



EUROPEAN PARLIAMENT

2009 - 2014

Plenary sitting

A7-0398/2012

20.12.2012

REPORT

on the European Union Solidarity Fund, implementation and application
(2012/2075(INI))

Committee on Regional Development

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the European Union Solidarity Fund, implementation and application (2012/2075(INI))

The European Parliament,

- having regard to Articles 175, 212 and 222 of the TFEU,
- having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund¹,
- having regard to the Interinstitutional Agreement of 7 November 2002 between the European Parliament, the Council and the Commission on the financing of the European Union Solidarity Fund supplementing the Interinstitutional Agreement of 6 May 1999 on budgetary discipline and improvement of the budgetary procedure²,
- having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on The Future of the European Union Solidarity Fund (COM(2011)0613),
- having regard to the report from the Commission on the European Union Solidarity Fund 2010 (COM(2011)0694),
- having regard to the report from the Commission on the European Union Solidarity Fund – Annual Report 2008 and Report on the experience gained after six years of applying the new instrument (COM(2009)0193),
- having regard to its resolution on the proposal for a regulation of the European Parliament and of the Council establishing the European Union Solidarity Fund³,
- having regard to the opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the future of the European Union Solidarity Fund⁴,
- having regard to Court of Auditors Special Report No 3/2008 – The European Union Solidarity Fund: how rapid, efficient and flexible is it?⁵,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Regional Development (A7-0398/2012),

A. whereas Article 222 of the TFEU stipulates that the Union and its Member States must act

¹ OJ L 311, 14.11.2002, p.3.

² OJ C 283, 20.11.2002, p.1.

³ OJ C 297E, 7.12.2006, p. 331.

⁴ OJ C 181, 21.6.2012, p.52.

⁵ OJ C 153, 18.6.2008, p.1.

jointly in a spirit of solidarity if a Member State is the victim of a natural or man-made disaster or the object of a terrorist attack;

- B. whereas the European Union Solidarity Fund (EUSF) is the main instrument for demonstrating Union solidarity by providing significant financial support for Member States or regions affected by serious disasters;
- C. whereas, where its mobilisation is necessary, the EUSF is widely seen as one of the most satisfactory instruments available to the European Union since it is the clearest, most decisive and most significant expression of European solidarity with its citizens in the face of a difficult situation;
- D. whereas the 2005 legislative proposal for a new EUSF regulation was widely supported in the European Parliament but proved unacceptable for the majority of the Member States and was finally withdrawn by the Commission;
- E. whereas the current crisis obliges Member States and the EU not to incur excessive spending;
- F. whereas a series of reports have concluded that the current EUSF Regulation¹ needs to be amended with the primary objective of making it more flexible and improving its operability, whilst complying with the subsidiarity principle;

Implementation of the EUSF

- 1. Highlights the importance of the EUSF as the main instrument allowing the European Union to respond to a serious disaster occurring within Union territory or in countries negotiating their accession to the EU;
- 2. Stresses that, even though it is highly regarded by the public, the way in which it operates needs to be improved so as to make it more flexible and raise its profile, with a view to boosting the European Union's credibility among its citizens;
- 3. Highlights the importance of the aid given to Member States by the EUSF in order to ease the burden on public finances when dealing with emergencies caused by a serious disaster, which in many cases would overstretch them;
- 4. Considers that the time currently taken to mobilise the fund is unacceptably long and accordingly points to the need to improve the effectiveness and speed of the administrative procedures required for its mobilisation, which entail intervention by three European institutions before approval can be granted, with the result that these procedures excessively delay and prolong the time taken to assist Member States affected by a

¹ Court of Auditors Special report N°3/2008; report from the Commission on the European Union Solidarity Fund 2010, COM(2011) 694 final, 31/10/2011; report from the Commission on the European Union Solidarity Fund - Annual Report 2008 and Report on the experience gained after six years of applying the new instrument, COM/2009/0193 final, 23/04/2009; Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the future of the European Union Solidarity Fund, COM(2011) 613 final, ECO/319, 28/03/2012.

disaster, thereby falling short of the results hoped for;

5. Points out that the majority of applications (63 %) were submitted under the exceptional category of ‘regional disaster’, and that 66 % of them were rejected following assessment by the Commission;
6. Takes the view that, in the case of what are considered ‘slowly unfolding’ disasters, the current provisions of the regulation pose legal and practical difficulties for mobilisation, and therefore requests that the Commission consider showing greater flexibility with regard to the deadline set for submitting applications, so that particular attention can be paid to ensuring that such damage can also be covered by the EUSF;

Recommendations for improving the EUSF

7. Welcomes the Commission’s decision on the need to revise the current EUSF Regulation with the aim of improving its functioning and operation; shares the Commission’s opinion that, in view of the current economic crisis, the proposed amendment to the rules should not pose any additional burden on the budgets of either the Union or the Member States;
8. Points out that the principle that the party responsible for damage must pay should continue to apply, so that making use of the EUSF cannot exempt those responsible for a disaster from their liability;
9. Considers that opposition from a number of Member States, fearing that significant changes to the legal basis of this instrument would entail higher financial outgoings, is unjustified and has restricted the adjustment of the 2002 Regulation¹ to a number of clarifications and an attempt to improve its operability; points out that, regrettably, disasters in the European Union’s regions have increased significantly in number, nature, severity and intensity since the Fund was created;
10. Nevertheless welcomes the fact that simply making certain adjustments to the rules in force will achieve significant improvements to its operation whilst maintaining its rationale and character, which is chiefly to provide a flexible and effective instrument that can provide prompt assistance for citizens affected by a phenomenon that has serious repercussions on their living conditions and well-being;
11. Wonders whether a clearer and more precise definition of the concept of disasters might help to reduce the scepticism felt by many of the Member States that are opposed to in-depth reform of this EU instrument;

Reducing the time taken to provide aid

12. Highlights the urgent need to simplify the bureaucratic procedures necessary to mobilise this EU instrument with a view to reducing the time that elapses between the point at which the disaster occurs and the point at which the Member State or region affected receives aid, which in some cases extends for more than a year; points out, nevertheless, that this instrument was not created to provide a rapid response but to re-finance

¹ OJ L 311, 14.11.2002, p.3.

emergency operations financed initially by the public authorities in the affected country;

13. Welcomes the Commission's proposal to contribute to the simplification of the procedures at European level so as to reduce delays; underlines that Member States should also analyse their administrative procedures and identify and remove possible bottlenecks that might bear an obstacle to faster mobilisation of assistance to the affected regions;
14. Calls on the Member States to cooperate closely with local and regional authorities at all stages of implementation, in order to ensure that Union assistance is visible and effective on the ground, and to promote sustainable solutions;
15. Finds the Commission's proposal in relation to merging grant decisions and implementation agreements between the Commission and Member States interesting and appropriate once Parliament and the Council have made the financial resources available, since it would save time and therefore allow a more rapid response;
16. Takes the view that, given the uncertainty and unforeseeability concerning the number and severity of disasters that might occur, the EUSF should remain outside the Union budget, as is currently the case, and be mobilised when disasters happen;
17. Endorses the idea that introducing the possibility to pay advances as soon as the affected State has applied for assistance is also a viable option for speeding up the process of making aid available to countries affected by a major disaster, and that it would help to make the EUSF more effective; takes the view that, if such a decision is taken, advances should represent a fixed percentage of the total aid that is expected to be provided and they would have to be returned to the Union budget in the event that the application was not accepted;

Greater clarity as regards scope and definitions

18. Calls on the Commission to define the scope and area covered by the Fund clearly, removing any possible legal uncertainty as to its scope and avoiding a situation where Member States submit applications under pressure from their citizens even though they know their applications will have to be rejected;
19. Takes the view that, where a disaster has 'cascading' effects, the 'collateral' damage should still be covered by the Fund where it has a significant impact on a region's socio-economic structure;
20. Stresses the need to define clearly and simply what is a disaster at regional level and to clarify the eligibility of disasters that occur at regional level, introducing a simple and objective criterion that will make it possible to assimilate them to other disasters and remove any possibility of speculative interpretation, and any doubt among applicants as to their eligibility;
21. Takes the view that the criterion based on the income threshold could be used as a general basic criterion for all types of disaster; stresses that, in the event that it is set as an indicator for determining the eligibility of a regional disaster, it should be adjusted in line with regional GDP in the last year for which official figures are available, applying a pre-

defined weighting factor which would include losses that are not quantifiable in terms of income and the direct and indirect effects that generally accompany a regional disaster, which are frequently far greater than those calculated in terms of income;

22. Takes the view that the proposed damage threshold of 1.5 % of regional GDP at NUTS 2 level¹ for the purpose of defining the eligibility of a regional disaster would clarify expectations as regards whether or not a potential application for mobilisation of the fund will be eligible, but stresses that, given that this will produce practically the same result as the current criteria for regional disasters, virtually all such regional disasters will continue to be ineligible; points out, therefore, that such a high threshold will not provide the response that citizens expect, and will therefore not prevent frustration among the victims of a disaster, who will, on the contrary, continue to condemn the Union's actions and accuse it of lacking sensitivity towards its citizens;
23. Recalls that disaster prevention plays a vital role in Union's policies and represents the cheapest way to reduce vulnerability towards disasters; underlines that EU regions should make coherent use of all the different funding opportunities for sustainable disaster prevention;
24. Stresses that it must be clear that drought will continue to be regarded as a type of disaster that is eligible for the EUSF, with a focus on mitigating the socio-economic and environmental effects of droughts in the context of the Water Framework Directive, taking account of the fact that this is a lasting structural problem which is difficult to square with the deadlines for applications set and which has serious repercussions on the social and economic development of the regions affected; urges that, in the event of serious droughts or other slowly unfolding disasters, specific provisions should be introduced setting the date of first public authority intervention to combat the disaster, thereby allowing a rapid and legally clear response;
25. Urges the Commission to examine and adapt the criteria so that the EUSF can respond to Mediterranean natural disasters which, partly due to climate change, represent the most serious natural disasters that have been occurring in the Union in recent years;
26. Points out that the EUSF does not cover all the damage arising from a natural disaster, and damage covered under this instrument should therefore be properly defined in a future proposal for a regulation;
27. Points out that it is very difficult to respond adequately, at EU level, to serious man-made crises with the existing instruments, as has been seen in the case of industrial accidents and serious public health crises, and that where such disasters occur, the Union needs to have suitable instruments to offer an appropriate response;
28. Highlights the need for the EUSF to complement other funding instruments, such as the structural funds, when responding to natural disasters, taking advantage of the creation of synergies with these mechanisms and associated programmes;

¹ Eurostat nomenclature of territorial units for statistics, regional level 2: basic regions for the application of regional policies.

29. Stresses that the regions should have sufficient flexibility in the forthcoming financial framework 2014-2020, and that they should be able to redistribute the resources allocated to them so that they can boost the resources available in the event of a disaster, if they consider this necessary and appropriate, and calls on the Commission to revise the regulation in force in good time for the new financial period;

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30. Instructs its President to forward this resolution to the Council and the Commission, and to the national parliaments.

EXPLANATORY STATEMENT

The Solidarity Fund: 10 years of success in applying the solidarity principle in the EU

Following the devastating floods in central Europe in 2002, and given the lack of a tool that would enable it to respond in order to assist the population and Member State affected by a disaster, the Union created a new instrument: the European Union Solidarity Fund.

Since then, not even minor changes have been made to the regulation governing the Solidarity Fund to adapt it to the new needs and correct some of the shortcomings that have become apparent in its 10 years of operation.

Since its creation and up to September 2012, the Fund has provided financial aid to offset the damage caused by 49 disasters, chiefly fires and floods.

In recent years the Commission has been receiving a growing number of applications, partly because more disasters have occurred and partly because the current rules are not sufficiently clear to remove doubts on the possible eligibility of disasters where applications are submitted under the exceptional rules for 'extraordinary regional disasters'.

The current wording of the regulation in respect of this type of disasters is ambiguous, and as a result it creates false expectations among citizens in the Member States applying for aid. In many cases Member States make these applications under pressure from both their citizens and their political rivals, who demand decisive action and responses by the Union and their own national authorities.

It is therefore crucial that the current regulation be revised in time for the new financial period 2014-2020.

Despite the operational shortcomings that have come to light over the years, the Solidarity Fund has proven to be one of the most successful and well-received Union instruments, since it is one of the few instruments available to the Union with which it can demonstrate its solidarity with and closeness to European citizens. Despite the European Parliament's firm support for the Commission's proposals in 2005, which represented an in-depth revision of the regulation, a large number of Council delegations did not support the proposal and the proposed revision therefore had to be abandoned, with the legislative proposal being withdrawn and shelved.

The changes in the economic situation of the Union and the majority of its Member States have led the Commission, in its present fresh attempt to readjust this instrument to current circumstances, to moderate its ambitions and propose only those changes in procedure which will improve the operability of the Fund without entailing additional costs. Its aim is to simplify the procedures and make the definitions clearer, more precise and more transparent.

The need for minor changes to improve the operation and quality of the EUSF

The current political climate, characterised by the difficult budgetary situation in many Member States, means that they are not in a position to accept a proposal similar to the 2005 proposal. Most of the Member States have made it clear that they will not accept substantial changes to either the legal basis or the operation of the Solidarity Fund.

The Commission has therefore completely abandoned the idea of reviving the 2005 proposal and is setting out its ideas firmly but with moderation. It is generally accepted that the Solidarity Fund must nevertheless become more effective.

The series of consultations carried out by the Commission in the past few years and the 2008 Court of Auditors report on the Fund's operation clearly show that, even though the Fund functions satisfactorily in the case of major disasters, the same cannot be said in the case of 'smaller' disasters, which come under the exceptional regional category. The Court concluded that the definition of regional disaster was ambiguous and this had posed problems when presenting applications, most of which were then rejected.

The Court also strongly criticised the solidarity instrument's lack of rapidity.

With a view to remedying these shortcomings and resolving the problems, the Commission has now submitted the communication under review. In its October 2011 communication on the future of the Solidarity Fund, the Commission sets out its idea for improving the Fund, confining itself to making certain adjustments to the current regulation, which will maintain its rationale and character. It does not change either its budget or its scope, which were the reasons for the Council's rejection of the previous proposal.

The Commission's intention, if its ideas are well received, is to draw up a new draft regulation in line with what has been decided, which would come into force in 2014 along with the remaining legislative proposals now in preparation. Taking account of all these limitations, the rapporteur is absolutely convinced that this Union instrument is both useful and positive. As well as offering support to emergency operations for people affected by a disaster and easing the financial burden on the Member States when disasters occur, it provides a demonstration of the Union's solidarity with its citizens when they face a difficult situation. The rapporteur shares the Commission's view that it needs to be made more effective, reducing the time that elapses between a disaster occurring and aid being granted. The administrative procedures are slow, complex and cumbersome, but this could be avoided by making small changes that would not alter the main core of the current Union regulation.

Given that most of the problems concern applications under the exceptional regional category, the rapporteur considers it appropriate to introduce a clear definition of access to the Fund when a 'smaller' disaster occurs.

She also takes the view that, in the case of 'slowly unfolding' disasters, which are frequent in the more southerly parts of the Union in particular, it is difficult to meet the deadlines for application laid down in the regulation, even though this is a lasting structural problem, and this difficulty should also be resolved.

The rapporteur endorses the need for a clear and precise definition of the concept of disaster, setting a general criterion for assessing the severity of damage caused, and for thresholds to

be established geared to the appropriate territorial level. This would help to remove doubts and negative attitudes to the European Union among both Member States and the public, which may otherwise believe that the Union does not offer an appropriate response to their problems.

The bureaucracy necessary for the Fund's mobilisation should be reduced. Payment of advances would be extremely useful and appropriate, and merging procedures and decisions would help to speed up the current process significantly.

This instrument should remain outside the Union budget, since it is impossible to know in advance on what scale it will need to be used in the course of the year. This would also tally with Parliament's general approach that instruments designed to respond to exceptional and unforeseen crises should continue to be extra-budgetary instruments.

As noted above, the rapporteur endorses the need to clarify access criteria, particularly as regards regional disasters. However, whilst the criterion based on regional GDP is a good indicator, the threshold set is still too high to respond to the increasingly frequent and serious disasters that are occurring in the European regions. A degree of flexibility should be introduced, for example in the form of a fixed weighting which would cover damage that cannot be measured in terms of income, such as damage to landscape, recreational facilities, environmental damage, etc., and that has significant repercussions on the way of life and socio-economic conditions in the regions affected.

The rapporteur takes the view that it should remain possible for the Fund to intervene in exceptional circumstances, even though the disaster in question may not reach the eligibility threshold. She welcomes the Commission's initiative, while acknowledging that the current instruments make it very difficult to respond adequately to serious man-made crises.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	27.11.2012
Result of final vote	+: 36 -: 0 0: 1
Members present for the final vote	François Alfonsi, Luís Paulo Alves, Victor Boştinaru, John Bufton, Salvatore Caronna, Nikos Chrysogelos, Francesco De Angelis, Tamás Deutsch, Rosa Estaràs Ferragut, Danuta Maria Hübner, María Irigoyen Pérez, Seán Kelly, Mojca Kleva Kekuš, Constanze Angela Krehl, Petru Constantin Luhan, Ramona Nicole Mănescu, Iosif Matula, Erminia Mazzoni, Jens Nilsson, Jan Olbrycht, Younous Omarjee, Tomasz Piotr Poręba, Ewald Stadler, Georgios Stavrakakis, Nuno Teixeira, Lambert van Nistelrooij, Oldřich Vlasák, Kerstin Westphal, Hermann Winkler
Substitute(s) present for the final vote	Jan Březina, Andrea Cozzolino, Ivars Godmanis, Karin Kadenbach, Lena Kolarska-Bobińska, Heide Rühle, Vilja Savisaar-Toomast, Elisabeth Schroedter