Basic information

2020/2127(INI) INI - Own-initiative procedure	Procedure completed
The effectiveness of Member States' use of EU Solidarity Fund money in cases of natural disasters **Subject** 3.70.11 Natural disasters, Solidarity Fund	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	CREȚU Corina (S&D)	28/10/2020
	Shadow rapporteur FERNANDES José Manuel (EPP) CHASTEL Olivier (Renew) CZARNECKI Ryszard (ECR)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	BIEDROŃ Robert (S&D)	30/09/2020

European Commission

Commission DG	Commissioner
Regional and Urban Policy	JOHANSSON Ylva

Key events

Date	Event	Reference	Summary
17/09/2020	Committee referral announced in Parliament		
27/09/2021	Vote in committee		
01/10/2021	Committee report tabled for plenary	A9-0273/2021	Summary
18/10/2021	Debate in Parliament		
19/10/2021	Results of vote in Parliament		
20/10/2021	Decision by Parliament	T9-0429/2021	Summary

Technical information	
Procedure reference	2020/2127(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Initiative
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/9/03594

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE693.827	23/06/2021	
Committee opinion	BUDG	PE692.715	01/07/2021	
Amendments tabled in committee		PE696.268	16/07/2021	
Committee report tabled for plenary, single reading		A9-0273/2021	01/10/2021	Summary
Text adopted by Parliament, single reading		T9-0429/2021	20/10/2021	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2022)8	16/03/2022	

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

2020/2127(INI) - 01/10/2021 - Committee report tabled for plenary, single reading

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

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

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

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

Funding

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

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

Quality of applications

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

Timely intervention

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

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

Evaluation's findings

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

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

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

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.