**Thursday 1 December 2016**

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# The European Union Solidarity Fund: an assessment

**European Parliament resolution of 1 December 2016 on the European Union Solidarity Fund: an assessment (2016/2045(INI))**

(2018/C 224/22)

*The European Parliament*,

— having regard to Articles 175 and 212(2) of the Treaty on the Functioning of the European Union (TFEU),

— having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund ([1]),

— having regard to its resolution of 15 January 2013 on the European Union Solidarity Fund, implementation and application ([2]),

— having regard to 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 ([3]),

— having regard to the opinion of the European Economic and Social Committee on the proposal for a regulation of the European Parliament and of the Council amending Council Regulation (EC) No 2012/2002 establishing the European Union Solidarity Fund (COM(2013)0522) ([4]),

— having regard to the Commission report entitled 'The European Union Solidarity Fund — Annual Report 2014' (COM(2015)0502),

— having regard to its resolution of 5 September 2002 on floods in Europe ([5]),

— having regard to its resolution of 8 September 2005 on the natural disasters (fires and floods) of the summer of 2005 in Europe ([6]),

— having regard to the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions entitled 'The Future of the European Union Solidarity Fund' (COM(2011)0613),

— having regard to the opinion of the Committee of the Regions of 28 November 2013 on the European Union Solidarity Fund ([7]),

— having regard to the Interinstitutional Agreement of 2 December 2013 between the European Parliament, the Council and the Commission on budgetary discipline, cooperation in budgetary matters and sound financial management ([8]),

— having regard to Rule 52 of its Rules of Procedure,

([1]) OJ L 311, 14.11.2002, p. 3.
([2]) OJ C 440, 30.12.2015, p. 13.
([3]) OJ L 189, 27.6.2014, p. 143.
([4]) OJ C 170, 5.6.2014, p. 45.
([5]) OJ C 272 E, 13.11.2003, p. 471.
([6]) OJ C 193 E, 17.8.2006, p. 322.
([7]) OJ C 114, 15.4.2014, p. 48.
([8]) OJ C 373, 20.12.2013, p. 1.

— having regard to the report of the Committee on Regional Development and the opinions of the Committee on Budgets and the Committee on Budgetary Control (A8-0341/2016),

A. whereas the European Union Solidarity Fund (EUSF) was set up under Regulation (EC) No 2012/2002 in response to the disastrous flooding in Central Europe in the summer of 2002, as a valuable instrument enabling the EU to respond to major natural disasters, and to extraordinary regional disasters, inside the Union and in countries involved in accession negotiations, and to demonstrate solidarity with the eligible regions and states; whereas it supports only emergency and recovery operations, carried out by governments following natural disasters, that have a direct impact on people's lives, the natural environment or the economy in a given affected region (though it should be noted that in 2005 the Commission presented a proposal aimed at expanding the original scope even more);

B. whereas since it was established, the EUSF has served a very useful purpose, having mobilised, in total, EUR 3,8 billion in connection with more than 70 disasters within 24 beneficiary states and accession countries, and has been used in response to a wide range of natural phenomena, such as earthquakes, flooding, forest fires, storms and, more recently, drought; whereas the EUSF remains one of the EU's strongest symbols of solidarity in times of need;

C. whereas the instrument was comprehensively overhauled in 2014 with a view to: improving and simplifying the procedures, and ensuring more rapid response within six weeks following application; re-determining its scope; establishing clear criteria for a regional disaster; and strengthening disaster prevention and risk management strategies, thus enhancing the effectiveness of relief funding, in line with the numerous requests made over the years by Parliament, as well as by local and regional authorities; whereas a new revision of the Fund is foreseen in the proposed Omnibus Regulation (COM(2016)0605 — 2016/0282(COD)) proposed by the Commission on 14 September 2016 with a view to improving the readiness and effectiveness of emergency relief funding;

D. whereas Parliament has strongly supported the proposed changes, most of which it had already called for in previous resolutions;

E. whereas applications received prior to June 2014 (when the revised regulation entered into force) were assessed under the original regulation, while applications received since have been assessed under the revised regulation;

F. whereas investments in the prevention of natural disasters are of utmost importance in response to climate change; whereas significant amounts of EU funding have been allocated for investments in the prevention of natural disasters, and in risk management strategies, in particular under the European Structural and Investment Funds (ESIF);

G. whereas, exceptionally, in the event that the funds available in a given year are insufficient, the following year's funds may be used, taking into consideration the annual budgetary ceiling of the fund, both in the year when the disaster occurred and in the following year;

1. Recalls that, since it was established in 2002, the EUSF has been a significant source of funding for local and regional governments, alleviating the consequences of natural disasters occurring across Europe, from floods to earthquakes and forest fires, and has served as a means of demonstrating European solidarity with affected regions; emphasises that, as far as the public is concerned, the EUSF is one of the most concrete and tangible manifestations of the support that the EU can give to local communities;

2. Emphasises that, since the EUSF was established, natural disasters in the European Union have increased significantly in number, severity and intensity, as a consequence of climate change; stresses, therefore, the added value of a sound and flexible instrument as a means of showing solidarity, and of providing proper, rapid assistance to people affected by major natural disasters;

3. Points out that the EUSF is financed outside the European Union budget, with a maximum allocation of EUR 500 million (at 2011 prices), and that despite the built-in flexibility (carry-over N+1), substantial funds may sit unused each year; notes, in this context, the partial 'budgetisation' of the annual financial allocation foreseen in the proposed Omnibus Regulation, with a view to accelerating the mobilisation procedure and to providing an earlier and more effective response to citizens affected by a disaster;

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4. Points out that use of the yearly threshold proves that the annual level of appropriations, after the new MFF programming period, is adequate;

5. Emphasises the importance of the 2014 revision, which managed to overcome the blockage in the Council, and represented a belated response to Parliament's repeated calls for improved responsiveness and effectiveness of aid, in order to ensure a rapid and transparent response in support of people affected by natural disasters; welcomes, moreover, the recent Omnibus Proposal, which introduces new provisions in terms of simplification and of easier mobilisation of funding;

6. Emphasises the main components of the reform, such as: the introduction of advance payments, whereby up to 10 % of the anticipated financial contribution is available on demand soon after an application for a financial contribution from the Fund has been submitted to the Commission (capped at EUR 30 million); the eligibility of costs relating to the preparation and implementation of the emergency and recovery operations (a major Parliament request); the extension of the deadlines by which eligible states must make applications (12 weeks after the first damage) and set up the project (18 months); the introduction of a six-weeks deadline by which the Commission must respond to applications; new provisions on the prevention of natural disasters; and improvements in procedures with regard to sound financial management;

7. Emphasises, however, that, in spite of the introduction of an advance payment mechanism upstream of the standard procedure, beneficiaries still face problems as a result of the length of the overall process from application to payment of the final contribution; emphasises, in this context, the need to put forward the application as soon as possible after a disaster, as well as for further improvements in the assessment phase, and in subsequent phases, in order to facilitate the execution of payments; takes the view that the newly proposed Omnibus provisions with regard to the EUSF may contribute to faster mobilisation, in order that the real needs on the ground may be met; stresses as well that the Member States must look at their own administrative procedures with a view to accelerating the mobilisation of aid for affected regions and states; suggests, moreover, with a view of potential improvements in a future reform, the introduction of a request for mandatory updated national plans for disaster management, as well as of a requirement that information be provided on the preparation of agreements on emergency contracts;

8. Calls on the Member States themselves to improve their means of communication and cooperation with local and regional authorities, both when assessing eligible damage for which EUSF financial support is requested and when preparing applications, as well as when implementing projects to counter the effects of natural disasters, thereby ensuring that the Union's assistance is effective on the ground and that sustainable solutions are promoted; considers, moreover, that EUSF support should be communicated to the public at large; calls on the authorities concerned to improve communication, and to provide information on EUSF support, without generating additional administrative burdens;

9. Stresses the importance of ensuring that public procurement procedures are followed by Member States in response to natural disasters, with a view to identifying and disseminating best practices and lessons learned with regard to contracts in emergency situations;

10. Welcomes the Commission's clarification of the rules on the eligibility of regional natural disasters, but points out that the final agreement between Parliament and the Council maintains the eligibility threshold at 1,5 % of regional GDP, in line with the Commission proposal, in spite of Parliament's efforts to reduce it to 1 %; notes that the vulnerability of the outermost regions has been taken into account, with the threshold being reduced to 1 %;

11. Acknowledges that the Fund provides assistance for non-insurable damage and does not provide compensation for private losses; emphasises that long-term measures, such as sustainable reconstruction, or economic development and prevention activities, are eligible for financing under other Union instruments, in particular ESI Funds);

12. Calls on the Member States to optimise the use of existing EU funding, in particular the five ESI Funds, for investments to prevent natural disasters from occurring, and points to the importance of developing synergies between the various Union funds and policies with a view to preventing the impact of natural disasters and, in cases where the EUSF is activated, to guaranteeing the consolidation, and long-term sustainable development of reconstruction projects; maintains that whenever the EUSF is to be used, the Member State concerned should formally undertake to carry out all measures necessary for disaster prevention and the sustainable reconstruction of the areas affected; calls, when synergies are brought into play, for the process of using funds in combination to be simplified, to the extent possible, in administrative terms;

13. Stresses, therefore, that efforts to invest in climate change mitigation and adaptation must be stepped up, taking into account preventive measures when supporting reconstruction and reforestation under the EUSF; considers that prevention should become a horizontal task, and suggests that preventive measures following the eco-system based approach be taken when mitigating the consequences of disaster under the EUSF; calls, moreover, on the Member States to establish risk prevention and risk management strategies, considering as well that many natural disasters today are direct consequences of human activity;

14. Stresses the importance of ensuring maximum transparency in the awarding, management and implementation of the EUSF; considers it important to determine whether EUSF subsidies have been used in compliance with the principles of sound financial management, in order to identify, develop and share best practices and lessons learned; calls, therefore, on the Commission and the Member States to improve transparency, and to guarantee public access to information throughout the assistance mobilisation process, from the submission of an application to project closure; calls as well for a special report from the European Court of Auditors (ECA) on the functioning of the EUSF, not least in consideration of the fact that the latest report available is from before the 2014 revision of the EUSF Regulation;

15. Notes that 13 new applications were received in 2014, and draws attention to the special circumstances of that year, in which six of these applications were assessed under the old regulation, while the remaining seven applications were assessed under the revised regulation;

16. Recalls that two applications were rejected in 2014 under the former EUSF Regulation, on the grounds that the disasters in question could not be deemed 'extraordinary', in spite of the fact that they caused serious damage and had direct repercussions for the economic and social development of the regions concerned, and welcomes, therefore, the clarifications made in this regard in the revised EUSF Regulation; suggests, nevertheless, with regard to future reforms, and taking into consideration the possibility of redefining regional natural disasters, that single applications be allowed to be submitted jointly by several eligible states affected by a natural disaster at cross-border level, whereby the cause of the disaster is the same and the effects occur at the same time, and that indirect damages be taken into consideration in the assessment of the applications;

17. Invites the Commission, in the light of future reforms, to take into account the possibility of increasing the advance payments threshold from 10 % to 15 %, as well as of shortening deadlines for the processing of applications from six to four weeks; invites as well the Commission to consider the possibility of setting the eligibility threshold for regional natural disasters at 1 % of regional GDP, and of taking into account, when assessing the requests, the level of socio-economic development of the regions affected;

18. Points to the need to consider whether new indicators may be used that go beyond GDP, such as the Human Development Index and the Regional Social Progress Index;

19. Welcomes the fact that the seven applications for assistance received within the framework of the revised rules were accepted by the Commission, including four that were approved at the end of 2014, but for which appropriations had to be carried over to 2015, as stated in the EUSF Annual Report 2015; recalls, in this context, that 2015 was the first full year of implementation under the revised rules, and that the analysis shows that the legal clarifications introduced with the reform ensured successful applications, which was not the case with the old provisions, in accordance with which about two thirds of regional disaster assistance requests were assessed ineligible;

20. Deplores the fact that the procedures for assessing implementation and closure reports took so long under the old regulation, and expects closures to be carried out more efficiently and transparently under the amended regulation, and in a manner which ensures that the Union's financial interests are protected;

21. Emphasises, furthermore, that Article 11 of the amended regulation gives the Commission and the ECA the power of audit, and allows the European Anti-Fraud Office (OLAF) to conduct investigations whenever necessary;

22. Calls on the Commission and the ECA to evaluate the functioning of the EUSF before the end of the current multiannual financial period;

23. Instructs its President to forward this resolution to the Council, the Commission and the Member States, and to regional authorities.