European Union Solidarity Fund

2002/0228(CNS) - 31/10/2011 - Follow-up document

In accordance with the requirements of Council Regulation (EC) No 2012/2002, the Commission presents the activities of the European Union Solidarity Fund (EUSF) in 2010 covering, as in previous reports, the treatment of pending and new applications and the assessment of implementation reports with a view to preparing these for closure.

2010 has been the Solidarity Fund's busiest year ever in terms of the number of applications received. A total of 17 new applications for Solidarity Fund financial assistance were submitted to the Commission over the course of the year. All of these applications concerned flooding disasters. The majority of these cases were only submitted in the latter half of the year and for 6 applications the assessment and adoption procedure was still ongoing by the end of 2010. They concerned applications from France (Var flooding), Czech Republic (autumn flooding), Germany (Sachsen flooding), Croatia and Slovenia (September flooding), and Hungary (red sludge spill). These applications will be fully addressed in the European Union Solidarity Fund Annual Report 2011. In the course of 2010 the Commission accepted nine of the applications and decided that the conditions for mobilising the Fund were not met in the case of five other applications. In total the Commission proposed aid amounting to EUR 262.303 million which was subsequently approved by the European Parliament and the Council.

Pending applications from 2009: in the following cases, the Commission decided that the application could not be accepted as it did not meet the requirements set out in the Regulation for the exceptional mobilisation of the Fund, i.e. the majority of residents were not affected, and the application presented no evidence that the region would suffer from serious and lasting repercussions on living conditions and its economic stability.

- Greece (Attica forest fires)
- Greece (Evia flooding)
- Cyprus (storm)
- Italy (Sicily mudslides and flooding).

New applications received in 2010: the Commission concluded on the evidence that the following applications could be accepted since they met the conditions for mobilising the Fund:

- Ireland (flooding): on 14 September 2010, the Commission proposed granting aid of EUR 13 022 500;
- Portugal (Madeira floods): on 29 September 2010 a grant of EUR 31 255 790 was awarded to Portugal;
- France (Storm Xynthia): the Commission t considered that the French application met the exceptional criteria for "extraordinary regional disasters" and decided on 29 September 2010 to propose aid amounting to EUR 35 635 750;
- Slovakia (flooding): on 15 December 2010 aid to Slovakia amounting to EUR 20 430 841 was proposed;
- Poland (flooding): this was classed as a "major natural disaster", and on 15 December aid amounting to EUR 105 567 155 was proposed;
- Czech Republic (flooding): on 15 December 2010 the Commission granting aid amounting to EUR 5 111 401;
- Hungary (flooding): on 15 December 2010 the Commission proposed granting assistance of EUR 22 485 772;

- Croatia (flooding) on 15 December 2010 the Commission proposed to grant financial aid of EUR 3 825 983;
- Romania (flooding): assistance amounting to EUR 24 967 741 was proposed on 15 December 2010.

In the following cases, the Commission concluded after examining the facts, that the application could not be accepted:

- Italy (Tuscany Flooding)
- Spain (Andalucía Flooding)

Closures: in the course of 2010, four EU Solidarity Fund files were closed: (i) the case relating to the wind storm in Slovakia in 2005, for which financial aid of EUR 5 667 578 was granted; (ii) the case relating to the flooding disaster in Bulgaria of August 2005, financial aid amounting to EUR 10 632 185 was granted; (iii) the windstorm disaster in Latvia of January 2005 when a grant of EUR 9 487 180 was paid out; (iv) the flooding disaster in Austria of August 2005, for which financial aid of EUR 14 798 589 was granted.

The report's conclusuions may be summarised as follows:

- for major disasters with damage exceeding the - relatively high - threshold the Solidarity Fund works rather satisfactorily. The criteria are clear and simple to assess, countries do not normally have difficulties preparing an application. The success rate continues to be 100%;
- by contrast, applications for smaller disasters presented under the exceptional rules for so-called extraordinary regional disasters confront countries with serious difficulties in particular as the criteria laid down in the Regulation appear little clear and complicated. The obligation for the states to define in their application the affected region as a single coherent area in which the majority of the population must be affected does often not reflect the reality. In many instances even regional disasters strike in geographically unconnected areas (e.g. floods in different river basins) which renders the definition of a single coherent area difficult. Moreover, demonstrating serious and lasting effects on the economic stability of the affected region appears as a somewhat speculative, economically not very sound and - in any event – burdensome exercise which is difficult to assess, especially for smaller areas. Until now around two thirds of applications presented under this rule are not accepted because they do not meet the criteria.

Overall it is felt that the Fund should be more responsive and make aid available more quickly. While indeed the Fund was never conceived as an emergency instrument it is legitimate to expect that financial aid from it is made available as quickly as possible. Delays of up to one year are clearly too long. Under the rules of the current Solidarity Fund Regulation there is very little scope to address these issues. A first attempt by the Commission in 2005 to improve the functioning of the Fund by proposing a new Solidarity Fund Regulation was favourably received by the European Parliament but found no support among Member States.

The Commission has therefore opted for a new approach and presented on 6 October 2011 a Communication on the Future of the Solidarity Fund, which analyses the functioning of the Fund in greater detail. The Commission intends to discuss the Communication with stakeholders, in particular with Member States, the European Parliament and regions.