EUROPEAN
COMMISSION

Brussels, 22.2.2018
COM(2018) 150 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 Greece, Spain, France and Portugal

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EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

This decision covers the mobilisation of the European Union Solidarity Fund (EUSF) for an amount of EUR 104 166 951 to provide assistance to Greece, France, Portugal and Spain further to disasters that took place in these countries in the course of 2017. This mobilisation is accompanied by Draft Amending Budget (DAB) No 1/2018[1] that proposes to enter the necessary appropriations in the general budget 2018, both in commitments and payments, after having deducted the advance already paid (EUR 6 520 846).

2. INFORMATION AND CONDITIONS

2.1 Greece – Earthquakes in Lesbos

On 12 June 2017, an earthquake with a magnitude of 6,3 on the Richter scale affected the island of Lesbos in the Northern Aegean. A multitude of aftershocks followed causing damage to private homes, businesses and local infrastructure.

(1) Greece applied for a contribution from the EUSF on 1 September 2017, within the deadline of 12 weeks following the first occurrence of damage.

(2) The disaster is of natural origin.

(3) The Greek authorities estimate the total direct damage at EUR 54,4 million. The application was presented on the basis of the criteria for a 'regional natural disaster' as laid down in Article 2(3) of Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund[2] (hereafter referred to as "the Regulation") which defines a 'regional natural 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 gross domestic product (GDP). The damage caused on Lesbos represents 2,14 % of the GDP of the concerned Northern Aegean[3] NUTS 2 level region and thus exceeds the threshold of 1,5 % of regional GDP laid down in the Regulation.

(4) In its application Greece requested the payment of an advance as laid down in Article 4a of the Regulation. On 24 October 2017 the Commission adopted Implementing Decision C(2017) 7203 awarding a 10 % advance of EUR 135 912 on the anticipated financial contribution from the EUSF and subsequently paid it out in full to Greece on 9 November 2017.

(5) In their application the Greek authorities describe in detail the situation following the earthquake and the efforts made to assist the affected population. Greece reported that twelve villages in Lesbos were damaged by the earthquake. Over half of the village of Vrisa was destroyed and its 850 residents were evacuated for a long period of time due to the intense aftershocks. Repairs were considered necessary for 776 houses and 200 houses had to be rebuilt. In addition, schools in the affected area remained closed. The dome of the church of St. Panteleimonas in Plomari collapsed. Landslides closed the main road between Mytilini and Plomari at Agios Isidoros and the road to Melinta. Significant damage was also caused to historical sites, including

[1] COM(2018) 155, 22.2.2018.

[2] OJ L 311, 14.11.2002, p. 3.

[3] EL41 = Regional GDP for Voreio Aigaio/Northern Aegean is EUR 2 545 million based on 2014 data.

the Museum of Natural History of the National and Kapodistrian University of Athens in Vrisa. Minor damage occurred in the town of Chios and the village of Kampos.

(6) Greece estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 12,7 million.

(7) The Greek authorities confirmed that there is no insurance coverage of eligible costs.

(8) The affected region is part of the 'transition regions' under the European Structural and Investment Funds (2014-2020). In their application the Greek authorities did not signal to the Commission the intention to reallocate funding from the ESI Funds programmes towards recovery measures.

(9) Greece 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) Based on the strong earthquakes that hit Greece between 1978-1981, the Greek government decided to create a natural disaster risk prevention and management framework, 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. The Greek system of anti-seismic civil protection is based on policies revolving mainly around vulnerability reduction, by preventing and mitigating risk (and damage) and tackling emergency situations and the consequences of disasters.

2.2 France – Hurricanes Irma and Maria in Saint Martin and Guadeloupe

On 5 and 6 September 2017, a category 5 hurricane named Irma of unprecedented violence, travelled north-west through the Caribbean, killing and injuring a great number of people and leaving a trail of destruction behind. The eye of hurricane Irma crossed the island of Saint Martin/Sint Maarteen with an average speed of 290-295 km/h destroying over 90 % of the island. Only two weeks later on 18 and 19 September hurricane Maria, another category 5 hurricane resulting from the same meteorological and climatic conditions as Irma, crossed the Caribbean and again caused significant damage on Saint Martin/Sint Maarten, Guadeloupe and parts of Martinique.

(1) France applied for a financial contribution from the EUSF on 27 November 2017 within the deadline of 12 weeks after the first damage was recorded.

(2) The disaster is of natural origin.

(3) The French authorities estimate the total direct damage caused by the disaster at EUR 1 956,2 million. The application was presented on the basis of the criteria for a 'regional natural disaster' as laid down in Article 2(3) of the Regulation. The French application relates to one single NUTS level 2 region, encompassing Saint-Martin and Guadeloupe. As this region has outermost region status within the meaning of Article 349 of the Treaty on the Functioning of the European Union, a lower damage threshold of 1 % of regional GDP applies. The reported direct damage represents 21,9 % of the region's GDP[4] and exceeds by far the applicable 1 %-threshold for outermost regions laid down in the Regulation.

[4] EUR 8 928 million based on 2014 data.

(4) In its application France requested the payment of an advance as laid down in Article 4a of the Regulation. On 12 December 2017 the Commission adopted Implementing Decision C(2017) 8726 awarding a 10 % advance of EUR 4 890 603 on the anticipated financial contribution from the EUSF. The advance was paid out to France in two instalments in December 2017 (EUR 2 369 757) and January 2018 (EUR 2 520 846).

(5) In their application the French authorities describe in detail the scale of destruction caused by the two hurricanes.The force of 'Irma', a category 5 hurricane with average winds over 275 km/h for over 3 days, was unprecedented. Less than two weeks later, hurricane 'Maria' hit the Caribbean again, causing damage mainly on Guadeloupe. At least 35 people have been reported dead in the Caribbean. At the height of the crisis, nearly 3 000 firefighters, rescue workers, doctors, gendarmes and soldiers were deployed to the affected areas to participate in relief efforts, assistance and protection of the population. 226 tons of food and 735 000 litres of water were distributed to the population. Housing modules were deployed to ensure acceptable housing conditions. On Saint-Martin 90 % of the island's buildings were damaged by the wind gusts of which 25 % were totally destroyed and 40 % will need structural work. The economy of the island is mainly based on tourism. Because of the hurricane long-term unemployment in the sector is expected while overall unemployment rates are increasing dramatically. In Guadeloupe, after the passage of hurricane Maria during the night of 18 to 19 September 2017, all state services were mobilised to clear the roads, rescue and help the population to return to normal living conditions. For days some 60 000 households in Guadeloupe were without power and water was cut off in many areas. Many banana plantations, one of the important sources of income on Guadeloupe, were significantly destroyed and it will take two years to get back to full production.

(6) France estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 191,4 million.

(7) The French authorities confirmed that there is no insurance coverage of eligible costs.

(8) The affected outermost regions are "less developed regions" under the European Structural and Investment Funds (2014-2020). The French authorities signalled to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.

(9) At the request of France the Union Civil Protection Mechanism was activated. Moreover, the Commission mobilised an amount of EUR 2,4 million for immediate humanitarian assistance for the islands of the region affected by hurricane Irma. Furthermore, the Copernicus satellite mapping tool was employed to support relief efforts.

(10) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

2.3 Portugal – Forest fires in Centro

Between June and October 2017, Portugal suffered several waves of large forest fires triggered by high temperatures, strong winds and extreme low humidity. These fires affected mainly Portugal's Central and Northern regions and had a devastating effect causing the destruction of essential public infrastructure, public buildings, private homes, businesses and destroying agricultural and forest land.

(1) The first wave of fires in the Centro region started on 17 June 2017. Very rapidly, on 17 July 2017, and well within the 12 week application deadline Portugal submitted its initial application for a contribution from the EUSF. However, Portugal was struck again by severe fires between July and October. To take account of those events, Portugal submitted updates to their application on 13 October 2017 and again on 14 December 2017 including a revised estimate of the cumulated amount of damage caused by the fires between June and October 2017.

(2) The disaster is of natural origin.

(3) In their final application the Portuguese authorities estimate the total direct damage caused by the fires from June to October at EUR 1 458,0 million. The application was submitted as a 'major natural disaster' under Article 2(2) of the Regulation. This amount represents 0,832 % of Portugal's GNI, and exceeds the major disaster threshold for mobilising the Solidarity Fund of EUR 1 051,6 million in 2017 (i.e. 0,6 % of Portugal's GNI). The disaster therefore qualifies as a 'major natural disaster' and thus falls within the field of application of the Regulation.

(4) In its application Portugal requested the payment of an advance as laid down in Article 4a of the Regulation. On 9 November 2017 the Commission adopted Implementing Decision C(2017) 7517 awarding an advance of EUR 1 494 331. This amount was based on the initial damage estimate of July 2017 and represented 10 % of the financial contribution from the EUSF anticipated at that moment. The advance was paid out in full to Portugal on 29 November 2017.

(5) In their application the Portuguese authorities describe in detail the efforts made to fight the fires, as well as the effects and consequences of the disaster. The fires mainly affected the central and nothern regions during the period between 17 June and 17 October 2017. The Pedrógão Grande fire of June alone led to the loss of 64 human lives. Overall, the fires killed some one hundred people; many more were injured. The impact on daily life and private property was significant. The vast burnt area of the fire events described in the application was mapped in the European Forest Fire Information System (EFFIS). According to EFFIS the extent of the burnt area severely affected was 491 094 hectares, of which 89 419 hectares of agricultural land and 401 675 hecatres of forest and other wood land.

(6) Portugal estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 211,0 million.

(7) The Portuguese authorities confirmed that there is no insurance coverage of eligible costs.

(8) The affected regions are "less developed regions" under the European Structural and Investment Funds (2014-2020). The Portuguese authorities signalled to the Commission their intention to reallocate funding from the ESI Funds programmes towards recovery measures.

(9) Following a request from Portugal the Union Civil Protection Mechanism was activated to help combat the fires.

(10) As regards the implementation of Union legislation on disaster risk prevention and management, there is currently no infringement procedure on-going.

(11) The Portuguese application gives an overview of prevention measures in place. For instance, Resolution n°56/2015 of Council of Ministers published in the Official Journal of the Portuguese Republic n°147 of 30 July 2015, approving the Strategic

Framework for Climate Policy, the National Programme for Climate Change and the National Strategy for Adaptation to Climate Change, strategic documents which are in line with the EU legislation for the prevention and management of risks related to forest fire disasters.

2.4 Spain – Forest fires in Galicia

Large wildfires broke out in north-western Spain in the region of Galicia during the period between 10 and 17 October 2017. The fires were triggered by the same meteorological conditions as in Portugal, i.e. high temperatures, winds and extreme low humidity. The fires caused considerable destruction of essential public infrastructure, private homes, businesses and forest land.

(1) Spain applied for a contribution from the EUSF on 22 December 2017 within the deadline of 12 weeks after the first damage was recorded on 10 October 2017.

(2) The disaster is of natural origin.

(3) The Spanish authorities estimate the total direct damage caused by the disaster at EUR 129,1 million. This amount is considerably below the major disaster threshold applicable to Spain in 2017 of EUR 3 378,5 million (i.e. EUR 3 billion in 2011 prices). It also remains below the threshold for a so-called regional disaster, i.e. 1,5 % of regional gross domestic product, which for Galicia is EUR 808 million. The disaster therefore does neither qualify as a 'major natural disaster' nor as a 'regional natural disaster' under the terms of the Regulation. However, Spain was affected by the same meteorological conditions which caused the major disaster in Portugal. Therefore, the Spanish authorities presented their application under the so called 'neighbouring country 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 aid.

(4) In their application the Spanish authorities requested the payment of an advance. Given the low level of the damage and of the anticipated amount of aid the payment of an advance was not justified.

(5) The Spanish authorities provided a detailed description of the impact of the disaster. The burnt area claimed amounts to 49 171 ha of forest and shrub land, including Natura 2000 sites. Rescue services included over 300 staff and 112 cars. 487 volunteers were mobilised with the help to extinguish the fires. The number of the population affected by the fires is 96 730 persons. Four people lost their lives. In total, 151 municipalities out of 315 in Galicia were affected. In economic terms the forest sector suffered the most with total direct damage estimated alone at over EUR 93,4 million. Spain quickly reacted to the most urgent needs of the population affected by the fires, such as providing social support, temporary accommodation and essential emergency and recovery operations of infrastructure.

(6) Spain estimated the cost of emergency and recovery operations eligible under Article 3(2) of the Regulation at EUR 18,7 million.

(7) The Spanish authorities confirmed that there is no insurance coverage of eligible costs.

(8) The affected region Galicia is a "more developed region" under the European Structural and Investment Funds (2014-2020). In their application the Spanish authorities did not signal to the Commission the intention to reallocate funding from the ESI Funds programmes towards recovery measures.

(9) Spain 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.

(11) In its application Spain refers to Decision No 1313/2013/EU of the European Parliament and of the Council of 17 December 2013 on a Union Civil Protection Mechanism. The territorial plan of emergencies for Galicia (PLATERGA) provides for a set of rules and procedures for action and prevention by the public administrations to combat any emergency situation that occurs in Galicia. Moreover, a special plan of civil protection against forest fire emergencies called PEIFOGA exists and was updated in 2015.

2.5 Conclusion

For the reasons set out above, the disasters referred to in the applications submitted by Greece, France, Portugal and Spain 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 2014-2020[5] (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 management[6] (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 Greece, France, Portugal and Spain, the calculation of the financial contribution from the EUSF, based on the estimate of total direct damages caused is as follows:

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5 OJ L 347, 20.12.2013, p. 884.

6 OJ C 373, 20.12.2013, p. 1.

Member States	*Qualification of disaster*	*Total direct damage (million EUR)*	*Major disaster threshold (million EUR)*	*2,5% of direct damage up to threshold (EUR)*	*6% of direct damage above threshold (EUR)*	***Total amount of aid proposed (EUR)***	***Advances paid (EUR)***
GREECE	*Regional (Art. 2(3))*	*54,365*	*1 057,800*	*1 359 119*	-	***1 359 119***	***135 912***
FRANCE	*Regional (Art. 2(3))*	*1 956,241*	*3 378,487*	*48 906 025*	-	***48 906 025***	***4 890 603***
PORTUGAL	*Major (Art. 2(2))*	*1 457,966*	*1 051,566*	*26 289 150*	*24 383 982*	***50 673 132***	***1 494 331***
SPAIN	*Regional (Art. 2(4))*	*129,147*	*3 378,487*	*3 228 675*	-	***3 228 675***	
	TOTAL					***104 166 951***	***6 520 846***

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 2017[7]), 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 277 556 348. 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.

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	-
Minus 25% of the 2018 allocation retained	-143 585 709 ----------------
Maximum amount currently available (2017+2018 allocations)	**277 556 348**
Total amount of aid proposed to Greece, France Portugal and Spain	**<u>104 166 951</u>**
Remaining availabilities until 1 October 2018	**173 389 387**

7 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.

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

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[8], 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[9], 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[10].

(3) On 1 September 2017, Greece submitted an application to mobilise the Fund, following an earthquake that affected the island of Lesbos in the Northern Aegean on 12 June 2017.

(4) On 22 December 2017, Spain submitted an application to mobilise the Fund, following wildfires in north-western Spain in the region of Galicia during the period 10 to 17 October 2017.

(5) On 27 November 2017, France submitted an application to mobilise the Fund, following hurricane Irma that crossed the island of Saint Martin on 5 and 6 September 2017 and hurricane Maria that struck Guadeloupe on 18 and 19 September 2017.

(6) On 17 July 2017, Portugal submitted its initial application for a contribution from the Fund following severe fires that broke out on 17 June 2017. However, following additional fires that hit Portugal in the period from June to October 2017, Portugal submitted updates to its application on 13 October 2017 and again on

[8] OJ L 311, 14.11.2002, p. 3.

[9] OJ C 373, 20.12.2013, p.1.

[10] 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).

14 December 2017 including a revised estimate of the cumulative amount of damage caused by the fires between June and October 2017.

(7) The applications by Greece, Spain, France and Portugal 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 Greece, France, Portugal and Spain.

(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 1 359 119 to Greece, EUR 3 228 675 to Spain, EUR 48 906 025 to France and EUR 50 673 132 to Portugal, 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.*