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THE SOLIDARITY FUND

The European Union Solidarity Fund enables the EU to provide financial support to a Member State, a country involved in accession negotiations or a region in the event of a major natural disaster.

LEGAL BASIS

Article 175, third paragraph and Article 212(2) of the Treaty on the Functioning of the European Union (TFEU), Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund and Regulations (EU) No 661/2014 and (EU) 2020/461 of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002.

OBJECTIVES

The European Union Solidarity Fund enables the EU to provide effective support to a Member State, or to a country involved in accession negotiations, in its efforts to deal with the effects of a major natural disaster or a major public health emergency.

The Solidarity Fund is not a tool for providing rapid responses to specific emergencies or natural disasters. This is the role of the Emergency Aid Reserve.

The Solidarity Fund is the main EU instrument for supporting recovery from natural disasters and is an expression of EU solidarity. It enables the EU to provide effective support to an EU Member State (or a candidate country) to help it deal with the effects of a major natural disaster, such as a flood, forest fire, earthquake, storm or drought. Since 2020, the Solidarity Fund has also covered major public health emergencies, such as the COVID-19 pandemic. Due to the increasing frequency and severity of extreme weather events and natural disasters linked to climate change, there is a growing recognition of the Solidarity Fund's importance.

BUDGET

The Solidarity Fund was set up in 2002 in response to the disastrous flooding that affected central Europe in the summer of that year. Since then, it has provided support on over 130 occasions. So far, 24 Member States (plus the UK) and three candidate countries (Albania, Montenegro and Serbia) have received support from the Solidarity Fund, and over EUR 8.2 billion has been paid out in total.



Since 2021, the Solidarity Fund and the Emergency Aid Reserve have been financed as one instrument, called the Solidarity and Emergency Aid Reserve (SEAR). The maximum annual budget for the SEAR is EUR 1.2 billion (in 2018 prices).

IMPLEMENTATION

Assistance from the Solidarity Fund takes the form of a grant to supplement public spending by the beneficiary state and is intended to finance essential emergency and recovery measures to alleviate damage which, in principle, is non-insurable. Urgent measures eligible for funding are:

- The immediate restoration to working order of infrastructure and facilities providing energy, drinking water, waste water disposal, telecommunications, transport, healthcare and education;
- The provision of temporary accommodation and the funding of rescue services, in order to meet the needs of the population affected;
- The immediate consolidation of preventive infrastructure and protection of cultural heritage sites;
- The cleaning-up of disaster-stricken areas, including natural zones;
- Rapid assistance, including medical, to the population affected by a major public health emergency and the protection of the population from the risk of being affected.

The EU can grant financial aid to any Member State or candidate country that requests it following a major natural disaster. The affected country must submit its application within 12 weeks of the disaster. The Commission then assesses the application and proposes an amount of financial aid.

The procedure for allocating a grant, followed by a budgetary procedure (approval by Parliament and the Council), can take several months. Once the appropriations have been made available, the Commission concludes an agreement with the beneficiary state and provides a grant.

The 2014 reform introduced the possibility for Member States to request advance payments, the granting of which is decided upon by the Commission, if sufficient resources are available. The maximum amount of advance payments is 25% of the anticipated total amount of the financial contribution from the Solidarity Fund, and is capped at EUR 100 million.

The beneficiary state is responsible for using the grant and auditing the way it is spent. Emergency measures can be financed retrospectively to cover operations from the first day of the disaster.

It is not possible to finance measures twice, and it is the responsibility of the beneficiary state to ensure that costs covered by the Solidarity Fund are not covered by other EU financing instruments (in particular by instruments of cohesion, agricultural or fisheries policies).



The grant must be used within 18 months of the date on which it was allocated. The beneficiary state must pay back any part of the grant that remains unused. Six months after the expiry of the 18-month period, it must present an implementation report to the Commission. This document must provide details of the expenditure eligible for support from the Solidarity Fund and of all other funding received, including insurance settlements and compensation from third parties. It must also set out preventive measures taken or proposed, including the use of European Structural and Investment Funds for this purpose; experience gained from the disaster or emergency, the state of implementation of relevant EU legislation on disaster risk prevention and management; and any other relevant information on the prevention and mitigation measures taken.

ROLE OF THE EUROPEAN PARLIAMENT

In its resolution of 15 January 2013 on the European Union Solidarity Fund, implementation and application, Parliament highlighted the importance of the Solidarity Fund as the main instrument allowing the EU to respond to serious disasters. At the same time, it criticised the unacceptably long time it takes to provide aid to affected regions or Member States, and called for these delays to be reduced by simplifying the procedures involved and allowing advance payments to be made, elements taken on board in the new legislative proposal of July 2013. The Commission's proposal also incorporated other suggestions from Parliament, such as the clearer and more precise definition of the concept of disasters and of the scope of intervention.

In its <u>resolution of 1 December 2016 on the European Union Solidarity Fund: an assessment</u>, Parliament emphasised 'the importance of the 2014 revision, which managed to overcome the blockage in the Council, and represented a belated response to Parliament's repeated calls for improved responsiveness and effectiveness of aid, in order to ensure a rapid and transparent response in support of people affected by natural disasters'.

In its <u>resolution of 18 May 2021 on the review of the European Union Solidarity Fund</u>, Parliament invited the Commission, in the context of a future reform:

- To continue its work to simplify and speed up the application procedure for Member States, to ensure a quicker response to disasters and emergencies;
- To better take into account disasters on a regional scale;
- To assess the specific impacts of droughts and to address them in the future regulation;
- To focus, as far as possible, on the regions that are the most at risk of major or regional natural disasters or major public health emergencies, particularly the outermost regions, islands, mountainous regions, and regions that are prone to intense seismic or volcanic activity or future public health crises;
- To strengthen and simplify the synergies between the EU Solidarity Fund and the European cohesion policy funds, as well as the Union Civil Protection Mechanism (a tool that aims to strengthen cooperation between the Member States and a group of 10 non-EU countries on civil protection to improve prevention, preparedness and response to disasters);



- To take greater account of the latest risk prevention principles when determining eligibility of projects and to integrate the 'Build Back Better' principle into the regulation;
- To oblige beneficiary states to inform citizens about EU financial support.

Parliament believes that a reassessment of the EU Solidarity Fund's budget might be necessary in the future, to ensure that the budget is large enough to deal effectively with major and regional natural disasters and major public health emergencies.

The need for a reform of the Solidarity Fund is also echoed in the <u>resolution of 7 June 2022 on EU islands and cohesion policy: current situation and future challenges.</u> Parliament calls for a better response to the challenges faced by the islands of the EU and highlights the need to improve the EU Solidarity Fund to adapt it to threats such as natural disasters or the effects of climate change.

For more information on this topic, please see the website of the <u>Committee on Regional Development</u>.

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