaged operations related to forest management with the EU environmental legislation, the Commission may include appropriate provisions into the subsequent implementing act.
- (9) The Polish authorities confirmed that there is no insurance coverage of eligible cost.
- (10) The affected regions are 'less developed regions' under the European Structural and Investment (ESI) Funds (2014-2020). The Polish authorities did not signal to the

⁵ Weighted average regional GDP amounts to EUR 24,1 million based on 2014 data.

Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.

- (11) Poland did not activate the Union Civil Protection Mechanism.
- (12) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.
- (13) The Polish application provides a description of the implementation of Union legislation on disaster risk prevention and management, such as the ‘Flood Directive’ Directive 2007/60/EC on the assessment and management of flood risks, as well as Directive 2008/114/EC on the identification and designation of European critical infrastructures and the assessment of the need to improve their protection and Directive 2012/18/EU on the control of major-accident hazards involving dangerous substances. There is currently no Union legislation specifically relating to storms.

2.5 Conclusion

For the reasons set out above, the disasters referred to in the applications submitted by Bulgaria, Greece, Lithuania and Poland meet the conditions set out in the Regulation for mobilising the EUSF.

3. FINANCING FROM THE EUSF ALLOCATIONS 2018

Council Regulation (EU, EURATOM) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020⁶ (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 management⁷ (IIA) lays down the modalities for the mobilisation of the EUSF.

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

⁶ OJ L 347, 20.12.2013, p. 884.

⁷ OJ C 373, 20.12.2013, p. 1.

Member States	<i>Qualification of disaster</i>	<i>Total direct damage</i> (million EUR)	<i>Major disaster threshold</i> (million EUR)	<i>2,5% of direct damage up to threshold</i> (EUR)	<i>6% of direct damage above threshold</i> (EUR)	Total amount of aid proposed (EUR)	Advances paid (EUR)
BULGARIA	<i>Regional (Art. 2(3))</i>	90,329	288,020	2 258 225	-	2 258 225	0
GREECE	<i>Regional (Art. 2(3))</i>	101,432	1 057,800	2 535 796	-	2 535 796	0
LITHUANIA	<i>Major (Art. 2(2))</i>	407,366	214,944	5 373 600	11 545 341	16 918 941	0
POLAND	<i>Regional (Art. 2(4))</i>	491,170	2 501,280	12 279 244	-	12 279 244	0
TOTAL						33 992 206	0

In accordance with Article 10(1) of the MFF regulation, 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 (i.e. EUR 574 342 834 minus EUR 293 971 080 already mobilised in 2017⁸), 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 173 389 397. 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 and minus EUR 104 166 951 mobilised for Greece, Spain, France and Portugal earlier this year⁹.

EUSF financing summary table	Amount EUR
2017 allocation carried forward to 2018	140 770 303
2018 allocation	574 342 834
2018 allocation frontloaded in 2017 in accordance with Article 10(2) of the MFF regulation	-293 971 080 -----
Total available at the beginning of 2018	421 142 057
Minus already mobilised in 2018 for Greece, Spain, France and Portugal	-104 166 951
Minus 25% of the 2018 allocation retained	-143 585 709 -----
Maximum amount currently available (2017+2018 allocations)	173 389 397
Total amount of aid proposed to be mobilised for Bulgaria, Greece, Lithuania and Poland	- 33 992 206
Remaining availabilities until 1 October 2018	139 397 191

⁸ Decision (EU) 2017/1599 of the European Parliament and of the Council of 13 September 2017 on the mobilisation of the European Union Solidarity Fund to provide assistance to Italy (OJ L 245, 23.9.2017) and the accompanying Amending Budget N°4/2017 (OJ L 330, 13.12.2017).

⁹ 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, Spain, France and Portugal (COM(2018) 150, 22.2.2018) and the accompanying Draft Amending Budget N°1/2018 (COM(2018) 150, 22.2.2018).

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 Bulgaria, Greece, Lithuania and Poland

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 Fund¹⁰, 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 management¹¹, 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 1311/2013¹².
- (3) On 11 January 2018, Bulgaria submitted an application to mobilise the Fund, further to a flooding caused by intense rainfall and violent storms of 25 and 26 October 2017.
- (4) On 11 October 2017, Greece submitted an application to mobilise the Fund, following an earthquake that affected the South Aegean region and the island of Kos on 20 July 2017.
- (5) On 22 December 2017, Lithuania submitted an application to mobilise the Fund, following a flooding caused by continuous rainfall during summer and autumn 2017.
- (6) On 25 October 2017, Poland submitted their application for a contribution from the Fund, following exceptionally violent storms and heavy rainfall that occurred between 9 and 12 August 2017.
- (7) The applications by Bulgaria, Greece, Lithuania and Poland 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 Bulgaria, Greece, Lithuania and Poland.

¹⁰ OJ L 311, 14.11.2002, p. 3.

¹¹ OJ C 373, 20.12.2013, p.1.

¹² 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 2018, the European Union Solidarity Fund shall be mobilised to provide the amount of EUR 2 258 225 to Bulgaria, EUR 2 535 796 to Greece, EUR 16 918 941 to Lithuania and EUR 12 279 244 to Poland, in commitment and payment appropriations.

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

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