



The future of the European Union Solidarity Fund

Over 11 years, the EU Solidarity Fund has helped countries hit by major natural disasters. But its functioning has shown room for some improvement. Parliament will discuss possible adjustments for the future of the Fund.

Context

The European Union Solidarity Fund (**EUSF**) is an instrument financing operations in the field of civil protection. The EU created it in 2002 after heavy floods had hit Central Europe.

In the event of a major natural disaster, the Fund allows the EU to provide financial aid. It is outside the ceilings of the [Multiannual Financial Framework \(MFF\)](#). An [Inter Institutional Agreement \(IIA\)](#) sets its maximum annual budget at €1 billion.

[Council Regulation \(EC\) 2012/2002](#) lays down the rules for the EUSF. The Fund, which is not a rapid-response mechanism, reimburses part of the costs incurred by the stricken country in carrying out emergency operations in the aftermath of a natural disaster. Eligible costs are related to non-insurable damages and include: rescue services; repairs to key infrastructure; protection of cultural heritage; temporary accommodation.

The EUSF focuses on *major disasters*, whose damages surpass either €3 billion in 2002 prices (€3.606 billion in 2012) or 0.6% of the affected country's gross national income. Exceptionally, it can address disasters that do not meet this criterion if they have a serious and lasting impact on the conditions of a given region and involve the majority of its population (*regional disasters* category).

How the EUSF has worked

From the Fund's creation until the end of 2011, the Commission had received 89 requests for aid, of which 48 were approved. 22 Member States and one country negotiating accession have benefitted from the EUSF. The [total aid](#) granted amounted to almost €2.5 billion.

In general, requests related to *major disasters* - the Fund's main objective - are successful.

However, the category of *regional disasters* registers a high number of rejections.

In 2008, the [Court of Auditors](#) analysed the functioning of the EUSF. It concluded that the Fund met its goal of demonstrating solidarity with countries hit by a disaster. Criticisms concerned the average time needed to grant aid (12 months) and issues with the category of *regional disasters*.

The way ahead

A revision of the Fund rules should have taken place by 2006. A Commission [proposal](#) in 2005 aimed to broaden its scope and improve its functioning. The EP made a series of [amendments](#) at first reading. However, the text attracted criticism in the Council due to its potential budgetary implications.

In 2011, the Commission withdrew its proposal and [outlined](#) possible means to improve the EUSF's functioning. They include: a clear definition of the scope limited to natural disasters; one single quantitative criterion for *regional disasters*; a provision for disasters which unfold slowly; and closer linking of the Fund to disaster-prevention activities. The goal is to increase the transparency of the criteria used for mobilising the EUSF. This clarity could reduce the disappointment often experienced by requesters in the category of *regional disasters*. Other adjustments such as paying advances and merging administrative steps would allow faster payments.

The [EP's Regional Development Committee](#) (rapporteur Rosa Estaràs Ferragut, EPP, Spain) has voted a resolution on the Fund's future. As regards the annual budget of the EUSF, the Commission kept it outside the MFF at €1 billion (2011 prices) in its proposals for the [MFF 2014-2020](#) and the [new IIA](#). In Council negotiations on the MFF, proposals by the Cyprus [Presidency](#) and by Herman van Rompuy envisaged a reduction of this amount by 25% or more.

This is an [abridged version](#) of a briefing first published in November 2012.