The effectiveness of Member States' use of EU Solidarity Fund money in cases of natural disasters

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The Committee on Budgetary Control adopted the own-initiative report by Corina CREU (S&D, RO) on the effectiveness of Member States' use of EU Solidarity Fund money in cases of natural disasters.

The European Union Solidarity Fund (EUSF) was established in 2002 to provide financial assistance to Member States and candidate countries affected by natural disasters, such as flooding, earthquakes or storms. It has become one of the main Union instruments for disaster recovery. The EUSF's regulatory framework was amended in 2020, reflecting a need to simplify the procedures and extend the scope of the fund to include public health emergencies such as COVID-19.

Between 2002 and 2020, the EUSF mobilised more than **EUR 6.5 billion for interventions in 96 disaster events in 23 Member States** and one accession country. The highest number of applications were submitted to cover damage caused by flooding, with more than 60 % of supported disasters belonging to this category. Earthquakes were the events provoking the biggest overall damage in financial terms, accounting for 48 % of support provided under the EUSF.

The new multiannual financial framework (MFF) provides for a new budgetary package called the Solidarity and Emergency Aid Reserve (SEAR), which brings together the EUSF and the Emergency Aid Reserve (EAR) and is designed to respond, on the one hand, to emergencies arising from major disasters in Member States or accession countries (EUSF) and, on the other hand, to specific urgent needs in the Union or in non-Union countries, in particular in the event of humanitarian crises (EAR).

Funding

Members welcomed that public health crises are now within the scope of the EUSF, allowing for its mobilisation, if needed, to support the hardest-hit Member States and accession countries. They also welcomed the increase of the rate of advance payments to affected countries from 10 % of the anticipated aid amount (limited to a maximum amount of EUR 30 million) to 25 % (limited to a maximum EUR 100 million). The report noted that in March 2021, the Commission proposed a package of almost **EUR 400 million** under the EUSF for 17 Member States and three accession countries to fight the **COVID-19 health emergency**.

Members remain concerned about the sufficiency of EUSF funding, especially given the extension of its scope and the merger with EAR under the 2021-2027 MFF. They regret that, due to budgetary constraints, countries applying for support as a result of the COVID-19 pandemic in 2020 will receive less than 50 % of the potential aid amount.

Quality of applications

The report noted with regret that the quality of applications for funding varies and that this can prolong the mobilisation process. The estimation of damage is often the most difficult component in this regard, due to challenges in data collection, overlap and duplication, and development of aggregated data in line with the Commission's requirements. In this regard, the Commission is called on to develop a **common tool or system** to strengthen the beneficiaries' capacity to follow standardised approaches for disaster loss data

quantification and loss data collection systems, thereby reducing the administrative burden and simplifying the application procedure as much as possible.

Timely intervention

The report noted that the EUSF did not provide a rapid response to emergencies, as the time between disaster and payment was usually around one year. Members stressed that it is vital for aid and funds to be sent as quickly, easily and flexibly as possible to affected regions. They are also worried that despite the increased value of advance payments from 10 % to 25 % of the anticipated financial contribution, the average time to make advance payments is still very long (around five months).

The length of time between a disaster and the full payment of aid, as reported by the Commission in its annual reports on the EUSF, remains one of the central challenges of the EUSF. It is of special importance in the current situation, as the COVID-19 pandemic and climate change will likely trigger a substantial increase in the number of applications, which could lead to further delays.

Evaluation's findings

Overall, Members noted with regret the evaluation's finding that the implementation reports provided by recipient countries vary significantly in terms of length, content and level of detail of data. Due to this variation, it is not possible to carry out systematic and comparative analyses of achievements or to compare planned with actual outcomes.

Moreover, the report warned that public procurement in emergency situations is an area especially **vulnerable to fraud, corruption and irregularities**, for which reason it emphasises the importance of effective control systems and complaint procedures. The Commission is called on to pay special attention to cases of potential misuse of EUSF funds under shared management and to introduce steps to improve transparency and monitor and prevent such potential misuse.

Lastly, the Commission is called on to propose a **revision of the EUSF** in order to establish a more targeted, effective and timely rapid response mechanism in areas and regions prone to specific or recurrent natural disasters.