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# **COVER NOTE**

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# REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL

2021 - 2022 European Union Solidarity Fund Annual Report

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### Introduction

Article 12 of Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund<sup>1</sup> ('the Regulation') lays down that the Commission must present a report on the Fund's activity in the previous year to the European Parliament and to the Council. This report describes the activities of the EU Solidarity Fund ('EUSF') in 2021 and 2022. It also summarises the applications received in 2021 and 2022, and the cases closed during the reporting period. The Commission assessed all the applications according to the criteria laid down in the Regulation.

In **2021**, the Commission received **10 new applications** for financial contributions from the EUSF, namely from Belgium (flash floods), Germany (flash floods), two from Greece (Crete earthquake and Samos earthquake), Spain (volcanic eruption), Croatia (earthquake), Cyprus (forest fires), Luxembourg (flash floods), the Netherlands (flash floods) and Austria (flash floods). Four applications concerned 'major natural disasters', three concerned 'regional natural disasters' and three concerned 'natural disasters in a neighbouring country'.

Cyprus's application for drought and wildfires in June 2021 did not meet the eligibility criteria for EUSF assistance and was therefore not accepted.

Spain, Croatia and Greece (in both of its applications) requested advance payments. Within a few weeks after receiving the applications, the Commission granted all the advance payments and paid a total of around EUR 47.8 million.

The implementing decision on the Greek Samos earthquake case was adopted in June 2021. The implementing decision on the Croatian Petrinja earthquake was adopted in December 2021. The implementing decisions on the other seven successful applications in 2021 (Belgium, Germany, Greece (Crete), Spain, Luxembourg, the Netherlands and Austria) were adopted in December 2022. Moreover, the Commission closed three EUSF cases in 2021.

In **2022**, the Commission received **two new applications** for financial contributions linked to natural disasters, namely from Italy (flood) and Romania (drought). The Romanian application concerned a 'major natural disaster', while the Italian one was a 'regional natural disaster'. The corresponding implementing decisions were adopted in December 2023. Moreover, the Commission closed three EUSF cases in 2022.

Annex I lists the 'major disaster' damage thresholds applicable in 2021 and 2022 for mobilising the EUSF. Annex II presents an overview of the applications approved in 2021 and 2022, including the relevant financial information.

# APPLICATIONS RECEIVED IN 2021 AND 2022

# > IN 2021

The Commission received 10 new applications for a financial contribution from the EUSF in 2021. They all reached the Commission within the legal deadline of 'no later than 12 weeks after the first occurrence of damage' (Article 4(1) of the Regulation). One application was rejected, however, because Cyprus did not meet the eligibility criteria for EUSF assistance due to the amount of direct damages caused by the disaster not meeting the relevant

<sup>&</sup>lt;sup>1</sup> Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3) as amended by Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014 (OJ L 189, 27.6.2014, p. 143) and by Regulation (EU) 2020/461 of the European Parliament and of the Council of 30 March 2020 (OJ L 99, 31.3.2020, p. 9).

threshold. Four applications concerned 'major disasters', three concerned 'regional disasters' and three were based on the provisions for 'disasters in a neighbouring country'.

The Commission adopted the implementing decisions awarding a financial contribution from the EUSF for the Greek earthquake (Samos) on 14 June 2021, and for the Croatian earthquake on 23 June 2021. Furthermore, in December 2022, it adopted the implementing decisions awarding financial contributions from the EUSF for the seven successful applications (Belgium, Germany, Greece (Crete), Spain, Luxembourg, the Netherlands and Austria) processed together in a single package.

# GREECE - SAMOS EARTHQUAKE

In October 2020, Greece experienced a magnitude Mw 6.9<sup>2</sup> earthquake on the North Aegean islands of Samos, Ikaria and Chios. The tsunami swept across various areas in the northern part of Samos. Several people lost their lives and over 300 public and private buildings suffered damage. Around 2 000-3 000 people faced housing problems due to the disaster.

On 22 January 2021, Greece submitted an application for a contribution from the EUSF to finance emergency and recovery operations following the earthquake. Greece presented its application as concerning a regional disaster affecting one NUTS<sup>3</sup> level 2 region (Voreio Aigaio/EL41) and estimated the total direct damage at EUR 101 252 020. Greece requested the payment of an advance in its application.

The Commission awarded an advance of EUR 253 131 to Greece by Implementing Decision C(2021) 1623 of 8 March 2021, and paid the amount on 26 March 2021.

Following the Commission's proposal COM(2021) 201 of 24 March 2021, the budgetary authority approved the payment of EUR 2 531 301 from the EUSF to Greece on 20 May 2021. On 14 June 2021, the Commission adopted Implementing Decision C(2021) 4439 awarding a financial contribution from the EUSF. Subsequently, the balance of EUR 2 278 170 was paid on 5 July 2021.

# CROATIA- PETRINJA EARTHQUAKE

Croatia suffered two series of devastating earthquakes. The first hit the city of Zagreb and its surroundings in March 2020. The second hit mainly the city of Petrinja and the area of Sisak-Moslavina County from December 2020 to January 2021. The total combined estimated damage of the two series of earthquakes amounted to more than EUR 17 billion. The situation was dramatic, as around 26 000 buildings were damaged in the catastrophes. Neighbouring countries, such as Italy, Hungary, Austria and Slovenia, swiftly dispatched emergency equipment to the affected areas. The earthquakes destroyed much of the infrastructure and left many people homeless. The direct damage caused by the Petrinja earthquake alone reached EUR 5.5 billion according to the Croatian government. Croatia's application of 10 June 2020, which requested the payment of an advance, qualified as a major disaster.

The Commission awarded an advance of EUR 41 325 507 to Croatia by Implementing Decision C(2021) 4648 of 23 June 2021, and paid the amount in August 2021.

<sup>&</sup>lt;sup>2</sup> Moment magnitude degrees according to the Greek Geodynamic Institute and the Euro-Mediterranean Institute

Nomenclature of territorial units for statistics.

Following the Commission's proposal COM(2021) 963 of 29 October 2021, the budgetary authority approved the payment of EUR 319 192 359 from the EUSF to Croatia. On 22 December 2021, the Commission adopted Implementing Decision C(2021) 9816 awarding a financial contribution from the EUSF. The balance of EUR 277 866 852 was paid in December 2021.

# BELGIUM, GERMANY, LUXEMBOURG, THE NETHERLANDS AND AUSTRIA (FLASH FLOODS); GREECE (EARTHQUAKE); SPAIN (VOLCANIC ERUPTION)

# • Floods in western Europe:

During the summer of 2021, Belgium, Germany, Luxembourg, the Netherlands and Austria were hit by deadly floods, with devastating consequences. The floods were caused by extreme weather events. At least 243 people lost their lives and thousands had to be evacuated from their homes. The local infrastructure suffered serious damage, and the tourist industry also experienced a great financial loss, as the floods came in the middle of the tourist season.

# • Volcanic eruption in Spain:

In September 2021, a volcanic eruption took place on the island of La Palma after intense seismic activity had been recorded a week before, with two lava streams heading down towards the sea. The lava covered over 1 000 hectares and destroyed more than 3 000 buildings and several nearby towns. Around 7 000 local people were affected by the eruption. They had to be evacuated and supplied with safety equipment to protect them against the harmful gases released by the volcano during the eruption.

The damage amounted to over EUR 1 billion according to the government of the Canary Islands. The Spanish government submitted an application for a contribution from EUSF in December 2021.

# • Earthquake in Greece:

In September 2021, a devastating earthquake hit the Greek island of Crete. One man lost his life when a temple collapsed, and 36 people were injured. Over 5 000 buildings on the island were damaged or became unsafe to use. The earthquake is considered the strongest earthquake in Greece since the early 1900s. Thousands of houses became uninhabitable and thousands of public buildings became unfit for purpose after the disaster.

Greece applied for EUSF support in December 2021. According to the Greek authorities, the total damages were EUR 143 420 124, and the disaster therefore qualified as a 'regional natural disaster'.

# Assessment and financing:

In early October 2021, the Commission received applications from five Member States for contributions from the EUSF in relation to the floods of July 2021, and two applications from Spain (volcanic eruption) and Greece (earthquake). In order to guarantee equal treatment, the Commission handled these applications as a single package. Following the original application, several Member States updated their damage assessments in July 2022.

Spain and Greece requested an advance payment, and the total damage reported in the seven countries affected was over EUR 36 billion. The Commission finalised its assessment in October 2022 and submitted its proposal COM(2022) 665 of 14 October 2022 to the

budgetary authority. The potential aid amount for the seven EUSF applications (BE, DE, EL, ES, LU, NL and AT) was calculated at a total of EUR 1.9 billion. Since that amount far exceeded the available budget resources, the aid amounts per country were reduced on a pro rata basis. A haircut of 62.3% was applied because the total available allocation for the EUSF in 2022 was EUR 718.5 million, which corresponds to 37.7% of the amount that should have been paid.

Detailed breakdown of the damage suffered by the seven Member States and their EUSF support:

# GERMANY

The total damage caused by the floods was nearly EUR 30 billion, and is therefore considered a 'major natural disaster'. The threshold for 'major natural disasters' is when the direct damage estimated is either over EUR 3 billion at 2011 prices or over 0.6% of a country's gross national income, whichever is lower<sup>4</sup>. Following the adoption of Implementing Decision C(2023) 1824 on 14 March 2023, the Commission paid Germany EUR 612 611 256 on 11 April 2023.

# BELGIUM

Belgium is also considered to have suffered a 'major natural disaster', as the total direct damage was EUR 5.6 billion, which is significantly above the relevant disaster threshold. Following the adoption of Implementing Decision C(2023) 1556 on 1 March 2023, the Commission paid EUR 87 737 427 to Belgium on 27 March 2023.

# • THE NETHERLANDS

The Netherlands suffered a total damage of EUR 500 million. Its application qualified as concerning a 'neighbouring country natural disaster', since the applications for the same disaster event from the neighbouring countries Germany and Belgium qualified as concerning 'major natural disasters'. Following the adoption of Implementing Decision C(2022) 9864 on 16 December 2022, the Commission paid the Netherlands EUR 4 713 027 on 28 December 2022.

# • AUSTRIA

Austria's application also qualified as concerning a 'neighbouring country natural disaster', since the application for the same disaster event from the neighbouring country Germany qualified as concerning a 'major natural disaster'. The total damages amounted to EUR 84.6 million. The Commission adopted Implementing Decision C(2022) 9904 on 19 December 2022 and paid Austria EUR 797 520 on 27 December 2022.

# • Luxembourg

Luxembourg's application also qualified as concerning a 'neighbouring country natural disaster', since the applications for the same disaster event from the neighbouring countries Germany and Belgium qualified as concerning 'major natural disasters'. The total damages reached EUR 193.3 million. The Commission adopted Implementing Decision C(2022) 9875 on 16 December 2022, and paid EUR 1 822 056 on 27 December 2022.

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<sup>&</sup>lt;sup>4</sup> Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014 amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund (OJ L 189, 27.6.2014, p. 143).

#### • SPAIN – VOLCANIC ERUPTION

Spain's application qualified as concerning a 'regional natural disaster'. On 21 March 2022, the Commission adopted Implementing Decision C(2022) 1802 awarding an advance payment of EUR 5 391 796 to help the emergency and recovery operations after the disaster. The advance payment was made on 2 May 2022.

On 19 December 2022, the Commission adopted Implementing Decision C(2022) 9899 awarding a financial contribution EUR 9 449 589 from the EUSF to Spain. The balance of EUR 4 057 793 was paid on 27 December 2022.

# • GREECE - EARTHQUAKE

Greece's application qualified as concerning a 'regional natural disaster'. On 26 April 2022, the Commission adopted Implementing Decision C(2022) 2599 awarding an advance payment of EUR 896 375, which was paid to Greece on 19 May 2022.

The Commission's proposal COM(2022) 665 of 14 October 2022 was submitted to the budgetary authority, which approved it in December 2022. Similarly to the six applications mentioned above, the proposed aid amount awarded to Greece had to be reduced on a pro rata basis. On 19 December 2022, the Commission adopted Implementing Decision C(2022) 9865 awarding a financial contribution from the EUSF to Greece. The balance of EUR 455 511 was paid on 27 December 2022.

# > IN 2022

#### **ROMANIA- DROUGHT**

Between March and August 2022, Romania experienced a severe and widespread drought. Compared with similar past events, this one stood out because of its intensity and the area affected. The agricultural sector (crops, specifically) was negatively affected by the drought and the two consecutive heatwayes.

Romania submitted an application for a contribution from the EUSF in September 2022. According to the Romanian authorities, the total direct damage declared was EUR 1.3 billion. Romania did not request an advance payment.

Following the Commission's proposal COM(2023) 381 of 23 August 2023, the budgetary authority approved the payment of EUR 33 895 935 from the EUSF to Romania. On 30 November 2023, the Commission adopted Implementing Decision C(2023) 8477 awarding a financial contribution from the EUSF. The payment was made on 14 December 2023.

# ITALY- FLOODS

In September 2022, heavy rainfall caused disastrous fluvial and flash floods in the Marche region in Italy, resulting in the destruction or damage of infrastructure, as well as of public and private buildings and goods. The event had dramatic consequences (12 people lost their lives and one person went missing) and caused severe economic losses.

Italy applied for EUSF support in December 2022, but did not request an advance payment. The total direct damages were nearly EUR 670 million.

Following the Commission's proposal COM(2023) 381 of 23 August 2023, the budgetary authority approved the payment of EUR 20 939 095 from the EUSF to Italy. On 5 December 2023, the Commission adopted Implementing Decision C(2023) 8598 awarding a financial contribution from the EUSF. The payment was made on 14 December 2023.

#### FINANCING

The individual amounts of assistance proposed by the Commission were calculated using the method that was decided on in 2002 and has been applied in all subsequent cases. It is based on the accepted total direct damage caused by the disaster in relation to the relative wealth of the affected state as reflected by the threshold for a major disaster (see Annex I).

Accordingly, for 'major natural disasters', a progressive two-step system is applied whereby the country receives a lower rate of aid of 2.5% of the total direct damage for the part of damage below the threshold and a higher rate of aid of 6% for the part of the damage exceeding the threshold. The two amounts are added up. 'Regional natural disasters' and 'neighbouring country natural disasters' receive 2.5% of the total direct damage.

Once the European Parliament and the Council had approved the mobilisation and made the necessary budget appropriations available in the EU budget, the Commission adopted implementing decisions awarding the assistance to the individual countries and then paid the full amount. In those cases where an advance had been awarded, only the balance of the full contribution was paid.

The annexes of the implementing decisions included a generic description of the intended use of the money, listed the authorities nominated by the beneficiary States to process the EUSF contribution and named the independent authority responsible for audit and control.

Detailed financial tables can be found in Annex II to this report.

During the reporting period, the European Parliament and the Council, as the budgetary authority, approved 30 financial contributions from the EUSF as proposed by the Commission. The Commission presented its proposal for the mobilisation of the EUSF in the following groups:

# > 2021

• On 24 March 2021, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF<sup>5</sup> for an amount of EUR 484 199 841 to provide assistance to Greece and France following regional natural disasters that took place in these countries in the course of 2020, as well as to 20 Member States and accession countries (Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia, Spain) in response to the major public health emergency caused by the COVID-19 pandemic in early 2020. This mobilisation proposal was accompanied by Draft Amending Budget (DAB) No 2/2021<sup>6</sup> that proposed to carry over EUR 47 981 598 from the unused 2020 allocation directly to the EUSF operational budget line and DEC<sup>7</sup> No 03/2021 that proposes to transfer the

<sup>6</sup> COM(2021) 200 final.

<sup>&</sup>lt;sup>5</sup> COM(2021) 201 final

<sup>&</sup>lt;sup>7</sup> Request for transfer of commitment and payment appropriations under Article 31 of the Financial Regulation.

amount of EUR 427 543 750 from the Solidarity and Emergency Aid Reserve (SEAR) reserve line to the EUSF operational budget line, both in commitments and payments.

The mobilisation proposal was adopted by the budgetary authority on 20 May 20218 to (i) award EUR 86 744 920 in assistance from the EUSF to Greece and France in relation to natural disasters; and (ii) to award EUR 529 347 741 in assistance to 20 Member States and candidate countries in response to the major public health emergency caused by the COVID-19 pandemic.

On 29 October 2021, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF<sup>9</sup> to provide assistance to Croatia in relation to the series of earthquakes starting from 28 December 2020. The mobilisation proposal was accompanied by corresponding DEC No 28/2021 that proposed to transfer EUR 277 866 852 from the SEAR reserve line to the EUSF operational budget line, both in commitments and payments. The mobilisation proposal covered the full amount that needed to be mobilised, while the DEC took into account the advance already paid and proposed to transfer the remaining amount of EUR 277.9 million.

The mobilisation proposal was adopted by the budgetary authority on 15 December 2021<sup>10</sup> awarding EUR 319.2 million of EUSF support to Croatia following the devastating series of earthquakes that hit the Sisak-Moslavina, Karlovac and Zagreb Counties in December 2020 and January 2021.

#### 2022

On 14 October 2022, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF<sup>11</sup> to provide assistance to Germany, Belgium, the Netherlands, Austria, Luxembourg, Spain and Greece following natural disasters that took place in these countries in the course of 2021. This mobilisation proposal was accompanied by DEC No 20/2022 that proposed to transfer EUR 668 482 761 from the SEAR reserve line to the EUSF operational budget line. both in commitments and payments.

The mobilisation proposal was adopted by the budgetary authority on 14 December 2022<sup>12</sup> awarding EUR 718 482 761 of EUSF assistance to: (i) Belgium, Germany, Luxembourg, the Netherlands and Austria regarding the floods in July 2021; (ii) Spain regarding the volcanic eruption on the island of La Palma on 19 September 2021; and

Decision (EU) 2021/885 of the European Parliament and of the Council of 20 May 2021 on the mobilisation of the European Union Solidarity Fund to provide assistance to Greece and France in relation to natural disasters and to Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Montenegro, Portugal, Romania, Serbia, Spain in relation to a public health emergency (OJ L 194, 2.6.2021, p. 40).

COM(2021) 963 final.

<sup>&</sup>lt;sup>10</sup> Decision (EU) 2022/49 of the European Parliament and of the Council of 15 December 2021 on the mobilisation of the European Union Solidarity Fund to provide assistance to Croatia in relation to the series of earthquakes starting from 28 December 2020 (OJ L 9, 14.1.2022, p. 37).

COM(2022) 665 final.

<sup>&</sup>lt;sup>12</sup> Decision (EU) 2023/68 of the European Parliament and of the Council of 14 December 2022 on the mobilisation of the European Union Solidarity Fund to provide assistance to Germany, Belgium, the Netherlands, Austria, Luxembourg, Spain and Greece further to natural disasters that took place in those countries in the course of 2021 (OJ L 7, 10.1.2023, p. 25).

(iii) Greece regarding the earthquake in Crete on 27 September 2021. Advances of EUR 5 391 796 and EUR 896 375 had already been paid in March 2022 for Spain and in April 2022 for Greece, respectively. Following the adoption of the Commission implementing decision awarding the assistance, the balance of EUR 18 134 078 was paid on 27 and 28 December 2022 to Greece, Spain, Luxembourg, the Netherlands and Austria. Belgium and Germany received their EUSF support of EUR 612 611 256 and EUR 87 737 427, respectively, in 2023.

### **CLOSURES**

Article 8(3) of the Regulation lays down that within 24 months from the date of disbursement of the financial contribution, the beneficiary State must present a report on the financial execution ('implementation report') with a statement substantiating the expenditure ('validity statement').

The Commission closed three EUSF cases in 2021 and three in 2022.

# **>** 2021 CLOSURES

**Hungary, flooding in 2010**: the financial contribution from the EUSF amounted to EUR 22 485 772. Hungary submitted the implementation report and statement of validity in May 2013. After clarification of a number of issues related to the validity statement, the file was closed without any financial corrections in January 2021.

**Italy, ice floods and landslides in 2013**: the financial contribution from the EUSF amounted to EUR 16 310 467. The Italian authorities submitted the implementation report and the statement of validity in April 2017. Italy had reported EUR 17 046 958.22 in eligible expenditure, which was higher than the EUSF contribution of EUR 16 310 467. The statement of validity was accepted, and the file was closed in March 2021.

**Bulgaria, severe winter conditions 2015**: the financial contribution from the EUSF amounted to EUR 6 377 815. Bulgaria submitted the implementation report and statement of validity in November 2017. On the basis of the information provided by Bulgaria, the eligible expenditure under the EUSF amounted to EUR 6 140 983.69, which was EUR 236 839.16 lower than the amount received. In the implementation report, the Bulgarian authorities had reported that at the end of the implementation period EUR 7.85 in interest remained in the account and could not be spent for eligible operations. The Commission decided that a financial correction of EUR 236 839.16 needed to be applied and communicated this to Bulgaria in September 2019. In their reply of January 2020, the Bulgarian authorities reported additional unspent interest of EUR 690.23 that had to be added to the amount to be recovered. In February 2020, the Commission received the total amount of EUR 237 529.39, and the file was closed in January 2021.

# **>** 2022 CLOSURES

**Croatia, floods in 2014**: the financial contribution from the EUSF amounted to EUR 8 616 263. Croatia submitted the implementation report in April 2017. Based on the information provided by Croatia and on the findings, the eligible expenditure under the EUSF amounted to EUR 11 736 261.85, which exceeded the EUSF financial contribution by EUR

3 119 998.85. The Commission therefore decided that no financial correction needed to be applied, and the file was closed in May 2022.

**Serbia, flooding in 2014**: the financial contribution from the EUSF amounted to EUR 60 224 605. Serbia submitted the implementation report in May 2017. Following an audit analysis, the Commission concluded that no financial corrections needed to be applied. Therefore, the file was closed in March 2022.

**Portugal, fires in 2016**: the financial contribution from the EUSF amounted to EUR 3 925 000. Portugal submitted the implementation report and statement of validity in May 2019. On the basis of the information provided by Portugal, the eligible expenditure under the EUSF amounted to EUR 4 037 711, which exceeded the EUSF contribution by EUR 112 711. The Commission therefore concluded that the statement of validity could be accepted, that no financial correction needed to be applied. The file was closed in May 2022.

#### **CONCLUSIONS**

**2021** and **2022** proved once again that natural disasters, many driven by climate change, are becoming more frequent in Europe and around the world, with disastrous effects on human lives, the economy and ecosystems. Although 2021 was dominated by flood disasters, a volcanic eruption and a disastrous earthquake also put people's lives in danger. Meanwhile, it was extremely dry between March and September 2022, which led to drought and forest fires in many European territories. According to a current study conducted by the Joint Research Centre<sup>13</sup>, this drought event was more intense and extensive in terms of the affected areas compared with past similar events.

2021 and 2022 saw a smaller number of applications compared with 2020, which proved to be one of the most demanding and difficult years for the EUSF because of its scope being extended to cover major health emergencies. There were, however, two particularly devastating natural disasters:

- The first was the series of earthquakes in Croatia in December 2020-January 2021, which mostly hit the city of Petrinja and the area of Sisak-Moslavina County. The Commission paid Croatia EUR 319 192 359 in total for the recovery after the disaster.
- The second concerned the severe flash floods in July 2021 in five western Member States (Belgium, Germany, Luxembourg, the Netherlands and Austria), which received EUR 707.7 million in assistance from the EUSF.

These two disasters alone accounted for more than double the total EUSF budget for 2021 of EUR 500 million at 2011 prices. The western Europe flooding case in particular was unique because the total cost of the damage was so high that the EUSF could not meet the demands on the budget and as a result a pro rata reduction of 62% had to be applied to ensure that the affected Member States were treated equally.

The increasing number and scale of natural disasters in 2020 and 2021, as well as the EUSF assistance for the COVID-19 public health emergency, **created unprecedented demand and considerable budgetary pressure on the limited resources allocated to the EUSF** under the 2021-2027 Multi-annual Financial Framework Regulation.

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<sup>&</sup>lt;sup>13</sup> European Commission, Joint Research Centre, *Drought in Europe - August 2022*. Available at: <a href="https://edo.jrc.ec.europa.eu/documents/news/GDO-EDODroughtNews202208\_Europe.pdf">https://edo.jrc.ec.europa.eu/documents/news/GDO-EDODroughtNews202208\_Europe.pdf</a>.

Against the backdrop of intensifying climate change-related disasters across the EU, the amount available for the EUSF in 2021 was lower in absolute and relative terms than at the Fund's inception in 2002. Between 2002 (when the EUSF was created) and 2013, it had a maximum annual allocation of EUR 1 billion at current prices. In 2021, for the first time since the EUSF's establishment, the aid amounts (calculated using the accepted methodology) were not paid in full for eligible COVID-19-related applications from 20 applicant countries because the total amount of aid calculated for all those countries exceeded the available budget resources. Consequently, all 20 beneficiary countries had their COVID-19-related EUSF aid reduced on a pro rata basis, and their applications received 47% of the total potential aid that had been calculated using the accepted and consistently applied methodology. Furthermore, the greater uncertainty about the budgetary allocation available for the EUSF within the SEAR envelope has put an additional strain on the EUSF and sometimes delayed the mobilisation of the assistance.

In summary, the number of applications and the increased demands on the EUSF in recent years demonstrate that there is a high demand for its support and for solidarity in the EU, which need to be reflected in a higher allocation for the EUSF budget going forward.