

Basic information	
<b>2002/0228(CNS)</b> CNS - Consultation procedure Regulation	Procedure completed
European Union Solidarity Fund  Amended by <a href="#">2013/0248(COD)</a> Amended by <a href="#">2020/0044(COD)</a>  <b>Subject</b>  3.70.10 Man-made disasters, industrial pollution and accidents 3.70.11 Natural disasters, Solidarity Fund 8.70.01 Financing of the budget, own resources	

Key players				
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>	<b>Appointed</b>
	<b>RETT</b> Regional Policy, Transport and Tourism		BEREND Rolf (PPE-DE)	07/10/2002
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>	<b>Appointed</b>
	<b>BUDG</b> Budgets		WALTER Ralf (PSE)	25/09/2002
Council of the European Union	<b>Council configuration</b>		<b>Meetings</b>	<b>Date</b>
	General Affairs		2449	2002-09-30
	General Affairs		2459	2002-10-22
	Education, Youth, Culture and Sport		2461	2002-11-11
European Commission	<b>Commission DG</b>		<b>Commissioner</b>	
	Regional and Urban Policy			

Key events			
Date	Event	Reference	Summary
18/09/2002	Legislative proposal published	COM(2002)0514 	Summary
26/09/2002	Committee referral announced in Parliament		
30/09/2002	Debate in Council		

08/10/2002	Vote in committee		
08/10/2002	Committee report tabled for plenary, 1st reading/single reading	<a href="#">A5-0341/2002</a>	
09/10/2002	Debate in Parliament		
10/10/2002	Decision by Parliament	<a href="#">T5-0464/2002</a>	<a href="#">Summary</a>
22/10/2002	Debate in Council		
11/11/2002	Act adopted by Council after consultation of Parliament		
11/11/2002	End of procedure in Parliament		
14/11/2002	Final act published in Official Journal		

Technical information	
Procedure reference	2002/0228(CNS)
Procedure type	CNS - Consultation procedure
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amended by <a href="#">2013/0248(COD)</a> Amended by <a href="#">2020/0044(COD)</a>
Legal basis	EC Treaty (after Amsterdam) EC 159-p3
Stage reached in procedure	Procedure completed
Committee dossier	RETT/5/16752

Documentation gateway				
<b>European Parliament</b>				
Document type	Committee	Reference	Date	Summary
Committee report tabled for plenary, 1st reading/single reading		<a href="#">A5-0341/2002</a>	08/10/2002	
Text adopted by Parliament, 1st reading/single reading		<a href="#">T5-0464/2002</a> OJ C 279 20.11.2003, p. 0021-0118 E	10/10/2002	<a href="#">Summary</a>
<b>European Commission</b>				
Document type	Reference	Date	Summary	
Legislative proposal	<a href="#">COM(2002)0514</a>  OJ C 331 31.12.2002, p. 0347 E	18/09/2002	<a href="#">Summary</a>	
Follow-up document	<a href="#">COM(2004)0397</a> 	26/05/2004	<a href="#">Summary</a>	
Follow-up document	<a href="#">COM(2005)0709</a> 	23/12/2005	<a href="#">Summary</a>	
	<a href="#">COM(2006)0444</a>			

Follow-up document		07/08/2006	Summary
Follow-up document	COM(2007)0632 	25/10/2007	Summary
Follow-up document	COM(2008)0722 	12/11/2008	Summary
Follow-up document	COM(2009)0193 	23/04/2009	Summary
Follow-up document	COM(2011)0136 	23/03/2011	Summary
Follow-up document	COM(2011)0694 	31/10/2011	Summary
Follow-up document	COM(2013)0856 	04/12/2013	Summary
Follow-up document	COM(2015)0118 	10/03/2015	Summary
Follow-up document	COM(2015)0502 	16/10/2015	Summary
Follow-up document	COM(2016)0546 	30/08/2016	Summary
Follow-up document	COM(2017)0776 	18/12/2017	Summary
Follow-up document	COM(2020)0034 	31/01/2020	Summary
Follow-up document	COM(2025)0443 	30/07/2025	

#### Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
CofR	Committee of the Regions: opinion	CDR0294/2002 OJ C 066 19.03.2003, p. 0026-0027	10/10/2002	
EESC	Economic and Social Committee: opinion, report	CES1158/2002 OJ C 061 14.03.2003, p. 0187	22/10/2002	

#### Additional information

Source	Document	Date
European Commission	EUR-Lex	
European Commission	EUR-Lex	

#### Final act

## European Union Solidarity Fund

2002/0228(CNS) - 04/12/2013 - Follow-up document

The Commission presented the European Union Solidarity Fund Annual Report 2012.

The present report presents the activities of the Fund in 2012 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.

**Implementation 2012:** in the course of 2012, a total of seven applications for Solidarity Fund assistance were received which represents a normal and average year in terms of the number of applications. Two applications were received during the first half of the year and five more followed over the summer and autumn months.

The **seven** applications received in 2012 concerned:

- **two** disasters in Italy (severe winter conditions in major parts of the country, and the earthquakes in Emilia-Romagna, Lombardia and Veneto),
- **four** cases from Spain (forest fires in Valencia, fires in the Canary Island, fires in Malaga and flooding in Andalusia, Murcia and Valencia),
- **one** case from Romania (drought and fires).

**Italian applications:** the application received from Italy relating to the severe weather conditions of February 2012 could not be accepted by the Commission. However, the second application from Italy relating to the series of earthquakes that struck the regions of Emilia-Romagna, Lombardia and Veneto of May 2012 led to the biggest grant ever in the history of the Solidarity Fund. **An amount of over EUR 670 million was paid out to Italy in December 2012**, just six months after the disaster struck.

**Spanish applications:** the Spanish applications concerned smaller disasters with damage considerably below the normal threshold for mobilising the Solidarity Fund. **In none of these cases**, the conditions of the Regulation for exceptionally mobilising the Fund under the criteria for "regional disasters" were found not to meet.

**Romanian application:** the assessment of the application from Romania was still pending by the end of the year.

**Other applications:** in the course of 2012, the Commission also completed its assessment of two cases pending from 2011. The application from Italy relating to flash floods in Liguria and Tuscany of 2011 was accepted. The application from Cyprus relating to the naval base explosion of 2011 was not accepted.

**Total financing granted and main lessons:** in the course of 2012, the **Commission granted Solidarity Fund aid amounting to a total of EUR 688 254 041**. Moreover, the management of the Solidarity Fund in 2012 confirmed the experience from preceding years: Major disasters - which are the principal concern of the Solidarity Fund - represent only a small part of applications for aid. **The biggest number of applications relate to smaller disasters below the damage threshold**. The assessment of the latter however reveals that the majority of these cases do not meet the conditions for exceptionally mobilising the Fund. Replacing these rather complicated requirements in the Regulation with a **clear and simple condition** was one of the elements of the Commission's preparatory work during 2012 for the review of the Solidarity Fund Regulation.

The report noted that the Solidarity Fund proved its ability to cope with such events by making a record amount of aid available within record time. Such results can only be achieved with the good cooperation of the applicant State as was the case here.

By contrast, applications based on the exceptional criteria for "**extraordinary regional disasters**" – again proved to be difficult to assess and were not successful. Five such cases were received during 2012 – none of which could be accepted. Especially those cases where damage remains very limited to a few per cent of the national threshold hardly ever meet the specific conditions of the Regulation.

**Modification of the basic criteria for the mobilisation of the Funds in the framework of the 2014-2020 reform:** simple and clearer criteria would help potential applicant States assess the likelihood of a successful application better, save unnecessary work and spare them the frustration of having applications rejected.

In this regard, the case of the application relating to the naval base explosion in Cyprus is another example demonstrating that applications relating to man-made disasters will hardly ever meet the eligibility criteria of the Solidarity Fund Regulation because of liability issues, the polluter pays principle and the exclusion of insurable damage from Solidarity Fund aid.

Key provisions of the current Regulation should be adjusted such as:

- the possibility to make advance payments,
- a clear and simple definition of regional disasters,
- a specific provision on drought,
- administrative streamlining,
- the introduction of measures encouraging implementation of relevant EU legislation on disaster risk prevention.

# European Union Solidarity Fund

2002/0228(CNS) - 16/10/2015 - Follow-up document

The Commission presents the 2014 annual report on the European Union Solidarity Fund (EUSF). The report presents the treatment of new applications and the assessment of implementation reports with a view to preparing these for closure. It also addresses the [Regulation amending the EUSF Regulation](#) which was adopted in June 2014.

In financial terms, in the course of 2014, the Commission approved aid from the EUSF amounting to a **total of EUR 126.725 million**.

**Applications received:** in the course of 2014, the Commission received thirteen new applications for EUSF assistance, which is above the average in terms of the number of applications. The Commission **accepted seven of these applications, two were rejected** and for four applications assessments could only be completed in 2015.

More specifically, the applications concerned:

- **Floods in Sardinia (Italy):** the Italian authorities estimated total direct damage at EUR 652.419 million. The disaster did not qualify as a "major natural disaster". However, it did qualify as an extraordinary regional disaster and was accepted by the Commission. Given that lengthy negotiations with Council and the European Parliament on the corresponding Amending Budget were completed only on 17 December 2014, it was necessary to **carry-over the budget appropriations to 2015 amounting to EUR 16 310 467**. The EUSF contribution was paid out on 7 April 2015.
- **Cyclone Bejisa (La Réunion):** the French authorities estimated total direct damage at EUR 114.800 million. On 27 August 2014, the Commission decided to **reject the application**, as it could not be considered to be extraordinary within the meaning of the Regulation.
- **Earthquakes at Kefalonia (Greece):** the Greek authorities estimated the total direct damage at EUR 147.333 million. The Commission came to the conclusion that this disaster did qualify as an extraordinary regional disaster, meeting the criteria, and proposed the mobilisation of the Fund. The financial contribution amounting to **EUR 3 683 320** was paid out on 8 April 2015.
- **Ice storm (Slovenia):** the Slovene authorities estimated the total direct damage caused by the ice disaster at EUR 428.734 million. The disaster qualified as a "major natural disaster" and the Commission accepted the application from Slovenia. The financial contribution amounting to **EUR 18 388 478** was paid out on 8 April 2015.
- **Ice and floods (Croatia):** the Croatian authorities estimated the total direct damage caused by the disaster at EUR 291.905 million. The Commission accepted the application since the latter qualified as a "major natural disaster". The financial contribution amounting to **EUR 8 616 263** was paid out on 8 April 2015.
- **Extreme winter conditions (Romania):** the Romanian authorities estimated the total direct damage at EUR 327.897 million. This amount, however, contained a significant share of indirect damage, which was excluded from the estimated total direct damage. The Commission came to the conclusion that the application from Romania could not be considered to be extraordinary within the meaning of the Regulation and **rejected the application** on 27 August 2014.
- **Flooding (Serbia):** the Serbian authorities estimated the total direct damage caused by the disaster at EUR 1 106 million. The disaster qualified as a "major natural disaster" and the Commission accepted the application from Serbia. The financial contribution amounting to **EUR 60 224 605** was paid out on 14 April 2015.
- **Flooding (Croatia):** the Croatian authorities estimated the total direct damage caused by the disaster at EUR 297,629 million. Like the disaster in Serbia, the disaster in Croatia qualified as a "major natural disaster". The Commission proposed the mobilisation of the Fund. The financial contribution amounting to **EUR 8 959 725** was paid out on 8 April 2015.
- **Spring flooding (Bulgaria):** the accepted estimated total direct damage caused by the disaster amounted to **EUR 311.328 million**. The disaster qualified as a "major natural disaster" and the Commission decided to mobilise the Fund. The financial contribution amounting to **EUR 10 542 110** was paid out on 8 April 2015.

**Other applications:** the report indicates that assessments of the four applications received in 2014 from Romania (spring and summer flooding), from Bulgaria (summer flooding) and from Italy (autumn flooding) could only be completed in 2015 and will be reported in more detail in the 2015 annual report.

**Amending Regulation:** Regulation (EU) No 661/2014 of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund entered into force on 28 June 2014. The main amendments were as follows:

- a clear definition of the area of intervention limiting it to natural disasters only with a new provision on drought;
- the extension of the application deadline from 10 to 12 weeks;
- the extension of the implementation period from 12 to 18 months ;
- clear rules for regional disasters with direct damage exceeding 1.5% of regional GDP (at NUTS2 level). For outermost regions the threshold is 1% of regional GDP.

As of 2015, Member States now have the possibility of requesting an advance payment of 10% of the likely amount of aid (capped at EUR 30 million).

New provisions were introduced focusing on the implementation of EU legislation on risk prevention and management.

# European Union Solidarity Fund

2002/0228(CNS) - 10/03/2015 - Follow-up document

The Commission presented its Annual Report 2013 on the European Union Solidarity Fund (EUSF). The present report presented the activities of the EU Solidarity Fund during the year 2013: the treatment of pending and new applications and the assessment of implementation reports with a view to preparing these for closure. It also addressed the proposal to amend the Regulation presented in the course of the year.

In financial terms, in the course of 2013, the Commission approved aid from the EUSF amounting to **a total of EUR 415.127 million**.

**Applications received:** during 2013, the Commission received **eight new applications** for EUSF assistance which represents an average year in terms of the number of applications.

#### **Floods in Slovenia, Austria and Croatia (three cases)**

All three countries submitted applications for EUSF financial assistance: Slovenia applied for a major disaster, whereas Croatia's and Austria's applications were based on the so-called "neighbouring country" provision whereby a country affected by the same disaster as a neighbouring country where a major disaster has occurred may exceptionally benefit from EUSF financial assistance.

- **Slovenia:** total direct damage was estimated at EUR 359.535 million stemming in particular from significant damage in agriculture, forestry, to the local road infrastructure and watercourses. The Commission proposed to mobilise financial assistance of **EUR 14.081 million**. The contribution was paid out on 19 November 2013.
- **Austria:** total direct damage caused by the disaster amounted to EUR 9.6 million. This amount represented only a small fraction of the major disaster threshold for mobilising the EUSF. Despite the limited damage which represented only 0.53% of the threshold, the EUSF could be mobilised. The financial contribution from the Fund amounting to **EUR 240 000 was paid** out on 19 November 2013.
- **Croatia:** the Croatian authorities estimated the total direct damage at over EUR 11.463 million. As this amount was clearly below the major disaster threshold for mobilising the EUSF, the disaster did not qualify as a "major natural disaster". However, the Commission accepted to grant a financial contribution from the Fund amounting to **EUR 286 587** which was paid out on 15 January 2014.

#### **Floods in Central Europe (four cases)**

In May and June 2013, Central Europe was affected by a meteorological situation very similar to the one which led to the 100-year-flooding-event in 2002 and subsequently to the creation of the EUSF.

Germany, Austria, the Czech Republic and Hungary were affected by extreme flooding in May/June 2013.

- **Germany:** the total direct damage was estimated at over EUR 8.153 billion. The Commission proposed to mobilise financial assistance of **EUR 360.454 million**. The corresponding amending budget provided that a major part of the necessary appropriations would only be available in 2014. Accordingly, the EUSF contribution was paid out on 19 March 2014.
- **Austria:** the total direct damage was estimated at EUR 866.462 million. As the major disaster in Germany was caused by the same weather phenomenon that hit Germany, the Austrian application was accepted under the "neighbouring country" provision of the Regulation. The Commission decided to propose financial assistance of EUR 21.662 million to Austria. The contribution was paid out on 14 February 2014.
- **Czech Republic:** the total direct damage was estimated at EUR 637.131 million. As in the case of Austria, the Czech flooding had the same meteorological origins as the major disaster in Germany. The application was thus based on the so-called "neighbouring country" provision. The Commission decided to propose financial assistance to the Czech Republic amounting to **EUR 15.928 million** which was paid out on 19 March 2014.
- **Hungary:** Hungary estimated the total direct damage at EUR 27.951 million. The "neighbouring country criterion" could not be applied as none of Hungary's neighbours suffered a major disaster from the floods. **The Commission decided to reject the application** as it could not be considered to be extraordinary within the meaning of the Regulation.

#### **Floods and landslides in Madeira (Portugal)**

An application was received from Portugal which concerned the mud and landslides on the Island of Madeira in January 2013. Portugal reported total direct damage of EUR 25.7 million which represented only 2.5% of the major disaster threshold of EUR 987.376 million. The application was therefore presented under the criteria laid down for so-called "extraordinary regional disasters". **The Commission decided to reject the application** as the disaster could not be considered to be extraordinary within the meaning of the Regulation.

**Pending applications:** the Commission completed its assessment of an application from Romania pending from 2012 relating to drought and fires for which it also proposed the mobilisation of the Fund for an amount of **EUR 2.476 billion**, covering the cost of eligible operations. The EUSF contribution was paid out on 10 March 2014.

The Commission recalled that on the basis of its 2011 Communication on the 'Future of the EU Solidarity Fund', the Commission presented in mid-2013 a legislative proposal to amend the Regulation.

This proposal included in particular elements geared towards making the Fund more responsive and simpler to use.

[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 Fund entered into force on 28 June 2014. The results will be presented in the 2014 annual report.

# European Union Solidarity Fund

2002/0228(CNS) - 11/11/2002 - Final act

**PURPOSE :** to establish a European Union Solidarity Fund ('the Fund') to enable the Community to respond in a rapid, efficient and flexible manner to emergency situations. **COMMUNITY MEASURE :** Council Regulation 2012/2002/EC establishing the European Union Solidarity Fund. **CONTENT :** At the request of a beneficiary State, assistance from the Fund may be mainly mobilised when a major natural disaster with serious repercussions on living conditions, the natural environment or the economy occurs in the State. The definition of a "major disaster" is one resulting in damage estimated at over EUR 3 billion in 2002 prices, or more than 0.6% of the GNI of the State. In exceptional circumstances where a particular disaster does not meet the minimum scale required, assistance may be granted where a region is affected by an extraordinary disaster. Total annual assistance will be limited to no more than 7.5% of the annual amount available to the Fund. Particular focus will be on remote regions. The aim of the Fund is to complement the efforts of the State concerned and to cover a share of their public expenditure in order to help the beneficiary State to carry out the following essential emergency operations, depending on the type of disaster: -immediate restoration to working order of infrastructure and plant in the fields of energy, water and waste water, telecommunications, transport, health and education; -providing temporary accommodation and funding rescue services to meet the immediate needs of the population concerned; -immediate securing of preventive infrastructures and measures of immediate protection of the cultural heritage; -immediate cleaning up of disaster-stricken areas, including natural zones. Payments from the Fund are limited to financing measures alleviating non-insurable damages and will be recovered if a third party subsequently meets the cost of repairing the damage. No later than 10 weeks after the first damage caused by the disaster, a State may submit an application, and the Commission will determine if the prescribed conditions for mobilising the Fund are met. Notwithstanding his deadline, provision is made for countries which have been affected by disasters from 1 August 2002, to request assistance from the Fund within 2 months of entry into force of this Regulation. On 1 October each year, at least one-quarter of the annual amount should remain available to cover needs arising until the end of the year. The Regulation specifies that damage repaired under Community or international instruments relating to the compensation of specific damages will not, for the same purpose, benefit from assistance from the Fund. A grant must be disbursed within one year of the date on which the Commission has disbursed it. If part of it is unused by that deadline, it will be recovered by the Commission. No later than six months after the expiry of the one-year period, the beneficiary State must present a report on disbursement of the grant. This report will, amongst other things, detail the preventive measures proposed by the beneficiary State in order to limit damage and avoid a recurrence of similar disasters. The Council must review this Regulation by 31 December 2006. **ENTRY INTO FORCE :** 15/11/02.

# European Union Solidarity Fund

2002/0228(CNS) - 25/10/2007 - Follow-up document

This report presents the activities of the EU Solidarity Fund in 2006 covering, as in previous reports, three areas: the treatment of new applications received in the course of 2006, monitoring of the ongoing implementation of grants, and the assessment of implementation reports with a view to preparing these for closure.

In addition, the report presents the progress which has been made with regard to the proposal for a new Regulation on the Solidarity Fund presented by the Commission on 6 April 2005 for the period after the expiry of the 2000-2006 Financial Perspectives.

In 2006 the Commission received four new applications for Solidarity Fund assistance: from Hungary, the UK, Greece and Spain. The Hungarian application was the only one relating to a major natural disaster - the main field of application of the Solidarity Fund - for which the Commission was able to propose the mobilisation of the Fund. It was subsequently endorsed by the Budget Authority.

Three other applications were presented under the regional disaster criteria. One application - the one relating to the explosion at the Buncefield oil depot - was withdrawn by the UK government in view of the doubts about its appropriateness in the light of the criteria in the Regulation, which generally tend to exclude support in the case of disasters of technological origin. The report notes that the proposal for a new Solidarity Fund Regulation makes explicit reference to technological disasters). The information provided in support of the Greek application relating to the flooding of the Evros River, the second of the regional disaster applications in 2006, was considered to satisfy the criteria and the mobilisation of the Fund was therefore proposed. The application relating to the forest fires in Galicia was rejected because the criteria in the Regulation were not met.

For applications in 2006, the Commission proposed a total amount of aid from the Fund of EUR 24.4 million. After 2004, this represented the second lowest annual amount since the creation of the Fund in 2002.

While on a smaller scale than in preceding years, experience in 2006 confirmed the general trend by which the majority of applications for Solidarity Fund assistance are not presented for major disasters which represent the main scope of the Fund, but under the exceptional criteria for regional disasters. These criteria - which according to the Regulation are to be examined by the Commission "with the utmost rigour" - continue to be relatively difficult to meet. The rate of unsuccessful applications for the regional (exceptional) criteria, at around 60%, continues to be high. For major disaster applications for which only a single quantitative criterion applies, the positive assessments have so far a rate of 100%.

The Commission continues to believe that, on the one hand, by using a single criterion to trigger utilisation of the Fund with lower quantitative thresholds than applied today and, on the other hand, by suppressing the present (non-quantitative) 'exceptional' regional disaster criteria, the efficient use of the Solidarity Fund would be improved. At the same time, it would help avoid the frustration that follows rejected applications because the exceptional criteria are very difficult to meet. On the basis of past evidence, such changes would be broadly neutral in the sense that the same decisions to mobilise the Fund would have been taken under the new criteria. By clarifying the criteria, and removing the less straightforward regional criteria of the current Regulation, applicant States would have a clearer signal as to whether to invest considerable resources in making an EUSF application. As such, the new criteria would make a concrete contribution to "better regulation".

This is why the Commission hopes that the Council will be ready to consider again the Commission's proposal of 6 April 2005 for a new Solidarity Fund Regulation, which contained the relevant provisions. Moreover, widening the scope of the Fund to disasters of other than natural origin would offer the Community an opportunity for the Community to provide an important expression of its solidarity in the event of crises other than those of natural origin.

The Commission notes that recent applications for aid under the Solidarity Fund from countries outside the Euro-zone raised the question of which exchange rate to apply for the conversion of the grant into national currency. The Regulation does not contain a specific provision on the use of the Euro. The issue raises particular problems in case of exchange rate fluctuations, for example between the date of application and the date on which the grant is credited to the beneficiary State's bank account. In all cases up to now, the conversion into Euro has been carried out on the basis of the exchange rate at the time of application. In order to simplify the financial execution of the grant the Commission so far asked beneficiary States to apply this single exchange rate throughout implementation and as the basis for the final implementation report and the statement on the financial execution of the grant.

## European Union Solidarity Fund

2002/0228(CNS) - 23/12/2005 - Follow-up document

The Regulation setting up the European Solidarity Fund requires the Commission to prepare an activity report on the Fund's activities in the previous year and to present its findings to both the European Parliament and to the Council. This is the second such report prepared under Article 12 of Regulation 2012/2002. The Report finds:

- In 2003 the Commission received ten new applications to mobilise the Fund. For three of these requests (i.e. for the Prestige oil spill in Spain, the Molise earthquake and eruption of Mount Etna in Italy, grant decisions had already been adopted at the end of 2003). The three grants were paid out in March 2004 as soon as the corresponding credits had been carried over to the 2004 budget.

- In March 2004, the Commission took six decisions. Firstly, it turned down a request by Greece for assistance following unusual weather in December 2002, on the grounds that they had not fulfilled the rule of applying for assistance within ten weeks of the damage being recorded. Secondly, the Commission rejected a request by France for damage caused by forest fires in July and August 2003, since the conditions for applying the extraordinary regional disaster criterion had not been met. On a request from Spain, the Commission agreed to release funds totalling EUR 1.331 million for a forest fire which occurred with its neighbouring country, Portugal. In April, 2004, the Commission granted Malta aid worth EUR 24.26 million for a heavy storm that caused subsequent flooding. Lastly, the Commission rejected an application from Italy for assistance to help populations affected by flooding in the Friuli Venezia-Giulia province.

- In the course of 2004, the Commission received eleven new applications for Solidarity Fund assistance. All were rejected. Their cases are outlined in detail in an Annex accompanying the Communication.

The six cases that were dealt with received funding through two amending budgets. The first three cases were grouped in Preliminary Draft Amending Budget (PDAB) 5/2003. However, given that the implementation agreements in all these cases could only be signed in January 2004, the resources granted by amending budget in 2003 needed to be transferred to 2004. Payments could finally be made on 11 March 2004. The remaining three cases were grouped in PDAB 5/2004. The budget authority approved this amending budget quite rapidly so that the first subsequent grant decision could be approved by the Commission in April 2004. In all six cases the amending budgets asked for commitment appropriations only. The necessary payment appropriations were provided from the budget line for the Cohesion Fund. The amounts paid out in 2004 were as follows:

- Spain: Prestige oil spill: EUR 8.626 million
- Italy: Molise earthquake: EUR 30.826 million
- Italy: Mount Etna eruption: EUR 16.798 million
- Spain: Forest fire (PT Border): EUR 1.331 million
- Malta: Flooding and storm: EUR 0.96122 million
- France: Rhone flooding: EUR 19.625
- Total: EUR 78.167 220 million

To conclude, in 2004, a total of eleven new applications were presented to the Commission none of which, on the basis of evidence submitted, met the major disaster criteria laid out by Regulation 2012/2002. This indicates that the Member States are making increasing use of the extraordinary regional disaster criteria, which is foreseen for exceptional circumstances only. The process of cases in 2004 demonstrates that the conditions for a successful application are difficult to meet. One particular case in point, being that of forest fires, where their direct impact on local populations are limited. In terms of reviewing provisions laid out in the Regulation governing the Solidarity Fund, the Commission proposes that certain clarifications could be made regarding the kinds of assistance available. This would allow Member States to be more selective in submitting requests and help them avoid submitting detailed and costly applications. The Commission also makes note of the lengthy delays between being granted aid and actual payment. This can be attributed to the fact that the Fund is financed outside of the normal Community budget. On a final point, the Report makes note of the positive impact the Fund has had in those countries which have benefited from its provisions.

## European Union Solidarity Fund

In accordance with the requirements of Council Regulation (EC) No 2012/2002, the Commission presents its Annual report for 2009 on the European Union Solidarity Fund. The report presents the activities of the Fund in 2009 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.

In terms of the number of applications 2009 was one of the quieter years for the EU Solidarity Fund (EUSF). In all, only six applications for EUSF aid were made in the course of the year while in some previous years up to 19 applications had been presented. Four of the 2009 applications – relating to forest fires in the Attica region of Greece, to storms in Cyprus, to floods on the Greek island of Evia, and to mudslides in Sicily – were presented during the months of November and December so that their assessment could only be completed during 2010. These disasters were relatively small and assessed as not to be meeting the criteria for activating the Fund.

However, in terms of damage caused and aid paid out 2009 was quite extraordinary. The L'Aquila earthquake in the Italian Abruzzo region was the biggest disaster since the creation of the Fund and subsequently led to the highest grant ever, amounting to almost half a billion Euros. Storm Klaus in south-western France was another major disaster with damage considerably above the average.

The report discusses the following cases in 2009:

**Cyprus (drought):** the Cypriots submitted this application for aid in 2008, the first application for Solidarity Fund aid relating to drought. The Solidarity Fund Regulation requires an application to be made no later than ten weeks after the first damage caused by the disaster which in the event of a slowly unfolding disaster such as drought meets with an objective difficulty. The Commission considered that 22 April 2008, could be accepted as starting date of the major disaster. As a consequence, the application presented to the Commission on 1 July 2008 respected the time-limits laid down in the Regulation. The Cypriot authorities estimated the total direct damage, incurred after 22 April 2008, at EUR 176.15 million. As this amount exceeded the threshold of EUR 84.673 million (i.e. 0.6 % of GNI) applicable for Cyprus, the drought qualified as a major natural disaster which affected the complete territory of the country. On 24 October 2008, the Commission proposed to mobilise financial assistance of EUR 7.605 million. Following the budget procedure and the conclusion of an agreement for the implementation of the grant between the Commission and the Cypriot authorities, the grant was paid to Cyprus on 9 October 2009.

**Romania (floods):** total direct damage caused by heavy rain leading to flooding was estimated at EUR 471.42 million. As this amount remained below the major disaster threshold for Romania (EUR 566.84 million, i.e. 0.6% of Romania's GNI), representing however approximately 83% of the threshold, the application was assessed on the basis of the criteria for extraordinary regional disasters. The region affected was a coherent area, comprising counties in the North-Eastern part of Romania, with a population of 3.046 million inhabitants. The Commission proposed to grant aid amounting to EUR 11 785 377. After completion of the corresponding amending budget procedure and the signing of the Implementation Agreement, this grant was paid to the Romanian authorities on 29 October 2009.

**France (storm Klaus):** in 2009 this major storm hit south-western France causing severe damages. The Commission estimated that total direct damage caused by the storm amounted to EUR 3.805 billion. As this figure exceeds the threshold of EUR 3.398 billion (i.e. EUR 3 billion in 2002 prices) applicable to France in 2009 for mobilising the Solidarity Fund the disaster qualified as a major natural disaster and thus fell within the main field of application of Regulation (EC) No 2012/2002. However, further damages claimed in France's application, such as losses in income and production due to the interruption of economic activities, and hypothetical damage such as the estimated value attached to sequestered carbon losses (together amounting to EUR 1.220 billion), were not taken into account as a basis for calculating the assistance, as they were not considered direct damages. On 29 May 2009 the Commission proposed to mobilise financial assistance of EUR 109 377 165. Following the corresponding amending budget procedure and the conclusion of the Implementation Agreement with France the Commission paid out the grant on 25 November 2009.

**Italy (Abruzzo Earthquake):** this major earthquake cost the lives of 300 people and causing severe destruction of basic infrastructure, private households, public buildings, businesses and the region's important cultural heritage, and brought serious harm to the population. Out of a total population of approximately 300 000 affected by the disaster, 300 casualties were reported and 1 500 injured. The Italian authorities estimated the total direct damage at over EUR 10.212 billion. This amount represented 0.67% of Italy's GNI and over three times the normal threshold applicable to Italy for mobilising the Solidarity Fund of EUR 3.4 billion. The Commission services considered that the estimate of total direct damage in fact appeared to be somewhat conservative. The earthquake therefore qualified as a major natural disaster and fell within the main field of application of the EU Solidarity Fund. The application was successfully fast-tracked in order to provide aid to the Italian authorities as quickly as possible. The Commission proposed to mobilise financial assistance of EUR 493 771 159. Following completion of the amending budget procedure and the conclusion of the Implementation Agreement, payment of the grant was made on 30 November 2009.

**Closures:** In the course of 2009, two EU Solidarity Fund files were closed; those relating to the storm in Estonia in 2005, and the storm in Lithuania in 2005. The Commission also received final implementation reports for grants made in 2007 from Greece (relating to the Evros flooding in 2006), Hungary (relating to the flooding in 2006), Germany (relating to storm Kyrill in 2007) and France (relating to storm Gamède in 2007). At the end of the period covered by the annual report the assessment of these implementation reports continues.

The report notes that the Solidarity Fund once more proved its effectiveness in responding to major disasters, i.e. in making substantial financial assistance available within a reasonable time frame. 2009 also demonstrated the difficulties in activating the EUSF in cases of **slowly unfolding disasters**. The requirement to submit applications within 10 weeks of the first damage caused by the disaster meets with objective difficulties in the event of disasters such as drought for which setting a precise starting date is virtually impossible. While in the case of the application from Cyprus an operational solution could be found it would be preferable to include in the Solidarity Fund Regulation a specific provision for this type of disaster making it superfluous to interpret the Regulation. The Commission will address this issue in its Communication on the future of the EU Solidarity Fund planned to be presented at the beginning of the second semester of 2011.

## European Union Solidarity Fund

**PURPOSE:** to present the 5<sup>th</sup> Annual report (2007) on the European Union Solidarity Fund.

**CONTENT:** the European Union Solidarity Fund (EUSF) was set up on 15 November 2002. Article 12 of the Solidarity Fund Regulation provides that a report on the activity of the Fund in the previous year be presented to the European Parliament and to the Council. The present report presents the activities of the Fund in 2007 covering, as in previous reports, three areas: the treatment of new applications received in the course of 2007, monitoring of the ongoing implementation of grants, and the assessment of implementation reports with a view to preparing these for closure.

**Conclusions:** the Commission received a total of 19 new applications in 2007, the highest number of applications in one year since the Fund was set up. Only four of these applications related to a major natural disaster. The other 15 applications were presented under the regional disaster criteria, whereby nine of these applications had to be declared not admissible as they were presented outside the 10 week application period laid down in the Regulation.

The new applications received in 2007 once again confirmed the general trend by which the majority of applications for Solidarity Fund assistance are not presented for major disasters which represent the main scope of the Fund, but under the exceptional criteria for regional disasters. These criteria - which according to the Regulation are to be examined by the Commission "with the utmost rigour" - continue to be relatively difficult to meet. The rate of unsuccessful applications for the regional (exceptional) criteria, at almost two-thirds, continues to be high. For major disaster applications for which only a single quantitative criterion applies, the positive assessments have so far a rate of 100%.

In 2007, Member States and the Commission have once again invested considerable time and effort in, respectively, preparing and assessing applications for smaller regional disasters that regularly lead to rejections. One of the major changes in the Commission's proposal of 6 April 2005 for a new Solidarity Fund Regulation is therefore to resort only to quantitative thresholds for the level of damage required to trigger utilization of the Fund, which would improve the transparency of the Fund. This would help to avoid considerable efforts of preparing applications which are subsequently rejected because the exceptional criteria are very difficult to meet. With the [new Solidarity Fund regulation](#), the national authorities would have a clearer idea of when the Fund is likely to be able to support them in recovering from a disaster.

In 2007, the Commission undertook a series of attempts to convince Member States and in particular the incoming German and Portuguese Council presidencies to relaunch the debate on the Commission's proposal for a new Solidarity Fund Regulation, which had been largely supported in the European Parliament. However, by the end of 2007 no progress was made in the Council.

## European Union Solidarity Fund

This report from the Commission on the European Union Solidarity Fund (EUSF) includes the 2008 annual report and a report on the experience gained after six years of applying the new instrument.

**(a) Annual report 2008:** in 2008 the Commission dealt with four applications submitted in 2007 and received two new applications for EUSF assistance:

- **United Kingdom:** following the major floods in different parts of the United Kingdom in June and July 2007, the UK authorities submitted an application for financial assistance. As total direct damages of over EUR 4.6 billion exceeded the threshold of EUR 3.267 billion applicable to the UK for triggering the EUSF, the Commission decided to propose to the budget authority to mobilise the Solidarity Fund and to grant financial aid amounting to **EUR 162.388 million**;
- **France (Martinique and Guadeloupe):** in August 2007, the French overseas departments of Martinique and Guadeloupe were affected by the hurricane "Dean" causing severe damage to infrastructures and different sectors of the economy. Having caused damage amounting to EUR 511 million the storm did not meet the criteria set out in the Solidarity Fund Regulation for "major disasters". However, taking into consideration the particular vulnerability of this outermost region, the Commission concluded that the application meets the specific criteria in the Solidarity Fund Regulation for extraordinary regional disasters and proposed to mobilise financial assistance of **EUR 12.780 million**;
- **Greece:** in August 2007, a fairly extensive part of Greece was affected by forest fires, which caused major damage to different sectors of the economy and to the natural environment. Total direct damage was estimated at EUR 2.118 billion. As this amount exceeds the threshold of EUR 1 066.497 million applicable to Greece, the Commission proposed to mobilise financial assistance of **EUR 89.769 million**;
- **Slovenia:** in September 2007, parts of Slovenia were affected by heavy rain and storm leading to severe floods and landslides. Total direct damage was estimated at EUR 233.39 million. As this amount exceeds the threshold of EUR 164.27 million applicable to Slovenia, the Commission proposed to mobilise financial assistance of **EUR 8.254 million**;
- **Cyprus:** in 2008, Cyprus had been suffering from a shortfall of rain that has led to serious effects on living conditions, the economy and the natural environment. This was the first application relating to drought. The Cypriot authorities estimated the total direct damage at EUR 176.15 million. As this amount exceeded the threshold of EUR 84.673 million applicable for Cyprus, the Commission proposed to mobilise financial assistance of **EUR 7.605 million**;
- **Romania:** in July 2008, a fairly extensive part of Romania was affected by heavy rain, leading to severe flooding and landslides. Total direct damage was estimated at EUR 471.41 million. As this amount remained below the "major disaster" threshold for Romania (EUR 566.84 million), representing however approximately 83% of the threshold, the application was assessed on the so-called "extraordinary regional disaster" criterion. The Commission concluded that the application meets the criteria for extraordinary regional disasters, and it proposed to grant aid amounting to **EUR 11.785 million**.

**(b) Report on the experience gained after six years of applying the new instrument:** since the creation of the Fund in 2002, the Commission has received 62 applications for financial assistance from 21 different countries. Of these applications, 31 led to the granting of financial support totalling more than EUR 1.5 billion. The Commission has rejected 29 requests and two applications were withdrawn by the applicant States.

While the Fund has generally been working well, in particular as regards major natural disasters for which it was initially set up, the experiences gathered so far underline that there is a need for further developing the instrument. This concerns in particular the lack of rapidity with which the funding is made available to beneficiary states and the transparency of the criteria for mobilising the Fund in the case of regional disasters. Both points are pointed out by the Court of Auditors. In addition, the instrument could be improved in order to allow responding appropriately at EU level to major crises which are not of natural origin. This is why the Commission adopted its proposal for a new [Solidarity Fund Regulation](#) on 6 April 2005, which has been largely supported in the European Parliament. This proposal widens the scope of the Fund and introduces a number of modifications to its operation.

**Increasing transparency:** this could be achieved through a new definition of the criteria for triggering the Fund (for example, lowering the threshold to EUR 1 billion or 0.5% of GNI, whatever is the lower, while abolishing the exceptional mobilisation of the Fund for regional disasters). An alternative option is the introduction of a clear quantitative threshold for regional disasters, i.e. a percentage of the regional GDP (NUTS I or NUTS II).

**Faster disaster response:** certain operational improvements could be envisaged allowing to take immediate solidarity action by making an advance payment as soon as the affected State has applied for assistance. However, clear and transparent criteria for mobilising the Fund are a precondition for such a faster disaster response as the applicant State would have to repay the advance to the Commission in the event that an application is not accepted.

**Widening the scope:** the Commission considers that the Solidarity Fund should be able to respond in the event of a major crisis, independent of its nature or origin. The proposed new regulation of 2005 widens the scope of the EUSF to include health, terrorist and industrial/technological disasters (within the overall annual expenditure ceiling of the EUSF).

**Moving forward:** although there has been no progress in the Council on the proposed revised Solidarity Fund Regulation since 2005, the Commission continues to be prepared to actively support the search for a compromise. The aim would be to identify areas where a compromise could be found in order to allow the Commission to amend its proposal. It therefore calls on the Council and the European Parliament to re-examine the Commission proposal of 2005 in the light of this report in order to allow the Commission to come forward with an amended proposal in 2009.

## European Union Solidarity Fund

2002/0228(CNS) - 10/10/2002 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted a resolution drafted by Rolf BEREND (EPP-ED, Germany) on the Commission's proposal. A major disaster within the meaning of the regulation will mean one resulting, in at least one of the States concerned, in damage estimated either at over EUR 1 billion in 2002 prices or at more than 0.5% of its GDP. Parliament amended the text so that the Fund could be implemented in the case of "major disasters" and not "natural, technological or environmental disasters," as the Commission had proposed. Further amendments include: -a new part recital stating that, in fixing the amount of assistance, any insurance claims that may arise should not be taken into account, since processing and estimating all insurance claims would not be possible at short notice. -there should be a deadline of three months, rather than two, for the affected State to apply for assistance from the Fund. Private funding does not have to part of the calculation which the affected State must make, but where a third party meets some or all of the costs of repair, the State must reimburse a corresponding amount to the Commission.

## European Union Solidarity Fund

2002/0228(CNS) - 18/09/2002 - Legislative proposal

**PURPOSE :** to establish the European Union Solidarity Fund ("the Fund"). **CONTENT :** The recent flooding in central Europe has been on an almost unprecedented scale. Other disasters of dramatic proportions have occurred in the past. While there are Community instruments to assist with disasters in other parts of the globe, there are no comparable instruments for the Member States. Therefore, the Commission proposes to create this Fund to assist affected regions in Member States and other countries involved with accession negotiations in the event of major natural, technological and environmental disasters. The Fund should be essentially different from the Structural Funds and other existing Community instruments. It should be focussed on giving immediate financial assistance to help the people, regions and countries concerned return to living conditions that are as normal as possible. Its scope is therefore limited to the most urgent needs. The long-term reconstruction of infrastructure and businesses must be left to other instruments. EU aid should be complementary to the efforts of the countries concerned and be used to cover a share of the public expenditure caused by the disaster. The Fund will be used to provide emergency relief for any area affected by a major disaster, independently of its status under the Structural Funds. The amount of support is related to the size of the disaster but could also take into account other potential sources of finance. The principle of subsidiarity also applies. Action by the EU is justified only in cases of major disasters. Money from the relief fund will be given in response to a request from the affected country as a single grant on the basis of an agreement between the Commission and the country. The existence of a major disaster justifying action at EU level and the amount of aid will be proposed by the Commission to the budgetary authority. The implementation of the aid, and in particular the selection of individual projects to be assisted, will be carried out under the responsibility of the country and the regions concerned. The Fund will be subject to the normal Community rules on financial aid, including control issues. Setting up a new fund in the budget requires two steps: -creating an instrument to make the money available -defining new operational budget lines to which the money can be transferred for implementation. This requires the adoption of a legal basis. The Commission has adopted the proposal for a new flexibility instrument for disasters, which would make it possible to address unforeseen and exceptional circumstances, and which determines the rules for its mobilisation. The corresponding expenditure shall be entered in the budget over and above the relevant headings in the financial perspectives. The objective of the present proposal is for the Council and Parliament to adopt a legal act establishing the operational modalities and the criteria for the implementation of the facility.

## European Union Solidarity Fund

The EU solidarity fund was first proposed and enforced in 2002 following severe flooding in central Europe. The Regulation establishing the fund obliges the European Commission to prepare a Report for the European Parliament and Council on the Fund's activities in the previous year. This Commission Communication covers a six-week period from the creation of the Fund at the end of 2002 through to 2003. The Communication is organised into two parts. The first examines the activity of the Fund in 2002 and 2003. The second focuses on the methods developed by the Commission for applying the Regulation. Under the terms and provisions of the Solidarity Fund, financing should complement a country's effort in the reduction of distress caused by major disasters. The Fund covers emergency relief action for any area affected by a major disaster, independently of its status under the Structural Funds. The relative prosperity of the region, as well as the size of the disaster, is taken into account prior to funds being awarded. The actions supported by the fund focus primarily on short term solutions including the reconstruction of destroyed infrastructures, temporary shelter and immediate preventative measures such as shoring up dams and dikes. Money is granted based on country requests and is done so on the basis of a global relief grant. The Commission points out that since the Fund was first established in 2002 it has only been mobilised once for a "major disaster" and that concerned the forest fires in Portugal in 2003. As far as "major disasters" are concerned the Commission gives the Solidarity Fund a positive assessment. In the case of forest fires in Portugal, for example, emergency financial relief could be processed quickly, efficiently and within a defined procedural time frame. If administrative improvements can be agreed (such as streamlining the budgetary procedure between Parliament and Council) actual payments of aid could even be improved. In cases where a "major disaster" has not taken place the Commission offers a more nuanced opinion of the Regulation. There were, for example, many applications for relief, which did not fall under the "major disaster" heading. Further, there has, to date, only been one application related to the "neighbouring country" heading. As far as the "regional disaster" heading is concerned a number of difficulties have arisen when trying to assess applications for relief. Problems so far identified include translation and lack of precise information leading to delays in awarding finance. As the Commission points out, however, no disaster is ever the same as the previous one and the Regulation's ability to stand up to the test will be challenged with every new adversity. As a result, the Commission is not proposing a major shake up of the Regulation's provision. Rather, it proposes a number of short-term practical measures aimed at streamlining the provisions and speeding up the processing of applications. The proposed practical measures are: 1) In the case of "regional disaster" applications, a standardised application form should be made available in all languages in a bid to speed up the examination process. The Commission will strive to finalise its assessment on the basis of information available at the latest four months after receipt of the application. 2) Opening up a budget to pay experts for an opinion on the cost of total damage. 3) Encouraging, though not obliging, applications to be submitted in one of the more frequently used working languages. 4) Adjusting the calculation method in cases where several regional disasters occur at the same time. 5) A possible revision limiting the proportion of the total costs of eligible operations. This will be discussed at a conference on the Solidarity Fund at the end of 2004.

## European Union Solidarity Fund

**PURPOSE:** to present the European Union's Solidarity Fund Annual Report for the year 2005.

**CONTENT:** the European Union Solidarity Fund entered into force on 15 November 2002. Article 12 of the Regulation provides that a report on the activity of the Fund in the previous year be presented to the European Parliament and to the Council. This, the third report, presents the activities of the Fund in 2005 covering three areas: the treatment of new applications received in the course of 2005, monitoring of the ongoing implementation of grants, and the assessment of implementation reports with a view to preparing these for closure.

In addition, the report presents the proposal for a new Regulation on the Solidarity Fund for 2007, starting year of the new financial perspectives 2007-2013.

**Conclusions:** a total of 12 new applications for Solidarity Fund assistance were received in 2005. For all nine cases relating to a major natural disaster, after careful examination of the information provided, the Commission was able to propose to mobilise the Fund. These cases were subsequently endorsed by the Council and the European Parliament as the budgetary authority. In 2005, the Commission proposed a total amount of aid from the Fund of **EUR 205 million** (2002: EUR 728 m; 2003: EUR 107.1 m; 2004: EUR 19.6 m).

On two applications, submitted in 2005 under the 'exceptional' regional disaster criterion, it was decided not to propose that the Fund should be mobilised. In these cases, previous experience was confirmed that the conditions for a successful application under this exceptional criterion - which according to the Regulation are to be examined by the Commission "with the utmost rigour" - are relatively difficult to meet. Member States and the Commission services invested considerable time and

effort in, respectively, preparing and assessing applications for smaller regional disasters that regularly lead to rejections.

**One of the major changes in the proposed, new Solidarity Fund Regulation is therefore to resort only to quantitative thresholds for the level of damage required to trigger utilization of the Fund.** As compensation for the suppression of the present (non-quantitative) 'exceptional' regional disaster criteria the quantitative thresholds would be lowered. These two elements, taken together, would improve the transparency of the Solidarity Fund. This would help to avoid the great frustration that follows when applications prepared by Member States' administrations with considerable effort are subsequently rejected because the exceptional criteria are very difficult to meet.

With the new Solidarity Fund regulation (COD/2005/0033), the national authorities would have a clearer idea of when the Fund is likely to be able to support them in recovering from a disaster.

The Commission's services have responded favourably to any requests from the national authorities in the countries concerned for technical information relating to the EUSF Regulation and to the preparation of applications.

The proposal for the new Regulation, which was adopted by the college of Commissioners on 6 April 2005, is currently on the table of European Parliament and the Council for decision. In the discussions in the different Committees concerned in the European Parliament the proposal received a large measure of support, in particular as regards the eligibility provisions. Although progress in the Council has been limited in 2005, the Commission is determined to work closely with

Member States with a view to reaching agreement with the Council in 2006 so that the proposed improvements to this important instrument of the Union can enter into force on 1 January 2007.

## 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 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 conclusions 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.

## European Union Solidarity Fund

2002/0228(CNS) - 30/08/2016 - Follow-up document

The European Commission presented an annual report (2015) on the implementation of the European Union Solidarity Fund.

Council Regulation (EC) No 2012/2002 establishing the EU Solidarity Fund (EUSF) provides that a report on the activity of the Fund in the previous year shall be presented to the European Parliament and to the Council.

The present report presents the activities of the Fund during the year 2015.

It focuses on the following issues:

- new applications;
- the assessment of implementation reports with a view to preparing these for closure.

**Main conclusions:** in 2015, the Commission received a relatively small number of applications for EUSF assistance. **Only three applications were made in the course of the year** concerning two cases of flooding in **Greece** and severe winter conditions in **Bulgaria**.

As the 2014 revision of the EUSF Regulation introduced the **possibility of advance payments** to likely beneficiary States, the Commission created the necessary budgetary conditions in the 2015 EU budget and was thus able to approve the advance payments for the three applications received in the course of the year.

Moreover, the Commission completed the assessment of four applications already received in 2014 from Romania (two applications), Bulgaria and Italy.

**In financial terms,** in the course of 2015, the Commission approved assistance from the EUSF amounting to a total of EUR 82 780 615, representing seven applications. Including financial assistance already approved at the end of the preceding year of EUR 126 724 968 (but for which the budget appropriations had to be carried forward to 2015) the Commission paid out a total of **EUR 209 505 583**.

Important progress was also made on the closure of eight EUSF interventions from previous years:

- **Cyprus, drought of 2008:** the financial contribution from the Fund amounted to EUR 7.605 million;
- **Italy, Veneto flooding of 2010:** the financial contribution from the Fund amounted to EUR 16.909 million;
- **Czech Republic, spring flooding of 2010:** the financial contribution from the Fund amounted to EUR 5.111 million;
- **Ireland, flooding of 2009:** the financial contribution from the EUSF amounted to EUR 13.023 million;
- **Croatia, September flooding 2010:** the financial contribution from the EUSF amounted to EUR 1 175 million;
- **Italy, Emilia-Romagna earthquakes of 2012:** the financial contribution from the Fund amounted to EUR 670.192 million. The implementation report was due in June 2014. The Italian authorities requested the extension of the submission deadline and subsequently submitted the report in December 2014. The report was found complete and meeting the requirements of the Regulation;
- **Austria, Lavamünd flooding 2012:** the financial contribution from the EUSF amounted to EUR 240 000. In March 2015, Austria presented its implementation report which was found complete and meeting the requirements of the Regulation. However, the Austrian authorities informed the Commission that the municipality of Lavamünd considers that the electricity company Verbund Hydro Power AG, operating the hydro-electrical power plant located in Lavamünd, had acted negligently and without due care in relation to the flood. Therefore, the municipality brought a claim for damages against the Verbund Hydro Power AG before the Regional Civil Court in Klagenfurt. The court case is pending.

**Main conclusions:** 2015 was the first full year of EUSF implementation under the rules of the revised Regulation. Due to the small number of applications received since the new provisions entered into force it is still premature to make a final judgement on the effectiveness of the intended results. There are indications, however, that the revised criteria for **regional disasters** now give potential applicants a much clearer indication whether an application is likely to be accepted and thus saves them from unnecessary work for an unsuccessful application and a possible deception. Under the old, less clear provisions some two thirds of regional disaster applications were assessed ineligible. Since the revision **the success rate of regional disaster applications has been 100%**.

The delay between a disaster and the payment of aid is still an issue. Applicant States tend to use the application period now extended to 12 weeks fully. In some instances the need to translate the application into a Commission working language is time consuming as is the procedure required for the adoption of the Mobilisation decision and corresponding Amending Budget by Council and the Parliament (which includes an 8 week scrutiny period for national Parliaments).

On the other hand, under the new provisions and guidance potential applicants seem to have a clearer understanding of what is required in the application process thus reducing the need for the Commission to request additional information before the assessment of the application can be completed.

Lastly, the merger into a **single Commission implementing act** of the previously separate grant decisions and implementation agreements also help to reduce delays. The Commission is striving to reduce these further through streamlining of the administrative procedure.

In the 2015 budget year the **new provision on advance payments became operational for the first time** allowing the Commission to pay out 10% of the anticipated aid amount ahead of the formal mobilisation of the Fund. This was done successfully for all three new applications of 2015.

**The reduction of the maximum annual budget allocation to EUR 500 million under the 2014-2020 financial frameworks did not give rise to any issues** as no exceptionally big disaster occurred during the reporting period. Accordingly, it was not necessary to apply the capping of aid amounts to two thirds of the available annual allocation, as set out since 2014 for such eventualities in the Communications to the Commission on the applications for a financial contribution. In fact, payments in 2015 could fully be made from unspent allocation of 2014 carried forward while the remaining EUR 287 million of the 2014 allocation has expired at the end of 2015. Consequently, the full amount of the 2015 allocation was carried forward to 2016 and thus creating an additional safety net for potential disasters during the year 2016.

## European Union Solidarity Fund

2002/0228(CNS) - 31/01/2020 - Follow-up document

The European Commission presented its 2017-2018 annual report on the implementation of the European Union Solidarity Fund.

Council Regulation (EC) No 2012/2002 establishing the EU Solidarity Fund (EUSF) provides that a report on the activity of the Fund in the previous year shall be presented to the European Parliament and to the Council.

The present report presents the activities of the Fund during 2017 and 2018.

### *Applications and closures*

#### **2017**

In 2017, the Commission received ten new applications for financial contribution from the Solidarity Fund, namely from France, Greece, Latvia, Lithuania, Poland, Portugal and Spain. In addition and most importantly, Italy revised and updated its application initially submitted in 2016 for the series of major earthquakes that started in August 2016 and continued into early 2017. Portugal, Greece, France and Spain requested advance payments for five applications of which three could be granted. The Commission paid out these advances totalling EUR 6.5 million within a few weeks after receiving the applications. Two of the applications received, namely those for flooding in Murcia and fires in Doñana in Spain, did not meet the conditions of the Regulation and therefore were not accepted.

The decisions on the other eight new applications from 2017 were adopted in 2018. Moreover, the Commission closed six earlier Solidarity Fund interventions.

**Specific applications:** the Commission assessed and proposed to mobilise the Solidarity Fund as regards the following:

- **Italy - earthquakes:** Italy was entitled to receive almost EUR 1.2 billion. This amount, by far the largest aid amount ever paid under the Solidarity Fund, exceeded more than twice the maximum annual allocation available to the Fund.

- **France - hurricanes:** An advance was paid out to France amounting to EUR 4 890 603 which represents 10% of the anticipated financial contribution from the Solidarity Fund amounting to EUR 48 906 025.

- **Greece - earthquake:** The Commission paid out an advance to Greece amounting to EUR 135 912 which represents 10% of the anticipated financial contribution from the Solidarity Fund amounting to EUR 1 359 119 following the Lesbos earthquake. Another application was eligible for a contribution from the Solidarity Fund amounting to EUR 2 535 796 following the Kos earthquake.

- **Latvia - floods:** The application from Latvia was eligible for a contribution from the Solidarity Fund amounting to EUR 17 730 519.

- **Lithuania - floods:** As the estimated total direct damage exceeded that threshold, the disaster qualified as a 'major natural disaster' and thus qualified for a contribution from the Solidarity Fund amounting to EUR 16 918 941.

- **Poland - storms:** The application from Poland was eligible for a contribution from the Solidarity Fund amounting to EUR 12 279 244. Poland had not requested the payment of an advance.

- **Portugal - forest fires:** The Commission paid out an advance to Portugal amounting to EUR 1 494 331 based on the damage reported in an earlier application. The final financial contribution from the Solidarity Fund amounted to EUR 50 673 132.

- **Spain - forest fires:** The application submitted by Spain therefore failed to meet the most essential condition for mobilising the Solidarity Fund and consequently was not eligible for a contribution from the Solidarity Fund.

#### **2018**

In 2018, the Commission received four applications for the Solidarity Fund assistance, namely from Bulgaria, Cyprus, Italy and Romania, of which the Commission could not accept the application from Cyprus. None of the three other countries requested an advance payment. In 2018, the Commission paid out the total amount of EUR 2.3 million to Bulgaria. The decisions on the applications from the other two countries received in 2018 were still pending at the end of that year.

- **Bulgaria - floods:** The application from Bulgaria was eligible for a contribution from the Solidarity Fund amounting to EUR 2 258 225. While Bulgaria had applied for the payment of an advance, initial uncertainties about the eligibility of the application did not allow paying it.

- **Cyprus - drought:** The Commission concluded that drought in Cyprus did not meet the conditions for mobilising the EUSF set out in the Regulation and consequently was not eligible for a financial contribution from the Fund. The application was therefore not accepted.

- **Romania - floods:** As at the end of the 2018, a decision on this application was still pending it will be reported in the 2019 annual report on the Solidarity Fund. Romania had not requested the payment of an advance.

- **Italy – floods:** As at the end of the 2018, a decision on this application was still pending, it will be reported in the 2019 annual report on the Solidarity Fund. Italy had not requested the payment of an advance.

### **Conclusions**

2017 and 2018 showed again the unpredictability of the number, nature and severity of natural disasters. While overall flooding disasters make up some two thirds of all Solidarity Fund applications, the reporting period was marked by significant storms, forest fires and earthquakes. One event in particular, the earthquake disaster in the central Apennines, stood out as it exceeded by far anything experienced under the Solidarity Fund before, in terms of damage as well as assistance mobilised.

The report noted that not all Member States requested the payment of an advance. While the Commission is not aware of the reasons in each case, it may have to do with the modest amounts to be expected. In many instances, Solidarity Fund contributions are below EUR 10 million so that a 10% advance would amount to a few hundred thousand euros only. On the other hand, some applications, after a preliminary assessment, did not show the necessary degree of plausibility allowing to approve the requested advance payment.

## **European Union Solidarity Fund**

2002/0228(CNS) - 18/12/2017 - Follow-up document

The European Commission presented its 2016 annual report on the implementation of the European Union Solidarity Fund.

Council Regulation (EC) No 2012/2002 establishing the EU Solidarity Fund (EUSF) provides that a report on the activity of the Fund in the previous year shall be presented to the European Parliament and to the Council.

The present report presents the activities of the Fund during the year 2016.

**Applications and closures:** in 2016, the Commission received **six applications for financial contribution from the Solidarity Fund**, namely from Greece (Lefkada earthquake), from the United Kingdom (flooding), from Germany (Lower Bavaria flooding), from Cyprus (drought and fires), from Portugal (Madeira fires) and from Italy (earthquakes). The series of earthquakes in the Italian Apennines between August 2016 and January 2017 represents the biggest natural disaster for the Solidarity Fund.

Four countries requested advance payments introduced with the revision of the Regulation in 2014. In these cases the Commission paid out the advances amounting to a total of EUR 31.3 million within a few weeks after receiving the applications.

In 2016, the Solidarity Fund was mobilised for an amount of EUR 33.1 million for two applications, namely for the earthquake in Greece and the flooding in Germany. Decisions on the other four applications received in 2016 were taken in early 2017.

In 2016, the Commission **closed four Solidarity Fund interventions** (Spain, forest fires of 2003 and Lorca earthquake of 2011; Croatia, flooding of 2012 and Austria, flooding of 2013).

**Specific applications:** the Commission assessed and proposed to mobilise the Solidarity Fund as regards the following:

- **Greece - Lefkada earthquake 2015: EUR 1 651 834.** The balance of the financial contribution from the Solidarity Fund was paid out to Greece on 15 November 2016 after the corresponding amending budget had been approved by the European Parliament and Council;
- **United Kingdom - flooding 2015: EUR 60 301 050.**
- **Germany - flooding of Lower Bavaria 2016: EUR 31 475 125.**
- **Cyprus - drought and fires 2016: EUR 7 298 760.**
- **Portugal - fires on the island of Madeira 2016: EUR 3 925 000.**
- **Italy - series of earthquakes 2016/2017:** the Commission awarded an advance on the anticipated Solidarity Fund contribution of EUR 30 million and paid it out on 9 December 2016. To take account of the subsequent earthquakes, Italy submitted on 15 February 2017 an updated application with a revised estimate including all damage caused by the earthquakes between 24 August 2016 and 18 January 2017. Further information was provided on 25 May 2017. At the moment of writing this report the processing of this application was still ongoing and will be reported in the 2017 annual report of the Solidarity Fund.

**Main conclusions:** the number of new Solidarity Fund applications presented to the Commission during 2016 was **limited**, whereby two applications related to disasters that had already occurred during November and December 2015 (Lefkada earthquake and UK floods). This seems to confirm once more that the revision and clarification of the criteria for regional disasters in the Regulation as amended in 2014 is bearing the expected results, in particular that clearly **ineligible applications are no longer presented**. In August and October however Italy was struck again by devastating earthquakes which – together with a further severe tremor in January 2017 – turned out to be by far the biggest catastrophe the Solidarity Fund had to deal with since its creation in 2002. With EUR 22 billion the amount of damage was almost double than that of the second biggest case, the earthquake in the

Emilia-Romagna of 2012. These events confirm the pattern that has been identified on earlier occasions: While **flooding events represent by far the biggest share of disasters leading to Solidarity Fund** applications (some two thirds of all cases), **earthquakes are among the rarest but by far the most damaging and costly**, not to speak of the human toll in terms of people killed, injured or displaced for a long period of time.

The mobilisations made during 2016 were paid from the unused part of the 2015 annual allocation that was carried forward to 2016. Accordingly the full amount of the 2016 allocation remained untouched and was carried forward to 2017, thus allowing to mobilise in 2017 the by far biggest Solidarity Fund contribution ever for Italy. This scenario demonstrates that the possibility to carry forward by one year the unspent amounts of the preceding year is extremely helpful in maintaining the Solidarity Fund operational in budgetary terms even though its annual allocation has been reduced for the 2014-2020 multiannual financial framework from EUR 1 billion in current prices to EUR 500 million in 2011 prices. It will be important to maintain this flexibility after 2020.

On the other hand, the events of 2016 also show that the **financial basis of the Solidarity Fund is rather small** and could easily run into difficulties should a number of severe disasters occur in a relatively short period of time, particularly when it was not possible to carry forward any significant amount from the preceding year. In such an event it could be difficult to maintain the established aid rates which would undermine the principle of equitable treatment. The possibility to make **advance payments** introduced into the Regulation in the 2014 revision proved to be very useful. While an advance payment was not requested by all applying states, the Commission was able to pay out the requested advance in all but one case within one month of the complete application dossier having been submitted. It seems worth reflecting whether **increasing advance payments** above the current rate of 10 % of the expected Solidarity Fund financial contribution (limited to a maximum of EUR 30 million) could offer a viable solution to improving the responsiveness of the Solidarity Fund whose full mobilisation through a budget procedure in each case still requires many months.