

**D**uring the recent COVID-19 outbreak, the concept of EU solidarity has become central to the EU debate. There is a widespread perception that the EU is doing too little to aid the Member States most severely stricken by COVID-19. In this policy dossier, our objective is to analyse the European Union Solidarity Fund (EUSF), an instrument created in 2002 to aid Member States hit by an unforeseeable natural calamity. In the last few weeks, and in order to be employed during the COVID-19 outbreak, the EUSF has undergone some of the promptest reforms in the history of the EU. After outlining the history of the EUSF, we will analyse its operations and provide some measures of its relevance based on its budget and visibility.

### **History of the EUSF**

Solidarity is one of the values on which the EU is built. This fact was well understood since the Schuman declaration in 1950: 'Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity'. At the same time, the very existence of EU solidarity has often been questioned. The [Tindemans Report](#) noted that '[n]o-one wants to see a technocratic Europe. European Union must be experienced by the citizen in his daily life ... it must demonstrate to those within and without the solidarity of our peoples and the values of our society'. Civil protection was one of the fields in which the Community tried to establish practical solidarity between the Member States. According to [Rhinard et al. \(2012\)](#), the involvement of the Community in the field of civil protection dates back to the late 1980s. In 1987, the European Council promulgated a resolution to encourage civil protection cooperation among the Member States.

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[The first community action programme](#) in the field was established in 1997. It was renewed in 1999 with [the second community action programme](#) in the field of civil protection

(1999–2006). These action programmes contained measures to ‘support’ national civil protection, such as ‘training programmes, the exchange of experts, simulation exercises, and improved public information and education’ (as [the Community Civil Protection Action Programme](#) webpage shows). The second action programme was also updated ‘to facilitate reinforced cooperation in civil protection assistance intervention’, through the Monitoring and Information Centre which was activated in the event of a natural disaster, and which would coordinate aid among states.

The EUSF was created after the extensive flooding in 2002, in order ‘to show practical solidarity with Member States and candidate countries, by granting exceptional financial aid if these were the victims of disasters of such unusual proportions ... that their own capacity to face up to them reaches to their limits’ ([Commission 2004](#)). The EUSF has been used to provide longer-term recovery aid after a disaster’, and with a penchant for ‘big’ disasters. According to [Rhinard et al. \(2012\)](#), a 2005 Commission proposal to extend the assistance even in the event of more ‘modest’ disasters was rejected by Member States ‘owing to resistance to possible spending increases’. The peculiar nature of the Fund is revealed by the fact that it did not aim at covering all financial damages associated with a natural disaster, but just ‘non-insurable damages’, which also include socially relevant intervention such as ‘providing temporary accommodation’ to disaster-stricken populations or ‘protecting communities’ cultural heritage’. Nevertheless, the EUSF, in its financial capacity to act as adjunct to the EU Civil Protection Mechanism, was complemented in 2007 with the adoption of a [Civil Protection Financial Instrument](#) which provided a further €189.8 million (2007–2013), to ‘improve the effectiveness of systems for preparing for and responding to major emergencies’.

The EUSF was reformed for the first time in 2013. According to [Hochrainer-Stigler et al. \(2015\)](#), the reform was mainly motivated by two factors; first, to address the large number of rejected applications, due to the unclear rules for funding extraordinary regional disasters. The Commission ‘rejected 45 out of 61 requests for aid in this category’ during the 2002–2012 period. This led to a more precise definition as to what constitutes a regional disaster. The second factor was that the Commission was also concerned with delays in financial assistance, mainly due to a lengthy decision-making process which could take up to ‘at least’ two to three months.

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During the early phases of the COVID-19 outbreak, the EUSF has been reformed in order to also extend its assistance to ‘major public health emergencies’, including the officially-declared virus pandemic. The EU countries (or the acceding countries) can apply on condition that their emergency response measures are estimated at over €1.5 billion, or more than 0.3% of its GNI. In the context of the COVID-19 pandemic, the EUSF can finance ‘measures taken to contain the spreading of the disease (such as medical assistance, personal protective equipment, laboratory analysis, development of vaccines etc.) and assistance to the population in the form of medical assistance, health sector, and civil protection type measures.

#### **EUSF: policy goals and instruments**

Concerning the underlying philosophy of the EUSF, according to [Hochrainer-Stigler et al. \(2015\)](#), the EUSF provides needs-based solidarity, as opposed to schemes which are based on contribution-based solidarity. Needs-based solidarity is considered to be ‘a stronger expression of solidarity’, when compared to the contribution-based one. In the EUSF’s case, the amount of the aid ‘reflect[s] the degree to which a disaster-stricken country is capable of facing the situation with its own means’. This official EUSF orientation, however, does not correspond to empirical scrutiny: Hochrainer-Stigler’s empirical analysis shows that ‘the Solidarity Fund allocates significantly more aid as a percentage of eligible costs to those countries most able to withstand the financial impact of disasters’. The primary objective of the EUSF is to show the EU’s solidarity with the population of the regions stricken by major disasters, by ‘providing financial assistance to contribute to a rapid return to normal living conditions. The 2013 reform strengthened the link between the EUSF and other EU objectives. The EUSF shall now contribute (when it is applicable) to ‘financial management, public procurement, environmental protection, natural disaster risk prevention and management, [and] climate change adaptation ...’. The EUSF is based on grants that the EU gives to the eligible Member States. The 2014 reform introduced some flexibility by allowing advance payments of up to 10% of the expected aid.

One of the risks that the EUSF faces is creating ‘charity hazards’ in the form of ‘disincentives for governments to take preventive actions’. Following the 2013 reform, the EUSF is ‘meant to actively encourage member states to implement disaster prevention’. Consequently, the Commission ‘may consider reducing or refusing a grant’ if the Member States repeatedly

refuse to implement EU law on preventative measures, especially the Floods Directive, and its requirement to have a risk management plan.

### **How relevant is the EUSF?**

In terms of budget, the EUSF could count on a €1 billion yearly sum (2003–2012). During the 2014–2020 programming period, the yearly sum has been halved: the EU can allocate, each year, €500 million (in 2011 prices) plus the unspent allocation from the preceding year (over and above the normal EU budget). [Hochrainer-Stigler et al. \(2015\)](#) explains the reason why the allocations were reduced: ‘the fund has not been depleted over its 12 years of operations’. This decision, however, may “[neglect the risk] by focusing only on past events’ thus understating or overstating ‘the capital requirements needed to act effectively in the future’. In the context of the COVID-19 outbreak, the EUSF can count on an €800 million budget, which could prove inadequate for the task at hand: if too many States were to apply, the Commission ‘would operate a pro-rata reduction to divide the budget equitably among all eligible applicants’. Rather than enhancing EUSF visibility with a significant budget, the overall visibility of the instrument is granted by the symbolic value that the intervention of EU in major public disasters can have.

*Figure 1. EUSF Total Payments 2002-2016, million € (Source: European Commission).*

According to the EUSF (2002–2016) ex post evaluation, visibility of EUSF achievements is ‘key to its aims of demonstrating and strengthening solidarity’. Visibility, in fact, ‘can have an impact on public awareness of the role of the EU’. A second reason is that being aware of the support and solidarity of the EU can ‘affect the general “morale” of the region affected by a disaster’. Case studies on communication practice showed that public awareness of the EUSF is limited: ‘most of the citizens consulted ... had little or no appreciation of the role of the EUSF’. The NGOs can play a part in raising awareness around EU intervention, but often they are unaware of the EUSF’s role. There are two factors which cause the EUSF’s low visibility. First, the timing: ‘the receipt of support some time after the disaster event makes it difficult to link the EUSF funding with the most visible or urgent actions’. At the same time, the fact that the EUSF is often employed retroactively to cover expenditures already carried out ‘can impair the visibility of the financial contribution to citizens’.

*Figure 2. Estimated prevalence of EUSF articles as proportion of relevant article, percent (Source: European Commission).*

The second aspect concerns the EUSF's operations. Interventions 'covering short-term services to the population' have a lower impact on communication activities. 'Permanent and more tangible infrastructure investments' would instead be more visible. Finally, the report notices that often the Fund is confused with other interventions, such as ESIF which 'has a high level of positive awareness' instead, and also 'detailed requirements for communication and publicity'.

## **Conclusion**

The EUSF was created to demonstrate the concrete nature of EU solidarity; in its latest revision, the EU has swiftly changed the EUSF's eligibility criteria to aid with the COVID-19 crisis. And yet, the EUSF is a policy that struggles to make itself recognisable to EU citizens. As we have discussed, this is largely due to design choices that impede a swifter approach towards providing relief in the event of a major disaster. As the current COVID-19 outbreak shows, aid from the EU is highly symbolic to the stricken population; hence, the next EUSF revision should aim at maximising its impact and visibility by reforming the type of expenditures allowed, and the reimbursement procedures.

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