European Parliament
2014-2019

Committee on Budgets

2017/2101(BUD)

4.7.2017

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 Italy
(COM(2017)0540 – C8-0199/2017 – 2017/2101(BUD))

Committee on Budgets

Rapporteur: Giovanni La Via

CONTENTS

Page

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION 3

ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL 4

EXPLANATORY STATEMENT 6

ANNEX – LETTER FROM THE COMMITTEE ON REGIONAL DEVELOPMENT 8

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 Italy (COM(2017)0540 – C8-0199/2017 – 2017/2101(BUD))

The European Parliament,

– having regard to the Commission proposal to the European Parliament and the Council (COM(2017)00540 – C8-0199/2017),

– having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund[1],

– having regard to Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020[2], 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 management[3], 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 (A8-0000/2017),

1. Notes that the decision represents the single highest ever mobilisation of the European Union Solidarity Fund;

2. Welcomes the decision as a sign of the Union's solidarity with the Union citizens and regions hit by the natural disasters;

3. Approves the decision annexed to this resolution;

4. 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*;

5. Instructs its President to forward this resolution, including its annex, to the Council and the Commission.

[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.

ANNEX: DECISION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

on the mobilisation of the European Union Solidarity Fund to provide assistance to Italy

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[1], 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[2], 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(1) of Council Regulation (EU, Euratom) No 1311/2013[3]. The entire 2016 allocation remained unspent, was carried over to the following year, in accordance with Article 10(1) of Regulation (EU, Euratom) No 1311/2013 and was partially used in April 2017. The 2017 allocation was not yet drawn on.

(3) On 16 November 2016, Italy submitted an application to mobilise the Fund, following an earthquake that affected the regions of Abruzzo, Lazio, Marche and Umbria on 24 August 2016. Additional earthquakes struck the previously hit areas and significantly increased the level of previously reported damage. Italy then submitted its final application on 15 February 2017 with revised estimates including all damage caused between 24 August 2016 and 18 January 2017.

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1 OJ L 311, 14.11.2002, p. 3.
2 OJ C 373, 20.12.2013, p.1.
3 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).

(4) The application by Italy meets the conditions for providing a financial contribution from the Fund, as laid down in Article 4 of Regulation (EC) No 2012/2002.

(5) The Fund should therefore be mobilised in order to provide a financial contribution to Italy.

(6) Since the amount that may be mobilised for 2017 is not sufficient to cover the full contribution, the difference should exceptionally be financed through the annual amount available for 2018 as provided for in Article 10(2) of Regulation (EU, Euratom) No 1311/2013.

(7) 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 2017, the European Union Solidarity Fund shall be mobilised to provide the amount of EUR 1 196 797 579 to Italy 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*
The President	*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 relating to earthquakes that took place between August 2016 and January 2017 in the regions of Abruzzo, Lazio, Marcha and Umbria of Italy.

Between end of August 2016 and mid-January 2017, a series of strong earthquakes with magnitudes ranging from 5.9 to 6.5 in the Richter scale, followed by a multitude of aftershocks, affected wide areas of the Apennines chain in Central Italy, in particular the regions of Abruzzo, Lazio, Marche and Umbria. They led to 333 casualties, over 30.000 people in need of assistance, significant damage to the infrastructure, businesses, including farms and tourism sector, and living conditions of the affected population. For instance, the Amatrice town centre and the 14h-century-Basilica of St.Benedict in Norcia were destroyed after the August and October shocks.

In their application, initially received by the Commission on 16 November 2016, and completed on 15 February 2016 to include all damage caused between 24 August and 18 January 2017, the Italian authorities estimated total direct damages caused by the disaster at EUR 21 878,8 million. As this represents 1,36 % of Italy's GNI (EUR 3,3 billion) and exceeds therefore the EUR 3 billion threshold, the disaster qualifies as a **"major natural disaster"** within the meaning of Article 2(2) of the EUSF Regulation.

The cost of eligible essential emergency operations, as defined in Article 3(2) of the Regulation, has been estimated by the Italian authorities at EUR 2 149 363 344, with largest share concerning the costs for restoration to working order of infrastructure, in particular roads, followed by the costs of rescue services and of temporary accommodation.

The affected regions fall under the category of "transition regions" and "more developed regions" under the European Structural and Investment (ESI) Funds (2014-2020). The Italian authorities declared their intention to reallocate funding from the ESI Funds programmes towards recovery measures.

Italy requested the payment of an advance, which was awarded by the Commission on 29 November 2016, amounting to EUR 30 000 000 (the maximum possible amount under the provisions of the Regulation) and paid out in full.

In line with past practice, the Commission proposes to apply the rate of 2,5 % of total direct damage up to the level of Italy's "major disaster" threshold and 6 % to the part of the total direct damage above this threshold. **The total amount of aid proposed is therefore EUR 1 196 797 579.**

Conclusion

The proposed mobilisation **requires an amendment to the 2017 budget** and a draft amending budget (N°4/2017), aiming at increasing budget article *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 EUR 1 166 797 579 both in commitment and in payment appropriations.

This is the second mobilisation decision of 2017 and the highest single mobilisation of the EUSF ever.

The total amount available for the EUSF mobilisation at the beginning of the year 2017 was EUR 1 115 121 612, representing the 2017 allocation and the entire 2016 allocation that remained unspent and was carried over. The amount that may be mobilised at this stage of the year 2017 is EUR 902 826 499, corresponding to the total amount available at the beginning of the year, minus the previous mobilisation of the Fund (EUR 71 524 810), minus the retained amount of EUR 140 770 303, in line with Article 10(1) of the MFF regulation which foresees the obligation of keeping aside 25% of the annual allocation until 1 October of the given year.

Since this amount is not sufficient to cover the full mobilisation, the Commission proposes to cover the difference of EUR 293 971 080 by frontloading it from the annual amount available in 2018, in line with Article 10(2) of the MFF Regulation.

The Rapporteur recommends the swift approval of the Commission proposal for a decision annexed to this report, leading to the mobilisation of an unprecedented amount for one single country, in sign of European solidarity with the affected Italian regions.

ANNEX – LETTER FROM THE COMMITTEE ON REGIONAL DEVELOPMENT

(To be received)