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

2019 - 2020 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 EU Solidarity Fund¹ ('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 2019 and 2020. It also summarises the applications received in 2019 and 2020, and the cases closed during the reporting period. The Commission assessed all the applications according to the criteria laid down in the Regulation.

In **2019**, the Commission received **four new applications** for financial contributions from the EUSF, namely from Greece (extreme weather), Spain (extreme weather), Austria (floods), and Portugal (extreme weather). Three of those applications concerned 'regional natural disasters' and one concerned a 'neighbouring country natural disaster'.

Greece, Spain and Portugal received advance payments for a total of EUR 69.5 million within a few weeks after submitting their applications.

In **2020**, the Commission received **31 new applications** for financial contributions from the EUSF, of which **nine** were linked to natural disasters and 22 to major public health emergency situations.

The nine applications linked to natural disasters came from Greece (flooding on Evia, Cyclone Ianos), Spain (Storm Gloria), France (Storm Alex), Croatia (Zagreb earthquake), Italy (severe weather, Storm Alex), Austria (severe weather) and Poland (flood).

Spain's application for storm Gloria in 2020 and Italy's application for Storm Alex in October 2020 were rejected for not meeting the criteria laid down in the Regulation.

Of the successful applications, two concerned 'major natural disasters', four were 'regional natural disasters' and one related to 'neighbouring country natural disasters'.

Following the amendment of the Regulation on 30 March 2020, the Commission received **22 applications** for financial contributions from the EUSF linked to the COVID-19 pandemic, namely from Albania, Austria, Belgium, Croatia, Czechia, Estonia, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, Montenegro, Poland, Portugal, Romania, Serbia, Slovenia and Spain.

The applications from Poland and Slovenia were rejected for not meeting the criteria set out in the Regulation.

Albania, Croatia, Germany, Greece, Hungary, Ireland, Montenegro, Portugal, and Spain requested an advance payment for a total amount of EUR 132.7 million. The Commission provided advance payments to the seven Member States (Germany, Ireland, Greece, Spain, Croatia, Hungary and Portugal) by the end of 2020. Albania and Montenegro could not receive advance payments as they are not Member States. Furthermore, the Commission proposed to the European Parliament and the Council the mobilisation of EUR 397.45 million in March 2021 as a balance payment for the Member States (which had received advance

¹ 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 of 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).

payments) and as a total payment for Albania and Montenegro (which had not received advance payments).

Annex I lists the ‘major natural disaster’ damage thresholds applicable in 2019 and 2020 for mobilising the EUSF. Annex II presents an overview of the applications approved in 2019 and 2020, including the relevant financial information.

APPLICATIONS RECEIVED IN 2019 AND 2020

➤ IN 2019

The Commission received four new applications for financial contributions from the EUSF in 2019. 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). Three applications concerned ‘regional natural disasters’, and one was based on the provision for ‘neighbouring country natural disasters’. The Commission adopted the implementing decisions awarding financial contributions from the EUSF for all four applications in the course of 2019 and 2020.

AUSTRIA - Floods

In October 2018, the south-western parts of Austria suffered severe flooding triggered by the same meteorological conditions that led to a ‘major natural disaster’ in Italy. The rainfall was very heavy in southern Austria (especially in East Tyrol and Carinthia) from 15 to 17 November 2018, leading to severe mudslides, landslides, and flooding. The extreme weather caused considerable damage to essential public infrastructure, private homes, businesses and forests.

Subsequently, Austria applied for a financial contribution from the EUSF on 14 January 2019 and submitted a revised version of the application on 20 February 2019. The Austrian authorities estimated the total direct damage caused by the disaster at EUR 322 million. Austria did not request an advance payment.

Following the Commission’s proposal COM(2019) 3604 of 15 May 2019, the European Parliament and the Council approved on 18 September 2019 the payment of EUR 8 154 899 from the EUSF to Austria. On 2 October 2019, the Commission adopted Implementing Decision C(2019) 7174 awarding a financial contribution from the EUSF. The payment of EUR 8 154 899 was made on 28 October 2019.

GREECE – Extreme weather

Between 23 and 26 February 2019, a storm with exceptionally heavy rain hit Crete, in particular the western part of the island. The resulting floods and landslides caused loss of human lives and had disastrous consequences for the local infrastructure, in particular, roads. The economy (mainly the agricultural sector) was badly damaged. Greece applied for a financial contribution from the EUSF on 15 May 2019.

Greece estimated the total direct damage at EUR 182.1 million. The damage caused on Crete represents 2.1% of the GDP of Kriti, the NUTS 2² level region concerned, and thus exceeds the threshold of EUR 129.8 million based on Article 2(3) of the Regulation. In its application, Greece requested the payment of an advance.

On 19 July 2019, the Commission adopted Implementing Decision C(2019) 5514 awarding an advance of EUR 455 252 on the anticipated financial contribution from the Fund, and subsequently paid it out to Greece on 27 August 2019.

Following the Commission's proposal COM(2019)496 of 18 October 2019, the European Parliament and the Council approved the payment of EUR 4 552 517 from the EUSF to Greece. On 30 January 2020, the Commission adopted Implementing Decision C(2020) 449 awarding a financial contribution from the EUSF. The balance of EUR 4 097 266 was paid on 19 February 2020.

PORTUGAL – Extreme weather

Hurricane Lorenzo was a category 5 Atlantic tropical cyclone – the easternmost and closest tropical cyclone to Europe ever registered. After rapidly intensifying, it passed through the Azores (Portugal) on 2 October 2019, damaging public and private infrastructure and seriously affecting people's daily lives, businesses, and institutions. On 3 October, the regional government declared an energy crisis to ensure basic energy supplies. On 17 October, it declared a public calamity situation on the territory of the Autonomous Region of the Azores following the damage caused by the hurricane.

In November 2019, the Commission received an application for financial assistance from the EUSF related to the hurricane Lorenzo disaster. The Portuguese authorities estimated the total direct damage caused by the disaster at EUR 328.5 million.

On the basis of the assessment carried out according to Article 4 of the Regulation, the Commission concluded that the conditions for providing a financial contribution (calculated at EUR 8 212 697) from the EUSF had been met.

On 11 December 2019, the Commission adopted Implementing Decision C(2019) 9067 awarding a 10% advance of EUR 821 270, which was paid on 23 December 2019.

Following the Commission's proposal COM(2020) 200 of 30 April 2020, the European Parliament and the Council approved the payment of EUR 8 212 697 from the EUSF to Portugal. On 7 July 2020, the Commission adopted Implementing Decision C(2020) 4713 awarding a financial contribution of EUR 8 212 697 from the Fund. The balance of EUR 7 391 427 was paid on 22 July 2020.

SPAIN – Extreme weather

From 9 September 2019 onwards, a rare meteorological phenomenon described as an 'isolated high-altitude depression' (*depresión aislada en niveles altos*, DANA) affected the south-east of the Iberian Peninsula. The phenomenon, which is characterised by extreme rainfall resulting in flooding, reached its peak between 12 and 16 September 2019, and very seriously impacted large areas of the regions of Valencia, Murcia, Castilla-La Mancha and Andalusia.

² Nomenclature of territorial units for statistics.

Subsequently, Spain applied for a financial contribution from the EUSF on 28 November 2019 within the deadline of 12 weeks after the first occurrence of damage. The Spanish authorities estimated the total direct damage caused by the disaster at EUR 2.3 billion.

On the basis of the assessment carried out, the Commission concluded that the conditions for providing a financial contribution (calculated at EUR 56 743 358) from the EUSF had been met.

On 13 February 2020, the Commission adopted Implementing Decision C(2020) 905 awarding an advance of EUR 5 674 336, which was paid to Spain on 6 March 2020.

Following the Commission's proposal COM(2020) 200 of 30 April 2020, the European Parliament and the Council approved the payment of EUR 56 743 358 from the EUSF to Spain. Following Implementing Decision C(2020) 7541, the balance of EUR 51 069 022 was paid on 19 November 2020.

➤ *IN 2020*

The Commission received nine new applications for financial contributions from the EUSF in 2020 for natural disasters. All the applications 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). Of the successful applications, two concerned 'major natural disasters', four concerned 'regional natural disasters', and one was based on the provision for 'neighbouring country natural disasters'. The Commission adopted the implementing decisions awarding financial contributions from the EUSF for the seven successful applications in the course of 2020 and 2021.

ITALY – Severe weather

In October and November 2019, Italy experienced severe weather conditions. The disaster caused floods and landslides, including flooding in Venice. The region most affected was Veneto, where the tide reached the second maximum above sea level ever recorded in the city, since the maximum recorded on 4 November 1966, with a 110 km/h accompanying wind. The floods caused enormous damage to private and public buildings, including those in cultural heritage sites. Hundreds of churches, museums and palaces of inestimable value were affected. Hundreds of people had to be evacuated from their homes, and the agricultural and economic losses were significant. The Italian authorities estimated the total direct damage caused by the disaster at EUR 5.62 billion.

Italy submitted its application for support from the Fund in January 2020. The application qualified as concerning a 'major natural disaster' in accordance with Article 2(2) of the Regulation. Italy did not request the payment of an advance.

Following the Commission's proposal COM(2020) 200 of 30 April 2020, the European Parliament and the Council approved the payment of EUR 211 707 982 from the EUSF to Italy. Commission Implementing Decision C(2020) 6272 awarding the financial contribution was adopted on 9 September 2020 and the total payment was made on 6 October 2020.

AUSTRIA – Severe weather

In November 2019, the south-western parts of Austria suffered severe flooding. The events were triggered by the same meteorological conditions that led to a major disaster in Italy. The

extreme weather caused considerable damage to essential public infrastructure, private homes, businesses and forests. The Austrian authorities estimated the total direct damage caused by the disaster at EUR 87 million.

Austria submitted its application for support from the Fund in January 2020. The application qualified as concerning a ‘neighbouring country natural disaster’ in accordance with Article 2(1)(a) of the Regulation. Austria did not request an advance payment. The Commission calculated the amount of the financial contribution from the EUSF at EUR 2 329 777.

Following the Commission’s proposal COM(2020) 200 of 30 April 2020, the European Parliament and the Council approved the payment of EUR 2 329 777 from the EUSF to Austria. On 23 July 2020, the Commission adopted Implementing Decision C(2020) 5142 awarding a financial contribution from the EUSF. The payment of EUR 2 329 777 was made on 10 August 2020.

CROATIA – Zagreb earthquake

In March 2020, Croatia suffered a series of devastating earthquakes that hit the City of Zagreb and its surroundings. The first earthquake, with a magnitude of 5.5 on the Richter scale, was the strongest earthquake to hit Zagreb since 1880. It was felt throughout continental Croatia and in the border regions of Slovenia. By the end of April, more than 1 100 aftershocks had been recorded. The earthquake hit Zagreb only four days after a national lockdown had been imposed due to the COVID-19 epidemic and it put people in an emergency situation. The disaster affected one quarter of Croatia’s population. In total, 27 people were injured, of whom one was a teenage girl who died from her injuries. Tens of thousands of residential buildings, public infrastructure, buildings of significant cultural heritage, as well as important state institutions like the Croatian Parliament were damaged. The total estimated damage caused by the earthquakes amounted to more than EUR 11.6 billion.

On 10 June 2020, Croatia applied for financial assistance from the Fund for the earthquake of March 2020. The application qualified as concerning a ‘major natural disaster’ in the meaning of Article 2(2) of the Regulation and Croatia requested an advance payment.

On 10 August 2020, the Commission adopted Implementing Decision C(2020) 5575 awarding an advance amounting to EUR 88 951 877, which was paid to Croatia on 18 August 2020.

Following the Commission’s proposal COM(2020) 960 of 9 October 2020, the European Parliament and the Council approved the payment of EUR 683 740 523 from the EUSF to Croatia. The Commission calculated the amount of the financial contribution from the EUSF at EUR 683 740 523. Commission Implementing Decision C(2020) 8713 awarding the payment to Croatia was adopted on 2 December 2020. The balance of EUR 594 788 646 was paid on 17 December 2020.

POLAND – Floods

In June 2020, the Polish provinces of Podalskie, Mazovia (including Warsaw), Świętokrzyskie (Holy Cross) and Małopolskie (Lesser Poland) suffered violent storms and heavy rain, which caused floods. Over 400 people had to be evacuated, and 14 000 temporarily lost access to electricity. 1 300 homes and over 240 roads were damaged. The local agriculture also suffered significant losses, as about 9 000 hectares of cropland was affected.

On 24 August 2020, Poland applied for a contribution from the EUSF to finance emergency and recovery operations following the floods in the *Podkarpackie* (Subcarpathian) province in

June 2020. The Polish authorities estimated the total direct damage caused by the disaster at EUR 282 851 202. The damage caused represents 1.56% of the GDP of *Podkarpackie*, the NUTS 2 level region concerned, and thus exceeds the threshold of EUR 270 961 950 (1.5% of regional GDP). The application qualified as concerning a ‘regional natural disaster’ in accordance with Article 2(3) of the Regulation. Poland did not request the payment of an advance.

The Commission calculated the amount of the financial contribution from the Fund at EUR 7 071 280. Following the Commission’s proposal COM(2020) 960 of 9 October 2020, the European Parliament and the Council approved the payment of EUR 7 071 280 from the EUSF to Poland. On 2 December 2020, the Commission adopted Implementing Decision C(2020) 8685 awarding a financial contribution of EUR 7 071 280 from the EUSF, which was paid on 17 December 2020.

GREECE

Evia floods

In August 2020, Central Evia experienced catastrophic floods and landslides as a result of severe thunderstorms and torrential rainfall. The rapid and heavy rainfall caused floods and landslides in the areas of the Messapiou and Lilanta Rivers. Eight people lost their lives in the disaster and 3 000 homes had to be evacuated. The storm caused major damage to private houses and the local infrastructure, including four bridges that were destroyed.

On 29 October 2020, Greece applied for financial assistance from the Fund for the disaster resulting from the floods of August 2020. Subsequently, Greece presented its application for a regional disaster affecting one NUTS level 2 region and estimated the total direct damage at EUR 132 million. Therefore, the disaster qualified as a ‘regional natural disaster’ in accordance with Article 2(3) of the Regulation. Greece requested an advance payment.

On 2 March 2021, the Commission adopted Implementing Decision C(2021) 1507 awarding an advance of EUR 330 010, which it paid to Greece on 17 March 2021.

The Commission calculated the financial contribution from the EUSF at EUR 3 300 100. Following the Commission’s proposal COM(2021) 201 of 24 March 2021, the European Parliament and the Council approved the payment of EUR 3 300 100 from the EUSF to Greece. Commission Implementing Decision C(2021) 4438 awarding the payment to Greece was adopted on 14 June 2021, and the balance of EUR 2 970 090 was paid on 5 July 2021.

Cyclone Ianos

In September 2020, most of the eastern and southern mainland, South Ionian Islands, Thessaly, *Stereia Ellada* (Central Greece) including Evia, Peloponnese and the Northern and Western Cyclades of Greece were hit by a Mediterranean cyclone named Ianos. The disaster was caused by catastrophic floods and stormy winds, and by landslides due to the heavy rainfall brought by the cyclone. A number of people lost their lives, and many older people were trapped in their houses because the storm caused roofs to collapse. Much of the infrastructure suffered damage, such as bridges collapsing, the electricity and water supply being cut off and rocks falling on main roads.

On 9 December 2020, the Commission received an application from Greece in relation to the cyclone for assistance from the EUSF. Greece presented its application as concerning a ‘regional natural disaster’ affecting several NUTS level 2 regions in accordance with Article

2(3) of the Regulation and estimated the total direct damage at EUR 863 540 756. It requested the payment of an advance.

On 2 March 2021 the Commission adopted Implementing Decision C(2021) 1511 awarding an advance of EUR 2 158 852, which was paid to Greece on 17 March 2021.

The Commission calculated the financial contribution from the Fund at EUR 21 588 519. Following the Commission's proposal COM(2021) 201 of 24 March 2021, the European Parliament and the Council approved the payment of EUR 21 588 519 from the EUSF to Greece. Commission Implementing Decision C(2021) 4466 awarding the payment to Greece was adopted on 17 June 2021, and the balance of EUR 19 429 667 was paid on 5 July 2021.

FRANCE – Storm Alex

In October 2020, an extratropical cyclone hit the Mediterranean, bringing exceptionally intense rainfall. The extreme weather event caused flooding in the French alpine valleys in the region of Provence-Alpes-Côte d'Azur. The heavy rainfall caused landslides, debris flows, flash floods and erosion. Infrastructure networks suffered severe damage, and several towns were isolated due to the collapse of bridges and main roads. Hundreds of houses were impacted, several people went missing and at least 15 lost their lives. It was reported as the worst flood in the South of France for the past 120 years.

On 21 December 2020, the Commission received an application from France for a financial contribution from the EUSF for the damages caused by Storm Alex in October 2020. Subsequently, France presented its application as concerning a 'regional natural disaster' affecting one NUTS level 2 region (Provence-Alpes-Côte d'Azur/FRL0) and estimated the total direct damage at EUR 2 373 million. The application qualified as concerning a 'regional natural disaster' in accordance with Article 2(3) of the Regulation. France requested the payment of an advance.

On 22 February 2021, the Commission adopted Implementing Decision C(2021) 1340 awarding an advance of EUR 5 932 500, which was paid to France on 11 March 2021.

The Commission calculated the financial contribution from the EUSF at EUR 59 325 000. Following the Commission's proposal COM(2021) 201 of 24 March 2021, the European Parliament and the Council approved the payment of EUR 59 325 000 from the EUSF to France. Commission Implementing Decision C(2021) 4868 awarding the payment to France was adopted on 28 June 2021, and the balance of EUR 53 392 500 was paid on 29 July 2021.

COVID-19 – Major public health emergency

➤ Introduction

In December 2019, a pneumonia epidemic of unknown origin was reported to the WHO from Wuhan, China. This was later identified as a new strain of coronavirus that had not been previously detected in humans - Coronavirus disease 2019 (COVID- 19). On 30 January 2020, the WHO declared an epidemic emergency of international scale due to the new coronavirus epidemic.

In the following weeks, given how quickly the epidemic was spreading, Member States declared a national state of emergency and took significant measures to prevent and contain infection in their populations. The measures ranged from surveillance and control measures at

the borders, to boosting the number of medical staff. The spread of the epidemic and the consequent containment measures decided by the Member States had a profound impact on the economy, affecting production, investment, consumption, and the functioning of the labour market.

One of the distinctive characteristics of COVID-19 was the enormous stress it put on healthcare systems and workers, as most patients hospitalised with COVID-19 required special clinical assistance. The significant growth in patient numbers put a heavy burden on hospital staff and on the availability of crucial equipment and supplies, such as oxygen cylinders, ventilators, diagnostic kits and personal protective equipment. It was very difficult for healthcare workers to cope with this situation, since a pandemic of this magnitude inevitably risks undermining the capacity of health structures to provide other essential services.

➤ Amendment of the Regulation

On 30 March 2020, as part of the Coronavirus Response Investment Initiative³, the Regulation was amended⁴ to include major public health emergencies within the EU solidarity principle. The amendment included extending the implementation period from 12 to 18 months and other minor changes.

The amendment expanded the range of eligible costs for essential emergency and recovery operations to include measures: (i) providing rapid medical assistance to the population affected by a major public health emergency; (ii) protecting the population from the risk of infection by preventing, monitoring and controlling the spread of diseases; and (iii) combating severe risks to public health or mitigating their impact on public health.

➤ Applications

By the deadline of 24 June 2020, the Commission had received 22 applications for a financial contribution from the EUSF. Overall, 19 EU Member States (Belgium, Czechia, Germany, Estonia, Ireland, Greece, Spain, France, Croatia, Italy, Latvia, Lithuania, Luxembourg, Hungary, Austria, Poland, Portugal, Romania and Slovenia) and three candidate countries (Albania, Montenegro and Serbia) requested assistance.

The applications from Poland and Slovenia were rejected for not meeting the criteria of the Regulation. During the assessment and following the exchanges with the Polish authorities, the Commission calculated that the Polish authorities had overestimated the total public direct expenditure in their EUSF application submitted on 22 June 2020. The reported expenditure therefore had to be reduced with the Polish authorities' agreement. As the major public health emergency threshold in accordance with Article 2(2)(a) of the Regulation for Poland in 2020 was EUR 1 430.574 million, and the revised total public expenditure was considerably below that threshold, Poland's application was not eligible for support from the Fund. Meanwhile, during the assessment and following the exchanges with the Slovenian authorities, the Commission calculated that the Slovenian authorities had overestimated the total public

³ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative).

⁴ Regulation (EU) 2020/461 of the European Parliament and of the Council of 30 March 2020 amending Council Regulation (EC) No 2012/2002 in order to provide financial assistance to Member States and to countries negotiating their accession to the Union that are seriously affected by a major public health emergency.

expenditure in their EUSF application submitted on 17 June 2020, and that the expenditure therefore had to be reduced. As the major public health emergency threshold in accordance with Article 2(2)(a) of the Regulation for Slovenia in 2020 was EUR 135.102 million, and the revised total public expenditure was below that threshold, the application from Slovenia was not eligible for support from the EUSF.

➤ Assessment of applications

All the applications received were assessed in a single package to ensure consistent and equal treatment. The Commission investigated several aspects thoroughly, such as: (i) the eligibility of the expenditure (also analysing whether the reported expenditure covered eligible operations and whether it fell within the eligibility period); (ii) the emergency nature of the expenditure; (iii) the existence of a direct link to the COVID-19 pandemic; and (iv) the consistency of the application overall. Where required, the Commission requested that the applicant countries provide additional information, explanations and supporting documents.

➤ Financing

Since the EUSF's main founding principle is solidarity, aid from the Fund should be progressive. The methodology for calculating the EUSF aid was set out in the 2002-2003 Annual Report on the EUSF and was accepted by the European Parliament and the Council (see under 'Financing').

The Commission's method for calculating aid amounts for major public health emergencies was similar to the method for natural disasters. Thus, a country should receive 2.5% of the total amount of eligible public expenditure up to the country-specific threshold for major health emergencies, plus 6% of the part of the public expenditure exceeding the threshold. This was also communicated through the Commission's website⁵. As this calculation led to a total amount for all countries that exceeded the available budget resources, the amounts per country were reduced on a pro rata basis.

➤ Advance payments

Seven EU Member States (Germany, Ireland, Greece, Spain, Croatia, Hungary and Portugal) applied for an advance payment, for a total amount of EUR 132 736 830. The Commission conducted a preliminary assessment of those seven applications and concluded that all of them met the conditions for the payment of an advance from the EUSF. Following the Commission's proposal COM(2020) 960 of 9 October 2020, the European Parliament and the Council approved a total advance payment of EUR 132 736 830, which the Commission paid to the above-mentioned countries in December 2020.

➤ Balance and total payments

Following the Commission's proposal COM(2021) 201 of 24 March 2021, the European Parliament and the Council approved the payment of EUR 529 347 741 from the EUSF to the 20 successful applicant countries. In November and December 2021, a total of EUR 397 454 921 was paid to the countries as balance payments and full payments.

⁵ https://ec.europa.eu/regional_policy/en/funding/solidarity-fund/covid-19

FINANCING

The individual amounts of assistance proposed by the Commission were calculated using the method that was decided upon in the 2002-2003 Annual Report on the EUSF, as accepted by the European Parliament and the Council, which 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 natural 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 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 in each case 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 listed a generic description of the intended use of the money, the authorities nominated by the beneficiary states to implement the EUSF contribution and 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 approved 17 financial contributions from the EUSF as proposed by the Commission. The Commission presented its proposals for the mobilisation of the EUSF in the following groups:

➤ 2019

- On 22 May 2019, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF⁶ for an amount of EUR 293 551 794 to provide assistance to Romania, Italy and Austria. This mobilisation proposal was accompanied by Draft Amending Budget (DAB) No 3/2019⁷ that proposed to enter the necessary appropriations in the general budget 2019, both in commitments and payments. DAB No 3/2019 and the mobilisation proposal was adopted by the budgetary authority on 18 September 2019⁸ awarding EUR 293 551 794 of the EUSF assistance to Italy, Austria and Romania.
- DAB No 4/2019⁹ was adopted on 2 July 2019. The purpose of DAB No 4/2019 was to update both the expenditure and the revenue sides of the budget to take account of the latest developments, including the proposal to reduce the level of the EUSF commitment appropriations included in the budget by EUR 29.7 million.

⁶ COM(2019) 206 final, 22.5.2019.

⁷ COM(2019) 205 final, 22.5.2019.

⁸ Decision (EU) 2019/1817 of the European Parliament and of the Council of 18 September 2019 on the mobilisation of the European Union Solidarity Fund to provide assistance to Austria, Italy and Romania.

⁹ COM(2019) 610 final, 2.2.2019.

- DEC¹⁰ No 2020/227 was adopted on 27 November 2019 to mobilise the amount of EUR 4 552 517 in commitment and payment appropriations to Greece.

➤ 2020

- On 30 May 2020, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF¹¹ for an amount of EUR 278 993 814 to provide assistance to Portugal, Spain, Italy and Austria. This mobilisation proposal was accompanied by DAB No 4/2020 that proposed to enter the necessary appropriations in the general budget for 2020, both in commitments and payments. DAB No 4/2020 and the mobilisation proposal were adopted by the budgetary authority on 18 June 2020 awarding EUR 278 993 814 of the EUSF assistance to Spain, Italy, Austria and Portugal following the disasters that took place in these countries in the course of 2019.
- On 9 October 2020, the Commission adopted a proposal for a decision of the European Parliament and the Council on the mobilisation of the EUSF¹² for an amount of EUR 823 548 633 to provide assistance to Croatia and Poland in relation to natural disasters that took place in these countries in the course of 2020 and to provide the payment of advances to Croatia, Germany, Greece, Hungary, Ireland, Portugal and Spain in response to the major public health emergency caused by the COVID-19 pandemic in early 2020. This mobilisation proposal was accompanied by DAB No 9/2020¹³ that proposed to enter the necessary appropriations in the general budget for 2020, both in commitments and payments. DAB No 9/2020 and the mobilisation proposal were adopted by the budgetary authority on 25 November 2020¹⁴ awarding EUR 823 548 633 in total of EUSF assistance to Germany, Ireland, Greece, Spain, Croatia, Hungary, Poland and Portugal.

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 four EUSF files in 2020 and none in 2019.

➤ 2020 CLOSURES

Slovenia, ice storm in 2014: the financial contribution from the EUSF amounted to EUR 18 388 478. On 17 March 2017, Slovenia requested an extension for submitting the

¹⁰ Request for transfer of commitment and payment appropriations under Art 31 of Financial Regulation

¹¹ COM(2020) 200 final, 30.4.2020.

¹² COM(2020) 960 of 9.10.2020

¹³ COM(2020) 961 final, 9.10.2020.

¹⁴ Decision (EU) 2021/75 of the European Parliament and of the Council of 25 November 2020 on the mobilisation of 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.

implementation report and was granted one until 30 June 2017. Slovenia submitted the implementation report and statement of validity on 22 June 2017. On the basis of the information provided by the Slovenian authorities, an irregular amount of EUR 6 775.35 was found during the audit operations. A recovery of funds was not necessary as there was an overbooking of EUR 2 267 664.97. The file was closed in February 2020.

Czechia, flood in 2013: the financial contribution from the EUSF amounted to EUR 15 928 275. On 7 March 2016, the Czech authorities submitted the implementation report and the statement of validity, which were assessed by the Commission. At the Commission's request, the Czech authorities completed the statement of validity with additional information in November 2016 and April 2018. An audit carried out by the Commission in August 2018 revealed that a part of the expenditure was irregular and not in conformity with the Regulation. The finding was confirmed on 26 March 2019. On the basis of the information provided by Czechia, the eligible expenditure under the Fund amounted to EUR 15 917 103.51, which was lower than the financial contribution of EUR 15 928 275 from the Fund. The difference of EUR 11 171.49 between the eligible expenditures incurred and the amount received was the result of a financial correction related to the region of Ústí nad Labem. The amount of the financial correction (EUR 11 171.49) needed to be recovered, and a pre-closure letter was sent on 13 May 2019 stating that amount. In July 2019, Czechia requested the cancellation of the financial correction and provided supporting documents. From July 2019 to January 2020, the Commission analysed the information received from Czechia, the statement of validity was finally accepted in April 2020 and the financial correction was cancelled.

United Kingdom, flooding in 2015: the financial contribution from the EUSF amounted to EUR 60 301 050. The United Kingdom submitted the implementation report and statement of validity on 16 July 2019. On the basis of the information provided by the United Kingdom, the eligible expenditure under the Fund amounted to EUR 93 887 925.31, which was higher than the financial contribution of EUR 60 301 050. The difference between the EUSF contribution and the expenditure declared is the result of higher eligible expenditure. A closure letter was sent on 2 October 2020 stating that no amount needed to be recovered.

Greece, earthquake in 2015: the financial contribution from the EUSF amounted to EUR 1 651 834. The implementation report was submitted on 22 November 2018. After the Commission had examined it thoroughly, and on the basis of the information provided by Greece, the eligible expenditure under the Fund amounted to EUR 2 631 808.66, which was higher than the EUSF financial contribution of EUR 1 651 834. The difference between the EUSF contribution and the expenditure declared is the result of higher eligible expenditure. A closure letter was sent on 2 October 2020 confirming that no financial correction needed to be applied.

CONCLUSIONS

Members States and candidate countries are increasingly confronted with natural disasters, many of which climate-related. In 2019-2020, the EUSF continued to offer the affected communities vital support in the form of financial relief for their recovery efforts from such disasters, providing a tangible sign of European solidarity.

However, it was the COVID-19 pandemic that had the largest impact on the functioning of the EUSF in 2019-2020, demonstrating the importance of the flexibility of the EUSF

budget and the adaptability of the Regulation. The rapid amendment of the Regulation on 30 March 2020 meant that as of 1 April 2020, Member States and countries involved in EU negotiations could apply for support from the EUSF for a major public health emergency.

As a consequence, 2019 and 2020, in particular, turned out to be very demanding years for the EUSF. During these two years, there were 33 new successful applications, of which 13 were related to natural disasters and 20 to a major public health emergency.

In total, EUR 77.6 million in 2019 and EUR 989 million in 2020 were mobilised from the EUSF to help Member States and candidate countries recover from the consequences of natural disasters alone. September to November 2019 were characterised by extreme weather events in southern and central Europe, for which the EUSF provided over EUR 270 million in support. Meanwhile, from June to August 2020, floods hit several Member States, which received EUR 10 million in aid from the EUSF.

The Fund paid the largest contribution of 2020 – and the second highest amount in its history – for the Zagreb earthquakes of March 2020. The application and the disbursement of EUR 683.7 million in support was processed within a very short period of time (seven months), considering the amount of the EUSF contribution and the magnitude of the total direct damage as a result of the earthquakes.

However, the COVID-19 pandemic's coinciding with the earthquakes in Croatia also demonstrated the Fund's budgetary limitations. For the first time in its history, *its support had to be reduced pro rata compared with the support calculated according to the agreed methodology*. As the report for the following years will show, it was not the last time that support had to be reduced.

In light of its broadened mandate and rising demand for its support, the EUSF should be given the necessary budgetary means to fulfil its mandate also in the future. Throughout its history, the EUSF has played an important role in supporting states in need and offering a concrete symbol of EU solidarity to people in very difficult situations after disasters and emergencies. To keep playing this concrete and symbolic role, it is essential the budgetary resources of the EUSF are increased and safeguarded.