Mobilisation of the European Union Solidarity Fund: assistance to Croatia and Poland in relation to a natural disaster and payment of advances to Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain in relation to a public health emergency

2020/0299(BUD) - 09/10/2020 - Non-legislative basic document

PURPOSE: to mobilise the European Union Solidarity Fund to provide assistance to Croatia and Poland in relation to a natural disaster and to provide for the payment of advances to Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain in relation to a public health emergency.

PROPOSED ACT: Decision of the European Parliament and of the Council.

CONTENT: this decision covers the mobilisation of the European Union Solidarity Fund (EUSF) in accordance with Council Regulation (EC) No 2012/2002 for an amount of EUR 823 548 633 to provide assistance to Croatia and Poland further to natural disasters that took place in these countries in the course of 2020, as well as for advances to seven Member States (Croatia, Germany, Greece, Hungary, Ireland, Portugal, Spain) in response to the major public health emergency caused by the Covid-19 pandemic in early 2020.

The European Union Solidarity 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. The Fund is not to exceed a maximum annual amount of EUR 500 million (2011 prices), as laid down in Article 10 of Council Regulation (EU, Euratom) No 1311/2013 laying down the multiannual financial framework for the years 2014-2020 (MFF regulation).

Natural disasters in Croatia and Poland

Earthquake in Croatia

On 10 June 2020, Croatia submitted an application to mobilise the Fund, following the earthquake in March 2020 that affected the city of Zagreb and the counties of Zagreb and Krapina-Zagorje. Croatian authorities estimated that 26 000 buildings were damaged (about 5 % heavily, 20 % moderately and 74 % lightly). 30 000 people are estimated to be displaced.

The Croatian authorities estimate the total direct damage at EUR 11 572 586 387. This amount represents 22.9 % of Croatia's Gross National Income (GNI), and it exceeds the ‘major disaster’ threshold for mobilising the EUSF of EUR 303.3 million (0.6 % of Croatia’s GNI in 2020). Therefore, the disaster qualifies as a ‘major natural disaster’ and thus falls within the field of application of the Regulation.

Croatia estimated the cost of emergency and recovery operations at EUR 2 270.1 million and presented it broken down by type of operation. The largest share concerns the costs for restoration to working order of infrastructure, in particular educational and health, and temporary accommodation.

Floods in Poland

On 24 August 2020, Poland submitted an application to mobilise the Fund, following the floods in June 2020 in Podkarpackie Voivodeship. About 251 km of regulated and unregulated watercourse were destroyed or damaged due to the floods. Floods caused damages to network infrastructure, as well as, to businesses operating in the affected area; many production sites, storage halls, machinery and equipment were destroyed or carried away. Over 2 000 farmers also suffered important damages, with an affected crop area of about 9 000 hectares and many farm buildings and machinery damaged.

The pluvial floods are of natural origin and therefore fall within the field of application of the EUSF.

The Polish authorities estimate the total direct damage at EUR 282 851 202. The damage caused represents 1.56 % of the GDP of the concerned NUTS 2 level region Podkarpackie and thus exceeds the threshold of EUR 270 961 950 (1.5 % of regional GDP). The application from Poland is therefore eligible for a contribution from the EUSF.

Poland estimated the cost of emergency and recovery operations at EUR 216 180 849 and presented it broken down by type of operation. The largest share concerns the costs for restoration to working order of transport infrastructure, securing of preventive infrastructure and immediate restoration of affected natural zones to avoid immediate effects from soil erosion.

Public health emergency

By 24 June 2020, Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain submitted applications to mobilise the Fund in relation to the major public health emergency caused by the COVID-19 pandemic in early 2020. In their applications, all seven Member States requested the payment of an advance on the anticipated contribution from the Fund.

The Commission stated that the conditions for paying an advance to Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain are met for all seven applications for a financial contribution from the EUSF relating to the major public health emergency caused by the COVID-19 pandemic in early 2020.

Conclusion

The Commission considered that the applications of Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain fulfil the conditions for a financial contribution from the Fund as set out in Regulation (EC) No 2012/2002. It therefore proposes to mobilise the EUSF within the framework of the general budget of the Union for the 2020 financial year, in order to provide in relation to a natural disaster:

- the amount of EUR 683 740 523 shall be provided to Croatia;

- the amount of EUR 7 071 280 shall be provided to Poland.

It also considered that the following amounts should be mobilised in commitment and payment appropriations for the payment of advances in relation to a major public health emergency:

- EUR 8 462 280 shall be provided to Croatia;

- EUR 15 499 409 shall be provided to Germany;

- EUR 4 535 700 shall be provided to Greece;

- EUR 26 587 069 shall be provided to Hungary;

- EUR 23 279 441 shall be provided to Ireland;

- EUR 37 528 511 shall be provided to Portugal;

- EUR 16 844 420 shall be provided to Spain.

This mobilisation is accompanied by Draft amending budget (DAB) No 9/2020, which proposes to enter the necessary appropriations in the general budget 2020, both in commitments and payments.