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

2020/2127(INI) - 20/10/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 675 votes to 14, with 11 abstentions, a resolution 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.

Issues on funding

Parliament welcomed the extension of the scope of the EUSF to **health crises** as part of the EU's coordinated response to the COVID-19 pandemic. However, Members believe that **climate change** is an undeniable reality and that it is therefore essential to act also in the medium and long term and to continue to help countries recover from natural disasters.

In this context, Members questioned the **sufficiency of EUSF funding**, especially in view of the extension of its scope and its merger with the emergency aid reserve in the 2021-2027 Multiannual Financial Framework (MFF). They regretted that due to budgetary constraints, countries requesting support following the COVID-19 pandemic in 2020 will receive less than 50% of the potential amount of aid.

Parliament called for special attention to be paid to **outermost regions** (ORs) with difficult climatic situations. It insisted that the financial support provided by the Fund should be distributed fairly among the most affected regions and areas of the Member States.

The resolution stressed that future challenges, whether climate change or health emergencies, require above all a **preventive policy**. Members therefore recalled the need to create synergies with other EU policies and programmes, in particular the cohesion policy funds, the EU civil protection mechanism and the European Green Deal. They called for the revision of the EUSF to include the **'build back better' principle**.

Quality of applications

Members 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

Members are concerned that the length of time between a disaster and full payment of aid remains one of the major problems of the EUSF. They believe it is essential that aid and funds are delivered as **quickly, easily and flexibly as possible** to the affected regions. They are concerned that despite the increase in the value of advance payments from 10% to 25% of the anticipated financial contribution, the average time taken to make these payments remains very long (around five months).

The Commission is invited to explore all possible ways to accelerate the mobilisation of the EUSF under the new MFF provisions, in particular for the less developed regions.

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. Members also noted that funding is concentrated on a small number of beneficiaries, with 77% of the funds distributed going to the four largest Member States.

Moreover, Parliament 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 to establish a more targeted, effective and timely rapid response mechanism in areas and regions prone to specific or recurrent natural disasters.