



2016/2045(INI)

13.7.2016

OPINION

of the Committee on Budgetary Control

for the Committee on Regional Development

on the European Union Solidarity Fund: an assessment
(2016/2045(INI))

Rapporteur: Marco Valli

SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Regional Development, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

- having regard to Articles 175, third paragraph, and 212(2) of the Treaty on the Functioning of the European Union (TFEU),
 - having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund¹ and to 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 Fund²,
 - having regard to its resolution of 15 January 2013 on the European Union Solidarity Fund, implementation and application³,
- A. whereas the European Union Solidarity Fund (EUSF) was set up under Regulation 2012/2002 in response to the disastrous flooding that affected central Europe in the summer of 2002;
- B. whereas the EUSF serves mainly to provide assistance in the event of a major natural disaster with serious repercussions for living conditions, the natural environment or the economy in one or more regions of a Member State or of a country applying for accession;
- C. whereas since 2002, 63 disasters – including floods, forest fires, earthquakes, storms and drought – in 24 different European countries have given rise to the provision of support through the EUSF to a total value of more than EUR 3.7 billion;
- D. whereas in June 2008 the European Court of Auditors (ECA) presented the results of a performance audit, concluding that, while it had achieved its goal of demonstrating solidarity with Member States in times of disaster, the conditions governing approval of applications were rather vague, especially in the case of regional disasters; whereas the Court was also critical of the slow pace of the allocation process;
- E. whereas in December 2012 the ECA adopted a performance audit: ‘The European Union Solidarity Fund’s Response to the 2009 Abruzzi Earthquake: Relevance and Cost of Operations’;
1. Draws attention to its resolution of 3 April 2014 on the Court of Auditors’ special reports in the context of the 2012 Commission discharge, which expressed support for the ECA’s finding that ‘around 30 % (EUR 144 million) of the EUSF contributions was earmarked for operations which were fully eligible under the EUSF Regulation; however, some projects, while relevant to the actual needs, did not comply with specific provisions of the EUSF Regulation – for example, one project did not respond in a timely manner and with

¹ OJ L 311, 14.11.2002, p. 3.

² OJ L 189, 27.6.2014, p. 143.

³ OJ C 440, 30.12.2015, p. 13.

sufficient capacity to the actual needs of the population; asks the Commission to explain how, in the revised Regulation on the European Union Solidarity Fund that entered into force on 28 June 2014, the shortcomings identified by the Court of Auditors have been solved;

2. Reiterates that, at the time, the Commission's 2012 audit report revealed irregularities which did not come to bear financially because payment claims exceeded the entitlements and irregular payment claims were not honoured;
3. Understands that disasters and the desire to help people in distress as swiftly as possible may put strain on national administrations; believes, however, that Member States should implement EU legislation on disaster risk prevention and management and establish programmes to deal with emergencies and natural disasters which enable the authorities concerned to receive rapid EU assistance while respecting sound financial management; recalls the need to determine whether EUSF subsidies have been used in compliance with the principles of sound financial management, in order to identify, develop and share best practices and lessons learned with respect to economic affordability;
4. Takes the view that the EUSF requires a certain amount of flexibility to enable it to respond to disasters more quickly and effectively; welcomes, therefore, the fact that countries are able to apply for advance payment of funds;
5. Acknowledges that the revision of the EUSF Regulation introduced important improvements in line with Parliament's demands¹;
6. Highlights and welcomes the improvements made in respect of sound financial management², in particular insofar as beneficiary states are obliged to:
 - verify that management and control arrangements have been set up and are being implemented in such a way as to ensure that Union funds are being used efficiently and correctly, in accordance with the principles of sound financial management,
 - verify that the financed actions have been properly carried out,
 - ensure that expenditure funded is based on verifiable supporting documents, and is correct and regular,
 - prevent, detect and correct irregularities and recover amounts unduly paid together with interest on late payments where appropriate, to notify any such irregularities to the Commission and to keep it informed of the progress of administrative and legal proceedings;
7. Regrets the persisting difficulties in assessing whether the applications associated with regional disasters meet the exceptional criteria set out in the regulation; calls on the Commission to simplify and improve administrative procedures on the occasion of the

¹ See its resolution of 15 January 2013 on the European Union Solidarity Fund, implementation and application, OJ C 440, 30.12.2015, p. 13.

² Regulation (EU) No 661/2014 of the European Parliament and of the Council of 15 May 2014 amending Council Regulation No 2012/2002 establishing the European Union Solidarity Fund, OJ L 189, 27.6.2014, p. 143, Articles 5 and 11.

next EUSF revision;

8. Regrets the fact that in some cases a serious lack of transparency has been noted regarding the use and the destination of the EUSF; asks for an improvement in the ex post monitoring system for spending, and for accurate and coherent justification of that spending, and strongly believes that the final reports provided by Member States should be public and accessible;
9. Stresses the importance of the public procurement procedures followed by Member States in response to natural disasters with a view to identifying and disseminating best practice and lessons learned with regard to contracts in emergency situations;
10. Believes that necessary improvements to the regulation could include a request for mandatory updated national plans for disaster management, the introduction of a concrete action plan and the preparation of agreements on emergency contracts;
11. Stresses that the Member States too must look at their own administrative procedures with a view to accelerating the mobilisation of aid for affected regions;
12. Emphasises, furthermore, that Article 11 of the amended regulation gives the Commission and the ECA the power of audit and allows the European Anti-Fraud Office (OLAF) to conduct investigations whenever necessary;
13. Is of the opinion that the EUSF should, wherever possible, create synergies with other sources of financial assistance, in particular with the European Structural and Investment Funds; calls, therefore, with a view to ensuring the proper implementation of the EUSF, on the Member States to set out clearly what damage is to be covered by the EUSF and what action will be undertaken with the support of other funds;
14. Believes that there should be additional requirements for higher visibility of EUSF assistance in supported areas in order to demonstrate its European added value;
15. Calls on the Commission and the ECA to evaluate the functioning of the EUSF before the end of the current multiannual financial period.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

Date adopted	13.7.2016
Result of final vote	+: 22 -: 0 0: 0
Members present for the final vote	Nedzhmi Ali, Louis Aliot, Inés Ayala Sender, Zigmantas Balčytis, Dennis de Jong, Martina Dlabajová, Luke Ming Flanagan, Jens Geier, Ingeborg Gräßle, Bogusław Liberadzki, Georgi Pirinski, Petri Sarvamaa, Claudia Schmidt, Igor Šoltes, Michael Theurer, Marco Valli, Derek Vaughan, Joachim Zeller
Substitutes present for the final vote	Benedek Jávor, Marian-Jean Marinescu, Julia Pitera, Miroslav Poche