At a glance

Plenary – 28 November 2016



European Union Solidarity Fund (EUSF)

Set up to help countries cope with the aftermath of a major natural disaster, the EUSF provides support for emergency and recovery operations in the regions concerned. Recent disasters have put the operation of this emergency fund under the spotlight. A report on the assessment of the fund is due to be debated in Parliament's November II plenary session, together with two decisions on its mobilisation.

Background

Created by a Council Regulation in 2002, the EUSF is open to Member States and EU candidate countries. Funded from outside the EU budget by additional money raised by Member States, the fund has intervened in over 70 disasters to date, allocating a total of €3.8 billion to alleviate the impact of events including earthquakes, forest fires and flooding in 24 countries. The EUSF, which has a maximum annual allocation of €500 million, can provide funding in three cases: a major disaster (total direct damage exceeds €3 billion or 0.6 % of GNI of the country involved), a regional disaster (total direct damage exceeds 1.5 % of regional GDP) and in cases where an eligible country is affected by the same disaster as a neighbouring eligible country. A reform of the fund took place in 2014, clarifying eligibility criteria, introducing advance payments and extending the period during which countries may use funds, all of which were called for by a 2013 European Parliament resolution, with further changes planned to the EUSF under the proposed 'Omnibus Regulation'.

The European Union Solidarity Fund in practice

Countries submit an application to the European Commission within 12 weeks of the first damage, which the Commission has six weeks to consider. If approved, the Commission suggests a specific amount of aid, which must then be endorsed by Parliament and Council. Countries are required to use the money within 18 months of funding being granted. Funding may be used to restore plant and infrastructure to working order, provide temporary accommodation and fund rescue services, secure preventive infrastructure and protect sites of cultural heritage, and to clean up disaster areas and nature zones. In principle, the EUSF is limited to non-insurable damage and does not compensate for damage to private property or loss of income.

Assessing the EUSF

The 2015 <u>Commission report</u> found that while applicants understand better the application process, money still reaches the regions affected too late. It highlighted the time-consuming procedure for the adoption of the mobilisation decision and the corresponding amending budget. A 2015 <u>report</u> by the International Institute for Applied Systems Analysis argued that while the 2014 reform linked the EUSF to risk-reduction measures, the Commission could be more proactive in encouraging risk management by Member States.

European Parliament

Stressing the significant contribution made by the EUSF over the years and the importance of the 2014 reform, the Committee on Regional Development's <u>report</u> on the EUSF (rapporteur: Salvatore Cicu, EPP, Italy) examines the management of the fund. It considers that beneficiaries still face problems due to the length of the process, noting that the proposed 'Omnibus provisions' could help by ensuring faster mobilisation. It emphasises the need for Member States to invest in preventive measures and to establish risk prevention and management strategies. It also stresses the importance of transparency and effective cooperation between various decision-making levels.

The plenary is also due to vote on a <u>report</u> on the mobilisation of the EUSF to provide for the payment of advances in the 2017 budget (rapporteur Patricija Šulin, EPP, Slovenia) and a <u>report</u> on the mobilisation of the EUSF to provide assistance to Germany following intense floods in the Niederbayern region (rapporteur: Monika Hohlmeier, EPP, Germany) both from the Committee on Budgets.



