



# **Ex Post Evaluation of the European Union Solidarity Fund 2002-2016**

Interim Report

Framework contract No. 2014.CE.16.BAT.007

Service contract No.: 2017CE16AAD011



EUROPEAN POLICIES RESEARCH CENTRE

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7 December 2018

**EUROPEAN COMMISSION**

Directorate-General for Regional and Urban Policy  
Directorate: Policy  
Unit of Evaluation and European Semester

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# **Ex post evaluation of the European Union Solidarity Fund 2002-2016**

## **Interim Report**

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Luxembourg: Publications Office of the European Union, 2018

ISBN: .....

doi: .....

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## **1. INTRODUCTION**

This revised Interim Report is the third deliverable of the Ex-post Evaluation of the European Union Solidarity Fund (EUSF) 2002-2016 and reports on the activities and results of Task 2 of the evaluation. The project is the first comprehensive evaluation of the EUSF. The purpose of the project is to contribute to a better understanding of policy effects, as well as possible needs for improvement of the implementation and performance of the Fund.

### **1.1 Objectives of evaluation**

The **overall objective** of the evaluation is to assess the implementation and performance of the EUSF over the period 2002-2016. It also involves an assessment of the synergies between EUSF support and other EU and international policy instruments in contributing to strengthened measures for the prevention and management of disasters in EU Member States. A broader aim is to establish whether EUSF has strengthened measures for the prevention and management of disasters in EU Member States and accession countries.

The evaluation has the following **specific objectives**:

- to analyse the approval, implementation and closure (where applicable) of all EUSF interventions since the establishment of the Fund in 2002 until end-2016, and to review the rejected applications for EUSF support during the period 2002-2016;
- to gather evidence on the implementation and performance of the EUSF based on in-depth analyses of seven case studies, including an analysis of the synergies between EUSF and other EU policy instruments and relevant international instruments, and an analysis of the public image and awareness of EUSF interventions at national/local levels;
- to analyse the role of the reformed EUSF in the framework of policy efforts aimed at enhancing the prevention, preparedness and resilience of EU Member States to natural disaster events, including an analysis of the synergies between EUSF and other EU policy instruments and relevant international instruments; and
- to reflect on the EU added value and strengths of the EUSF, as well as its potential shortcomings, and to provide opportunities for policy learning

The evaluation is intended to provide evidence according to the following criteria: EU solidarity; effectiveness; efficiency; relevance; coherence; and EU added value. Each of these six criteria has specified evaluation questions, which will be addressed through the six tasks of the project.

### **1.2 Objectives of Task 2**

The objective of Task 2 is to provide an analysis of the approval, implementation and closure (where applicable) of all EUSF interventions from the establishment of the Fund in 2002 until the end of 2016, as well as rejected applications for EUSF support during the same period. Over these years, the EUSF received 126 applications, of which 76 were supported.

The main purpose of this task is to document the activities of the EUSF in responding to disasters. It puts forward an understanding of the intervention logic behind its use, and

identifies the reasons explaining success or rejection. The task also serves as input to the selection of case studies to be undertaken in Task 3 and informs the analysis of synergies in Task 4, as explained in the Methodology Report<sup>1</sup>, which constituted the first deliverable of the project.

The work under this task provides an information base for all the evaluation questions (EQs) set out in the Methodology Report, but it primarily contributes to answering those relating to:

- Effectiveness – whether the EUSF has achieved its operational objectives (EQ1) and, to some extent, the factors influencing their achievement (EQ2) and the attainment of overall goals (EQ3);
- Efficiency – whether the EUSF interventions were cost-effective (EQ4), the differences between agreed and actual expenditure (EQ5), and some limited insights on the evidence for administrative burden (EQ6) and factors influencing efficiency (EQ7); and
- Relevance – whether the EUSF intervention matched/addressed recovery needs (EQ9).

The work also comments more generally on the added value and solidarity dimensions of the EUSF's activities.

### **1.3 Methodology**

The methodology of Task 2 is shown in Figure 1. It consists mainly of desk research, including analysis of the EUSF regulation, relevant policy documents; a literature review; and examination of the case files of all applications received by EUSF between 2002 and the end of 2016. The primary data source is the documents collected by the Commission in the course of application, implementation and closure of the cases. These documents include application forms, evaluations of application forms, audits and implementation/closure reports, as well as other documents. Where appropriate, these documents were screened by National Experts to ensure all necessary information is extracted, in line with guidance produced by the Core Team.

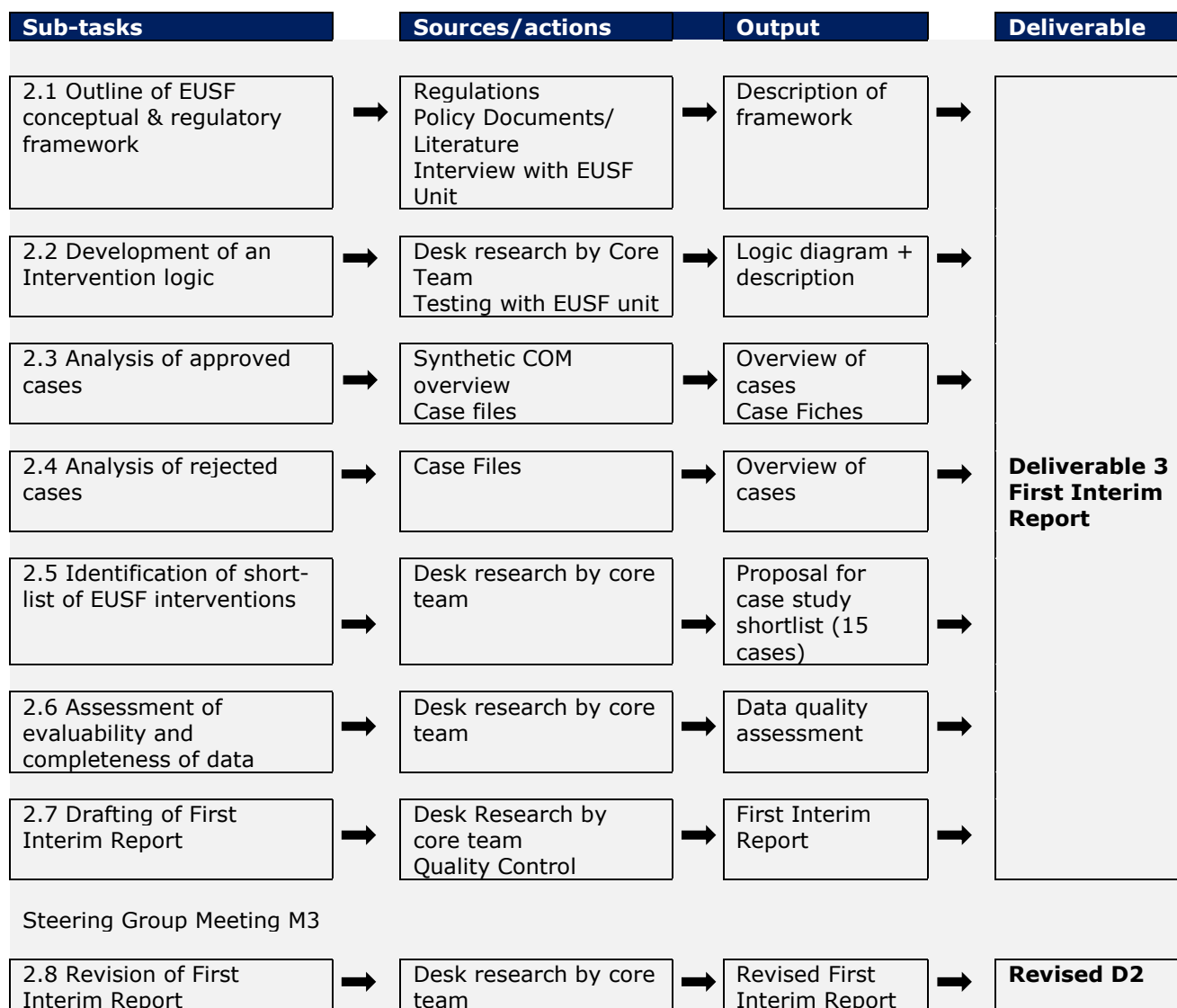
More specifically, this Report aims to contribute to the evaluation by providing the following.

- **An outline of the EUSF conceptual & regulatory framework (Sub-task 2.1)**, setting the overall context for analysis. This is based on the regulations, relevant policy documents and a literature review.
- **A description of the EUSF intervention logic (Sub-task 2.2)**, setting out the rationales for its use, illustrating how the interventions are supposed to bring about the envisaged specific and general objectives. This includes a flow chart showing the stages of the process.

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<sup>1</sup> Bachtler J and Begg I (2018) *Ex Post Evaluation of the EU Solidarity Fund: 2014-2020 – Methodology Report to the European Commission (DG REGIO)*, European Policies Research Centre, University of Strathclyde, Glasgow.



**Figure 1: Methodology of Task 2**

- **An analysis of all the 126 case files (Sub-tasks 2.3 and 2.4)** reviewed by the Commission over the period 2002-2016, covering successful and rejected applications respectively. The analysis uses a template comprising questions covering each stage of a EUSF intervention as a basis for collecting structured and comparable quantitative and qualitative information from the case files. As well as providing data for comparative analysis across cases, this has produced case fiches of 2-3 pages for each of the approved interventions funded by the EUSF.
- **A shortlist of 15 EUSF interventions as a basis for selecting cases for in-depth analysis (Sub-task 2.5), now reduced to the seven retained after discussion at the Steering Group.** The shortlist is based on interventions that are fully implemented by the time of the evaluation, and based on criteria to ensure representative coverage by geography, pre/post reform periods, type of disaster, Member State or accession country, and scale of financial support.
- **An assessment of the evaluability and completeness of the data (Sub-task 2.6)** based on a mapping exercise systematically recording the availability of documentation (e.g. application, application assessment, implementing decision, budget amendments, implementation reports, closure documents etc.) for each case and identifying missing documents. The mapping exercise will be used to

provide an overall judgement on the evaluability and completeness of the information on both approved and rejected EUSF interventions.

- **The drafting of this First Interim Report (Sub-task 2.7).** Following feedback from three meetings of the Steering Group, the report has been developed to take account of the comments received and submitted from these meetings as a **final version of the First Interim Report (Sub-task 2.8).**

#### 1.4 Data analysis

The initial research was conducted by the EPRC research team over the period from mid-April to mid-May 2018, at which point a draft report was submitted, and developed further in the light of helpful comments from the project Steering Group, from mid-June until late-August 2018. The research is based on an EUSF database covering all 126 cases. A case study fiche for each intervention has been developed to provide a standard, systematic and tabular overview of the most important information for each case. Case fiches present the most important information in a succinct and reader-friendly manner and have been revised by the EPRC research team in consultation with DG REGIO.

The structure of the case study fiches is as follows.

- **General information:** descriptive information on the nature of the disaster, the damage caused and its incidence in the locality and country in which it occurred.
- **The application phase:** the application to the EUSF and its rationale, the data provided by the applicant authority, the consistency with the eligibility criteria, and the amount and purpose of the grant requested.
- **Evaluation and decision phase:** the progress of the application and the stages leading up to the decision proposed by the Commission, then made by the Council and the European Parliament. Possible variations from what was requested or stipulations on how the support was to be used are recorded.
- **Implementation phase:** how the intervention by the EUSF was used, whether there were any difficulties in conforming to the terms of the intervention and how it related to other forms of financial support, including information on the agencies involved, the timing of the projects supported and the range of beneficiaries in the locality.
- **Closure of the intervention:** information on cost (actual spending compared with estimates in the application), additional information on the damage inflicted by the disaster and the results of the intervention and some qualitative assessment to ascertain its broader impact, including actions to improve resilience against future disasters.

The case fiches have been submitted separately as an annex to this Interim Report.

#### 1.5 Structure of the Report

This report is structured into four further sections.

- Section 2 presents an analysis of the conceptual and regulatory framework, as well as the intervention logic of the EUSF.
- Section 3 provides an assessment of the accepted and rejected EUSF cases, focusing on the four phases of operation. The empirical material includes:

quantitative analysis of the operation of the Fund according to category of EUSF support and type of disaster. It distinguishes between successful and rejected cases, with a focus on the former. It provides an overview of achievements and a qualitative assessment of the functioning of the fund.

- Section 4 presents an assessment of the evaluability and completeness of the data, resulting from a mapping exercise (based on an Excel spreadsheet) systematically recording the availability of documentation.
- Section 5 lists the seven case studies, of EUSF interventions selected for in-depth analysis under Task 3 of the evaluation, after discussion of a short-list of 15 cases.



## 2. EUSF REGULATORY AND CONCEPTUAL FRAMEWORK

### 2.1 The purpose and functioning of the EUSF

The European Union Solidarity Fund (EUSF) was originally established in 2002 with the provisions of Council Regulation (EC) No 2012/2002. It was amended in 2014 by Regulation (EU) No. 661/2014 in response to various concerns, notably the number of applications being rejected. The currently valid regulation is Regulation (EU) 2012/2002, as amended by Regulation No. 661/2014. These documents constitute the regulatory framework of the EUSF, and its key elements are outlined in Table 1, which refers to the current, post reform arrangements. The right hand column of the table sets out how these differ from the pre-reform arrangements. In addition, the Fund website provides guidance, a wealth of additional information and the annual reports produced by the Commission.<sup>2</sup>

According to the most recent list from the Commission<sup>3</sup>, the Fund had intervened 82 times in 24 countries, six of which were in 2017 and thus outside the 2002-2016 range for the present study. These are mostly Member States, but one, Serbia, is a candidate country, and some early interventions were made in former candidate countries which subsequently acceded to the EU. The aggregate amount disbursed since the Fund was established is (at the time of writing) €5.22 billion. The wide geographical spread of the support emphasises the fact that the Fund is not subject to any territorial quotas; rather, by being triggered only by the occurrence of a disaster, it is space-blind.

The 2014 reform of the EUSF built on opportunities for improvement, among others those indicated by the Court of Auditors.<sup>4</sup> The 2014 reform is succinctly presented in articles in two issues of *Panorama*,<sup>5</sup> published in 2013 and 2014. The main reasons for the reform were the wish to shorten the time taken to make a payment following a disaster and clarification of ambiguity about the criteria applicable to the smaller-scale regional disasters. The principal changes were to:

- merge the two stages of the approval and implementation agreement to simplify the process;
- clarify the scope of the Fund as an instrument to deal with natural disasters, adding drought to the eligible types of disasters, but also spelling out that damage suffered by individuals, businesses and agriculture or losses of income is not covered by the Fund;
- clarify the eligibility rules for regional disasters;
- allow, as noted above, an advance payment of up to ten percent of the anticipated financial contribution from the Fund (capped at €30 million);

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<sup>3</sup> [http://ec.europa.eu/regional\\_policy/sources/thefunds/doc/interventions\\_since\\_2002.pdf](http://ec.europa.eu/regional_policy/sources/thefunds/doc/interventions_since_2002.pdf)

<sup>4</sup> European Court of Auditors (2012) *The European Union Solidarity Fund's response to the 2009 Abruzzi earthquake: the relevance and cost of operations*, Special Report No. 24//2012, Luxembourg.

<sup>5</sup>

[http://ec.europa.eu/regional\\_policy/sources/docgener/panorama/pdf/mag47/mag47\\_en.pdf#page=4](http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag47/mag47_en.pdf#page=4)

[http://ec.europa.eu/regional\\_policy/sources/docgener/panorama/pdf/mag49/mag49\\_en.pdf#page=43](http://ec.europa.eu/regional_policy/sources/docgener/panorama/pdf/mag49/mag49_en.pdf#page=43)

- specify a six week period for the Commission to assess the application, though with caveats of 'counting from the date of the **completed** [NB: emphasis added] application and excluding the time needed for translation';
- lengthen the implementation period from 12 to 18 months; and
- introduce an obligation on Member States to implement legislation on disaster risk prevention, with the possibility of applications to the Fund being rejected if this obligation is infringed.

**Table 1: EUSF regulatory framework**

Art.	Current arrangements, post 2014 reform	Change from original (2002) framework
1	<b>Purpose of the fund</b> <ul style="list-style-type: none"> <li>• "Enable rapid, efficient, flexible response to emergencies caused by natural disasters".</li> </ul>	No change
2	<b>Categories, thresholds for applications</b> <ul style="list-style-type: none"> <li>• Major natural disaster (damage over €3 billion at 2011 prices or over 0.6% MS GNI);</li> <li>• Regional natural disaster (damage &gt;1.5% NUTS 2 GDP (1%, for outermost regions);</li> <li>• Neighbouring eligible country (threshold not specified, but based on damage in neighbour).</li> </ul>	Previously, calibrated to 2002 prices  No explicit threshold for regional or outermost regions, but share for "regional" limited to 7.5% of total  No change
3	<b>Eligible actions</b> <ul style="list-style-type: none"> <li>• Restoring the working order of infrastructure</li> <li>• Providing temporary accommodation and funding rescue services</li> <li>• Securing preventative infrastructure, protection of cultural heritage</li> <li>• Cleaning up disaster-stricken areas, including natural zones</li> <li>• Only non-insurable damage, other limitations (e.g. VAT, TA ineligible)</li> </ul>	No change
4	<b>Application process</b> <ul style="list-style-type: none"> <li>• Required elements of application form</li> <li>• deadline of 12 weeks from occurrence of disaster (potential extensions)</li> <li>• Stipulates shared-decision making between the EC, EP and Council</li> <li>• Describes decision-making process with expectation of six-week timeframe 'counting from the date of receipt of the complete application and excluding the time needed for translation'</li> <li>• Art. 4a Outlines rules for advance payment on request of beneficiary State, not exceeding 10% of anticipated grant</li> </ul>	Minor revisions Previously: 10 weeks  Previously two stages of final decision Previously 'as quickly as possible'; no mention of 'complete application'  No advance payment previously
5	<b>Implementation arrangements</b> <ul style="list-style-type: none"> <li>• Shared management between EU and beneficiary States</li> <li>• EU: manage and financially control the operations and conduct checks</li> <li>• MS: implementation of assistance, including selection of operations</li> <li>• Candidate country in accession talks: delegation agreement</li> </ul>	Minimal changes
6	<b>Coordination with other EU funds/instruments</b> <ul style="list-style-type: none"> <li>• Beneficiary State responsibility</li> </ul>	No change

7	<b>EUSF to be compatible with other measures, policies of the EU</b>	No change
8	<b>Implementation and closure</b> <ul style="list-style-type: none"> <li>• Deadline for implementing EUSF: 18 months</li> <li>• requirements for implementation report</li> <li>• to be produced after six months</li> <li>• Must provide information on preventive measures</li> </ul>	Previously: 12 months  No change Less extensive information required
9	<b>Stipulates reporting in Euros</b>	No change
10	<b>“Borrowing” from following year`s budget if funding exhausted and carry over of unspent amounts to next year</b>	Previously less flexible, albeit larger budget ceiling
11	<b>EU Financial management and control</b> <ul style="list-style-type: none"> <li>• Audit arrangements</li> <li>• Anti-Fraud (OLAF)</li> </ul>	No change
12	<b>EC reporting</b> <ul style="list-style-type: none"> <li>• EC yearly implementation report to the EP and to the Council</li> </ul>	No change
	<b>Budgetary Ceiling*</b> Up to a maximum annual total of €500 million at 2011 prices since start of 2014-2020 multi-annual financial framework. On 1 October each year, at least one quarter of the annual amount of the Fund should remain available in order to cover needs arising until the end of the year	Prior to 2014, up to a maximum annual total of €1 billion (at current prices)

\*Not set out in the Regulation

The Fund provides financial support to countries affected by natural disasters, such as floods, earthquakes, forest fires, droughts, storms, or severe winter conditions. It can be regarded as an expression of solidarity from the Union and is open to any Member State or to an accession/candidate country (with which negotiations have opened) facing exceptional events. Indeed, the regulation stresses that solidarity is the primary *raison d'être* of the Fund. In practice, it means supporting affected regions and Member States in recovering from exceptional events and, importantly, engendering resilience against future occurrences.

The EUSF is funded by the EU budget. It is outside the ceilings of the Multi-annual Financial Framework (MFF) and allows additional financial means to be entered in the EU budget over and above the ceilings set for the Financial Framework. This reflects the Fund's role in dealing with unforeseen events. It is intended to cover non-insurable damage. It has had an annual budgetary ceiling since 2014 of €500 million at 2011 prices, half of what it was allocated during the 2007-13 multi-annual financial framework. Since the reform in 2014, the Fund has some flexibility to carry over any surplus or to draw in advance from the following year. The 2016 annual report on EUSF cites examples of how helpful this flexibility had been: the probability of a disaster may be calculable, but not the precise timing of it.

As stated in the regulation, four types of operations are eligible for support:

- restoration (to working order) of infrastructure providing energy, drinking water, waste water disposal, telecommunications, transport, healthcare and education;
- provision of temporary accommodation for victims;
- securing of preventive infrastructure and protection of cultural heritage sites; and
- cleaning-up of the affected areas.

Country-specific thresholds for the scale of disaster are applied, requiring the damage to exceed whatever is the lower of 0.6 percent of GNI or €3 billion at 2011 prices. At regional level, the threshold is damage exceeding 1.5 percent of GDP, though with an exception for the outermost regions where a lower threshold of one percent of GDP applies. There are further provisions for groups of regions and for regions in neighbouring countries, but there is no explicit eligibility threshold for neighbouring countries.

The outermost regions are explicitly mentioned in the regulation (Article 2.3, which refers to regional eligibility) as a distinct category, albeit expressed as 'by way of derogation' from the preceding paragraph which establishes the regional eligibility criterion. The definition of 'outermost' relates to Article 349 of the TFEU, designating the French, Portuguese and Spanish regions so defined. Article 349 TFEU requires that the 'special characteristics and constraints of these outermost regions' be taken into account in a range of EU policy domains, 'without undermining the integrity and the coherence of the Union legal order'. As explained below, they have been disproportionately affected by natural disasters: of the 76 accepted cases covered in this evaluation, four relate to outermost regions, comprising storms in the Caribbean, and floods and fires in Madeira (classified as a 'major' disaster).

The Fund was not conceived of as a rapid response instrument providing immediate cash support, not least because the application and decision process involves not only the European Commission (EC), but also the Council and the European Parliament. However, as explained above, the 2014 reform made it possible for Member States to request advance payments, subject to assessment by the Commission.

A contribution from the EUSF is subject to four stages of governance (see Figure 2): the preparation and submission of the application; the appraisal and decision-making phase; implementation of the plans for using the money; and the closure of the intervention. The regulation prescribes how each stage is to be undertaken. Some deadlines, such as for the application and the implementation, are formally stated in the regulation, although even then there is some flexibility because of the inevitably difficult circumstances of dealing with a disaster. Other time periods (notably for appraisal and decision) are dependent on the circumstances and are not firm commitments, although there is an expectation of avoiding delay. These stages in EUSF governance are described in detail in Section 3.

## **2.2 Logic of intervention**

The notion of a logic of intervention is prominent in a range of policy domains as a way of capturing the connections between the objectives of a policy instrument, the activities through which it is undertaken and the results of the intervention. There are several elements in its make-up.

- It should, first, encompass the strategy envisaged to attain the specific and general objectives of the policy.
- This in, turn, means developing a narrative specifying how inputs from the policy instrument are expected to generate outputs and, subsequently, what impact the intervention is expected to have on society in terms of results and outcomes
- In addition, a logic of intervention should indicate how the instrument is expected to work, including any constraints on how it is meant to function.

There is a clear logic of intervention behind the EUSF (see Figure 3) which can be summed up as how the EU responds to natural disasters and shows solidarity with regions affected by them. The rationale for the EUSF is clearly set out in the first recital of the regulation,



stating its purpose to be for the Community to 'show its solidarity with the population of the regions concerned by providing financial assistance to contribute to a rapid return to normal living conditions in the disaster-stricken regions'.

As noted above, the instrument is not designed to provide immediate emergency rescue services and assistance, but rather to contribute to the alleviation of the consequences of a disaster through a financial contribution to the exceptional costs arising from an exceptional event. It follows that its operational goals do not include emergency rescue operations. However, the question arises of whether the instrument is nevertheless perceived by either the authorities in the affected area or citizens as being more immediate, an issue explored further in the case study research (Task 3).

The main stakeholders on the recipient side (and thus the 'targets' of the intervention) are citizens adversely affected by the disaster and the operators of infrastructure and services damaged by it. Depending on the nature of the disaster, these can be many and varied. The EUSF consequently has to respond to diverse needs and, given the expectation that other agencies and instruments will be involved, can realistically only address a subset of the needs. The instrument, simply, is the financial contribution. Therefore, it is important to stress that once the payment is made to the beneficiary country, there is no expectation that the money be spent on specific, identifiable projects. Rather, it goes into the general disaster response budgetary envelope, but with the condition that the money be used on projects within the four designated categories.

Seen in this way, the underlying logic of intervention is about cash flow: the contribution from the Fund alleviates the extraordinary financial burden of dealing with a disaster. As such, the function of the contribution is to counter the risk of the disaster response being diminished because of funding constraints. However, following the 2014 reform, the expectation that beneficiaries should have a strategy to bolster resilience against similar future disasters adds a further element to the intervention logic which can be summed up as steering the beneficiary towards good practice.

Several stipulations help to clarify the operational characteristics implicit in the logic of intervention.

- The financial support is intended to be 'distinguished from existing Community instruments', to be deployed 'swiftly and efficiently', 'to meet people's immediate needs and contribute to the short-term restoration of damaged key infrastructure'.
- It should be complementary to the response of the Member State or accession country affected by the disaster, and should cover a share of the costs.
- It is not intended to relieve third parties of their responsibilities, nor discourage states from taking preventive measures. In these respects, EUSF is not an insurance mechanism.
- Operations supported by EUSF cannot also benefit from other Community support, notably through Cohesion Policy.

**Figure 2: EUSF implementation timeline since the 2014 reform**

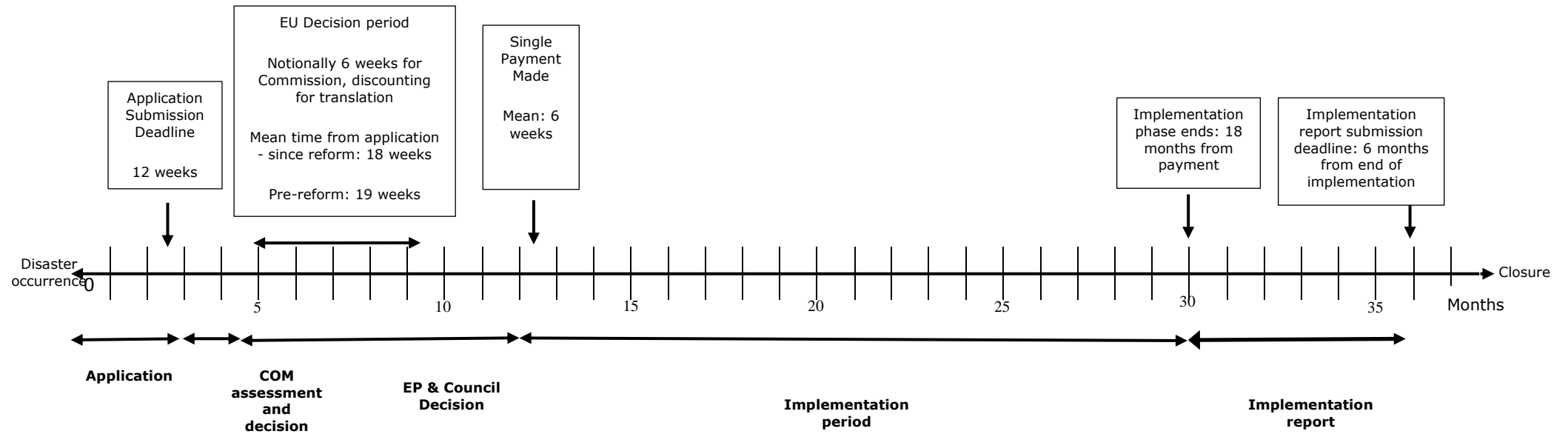
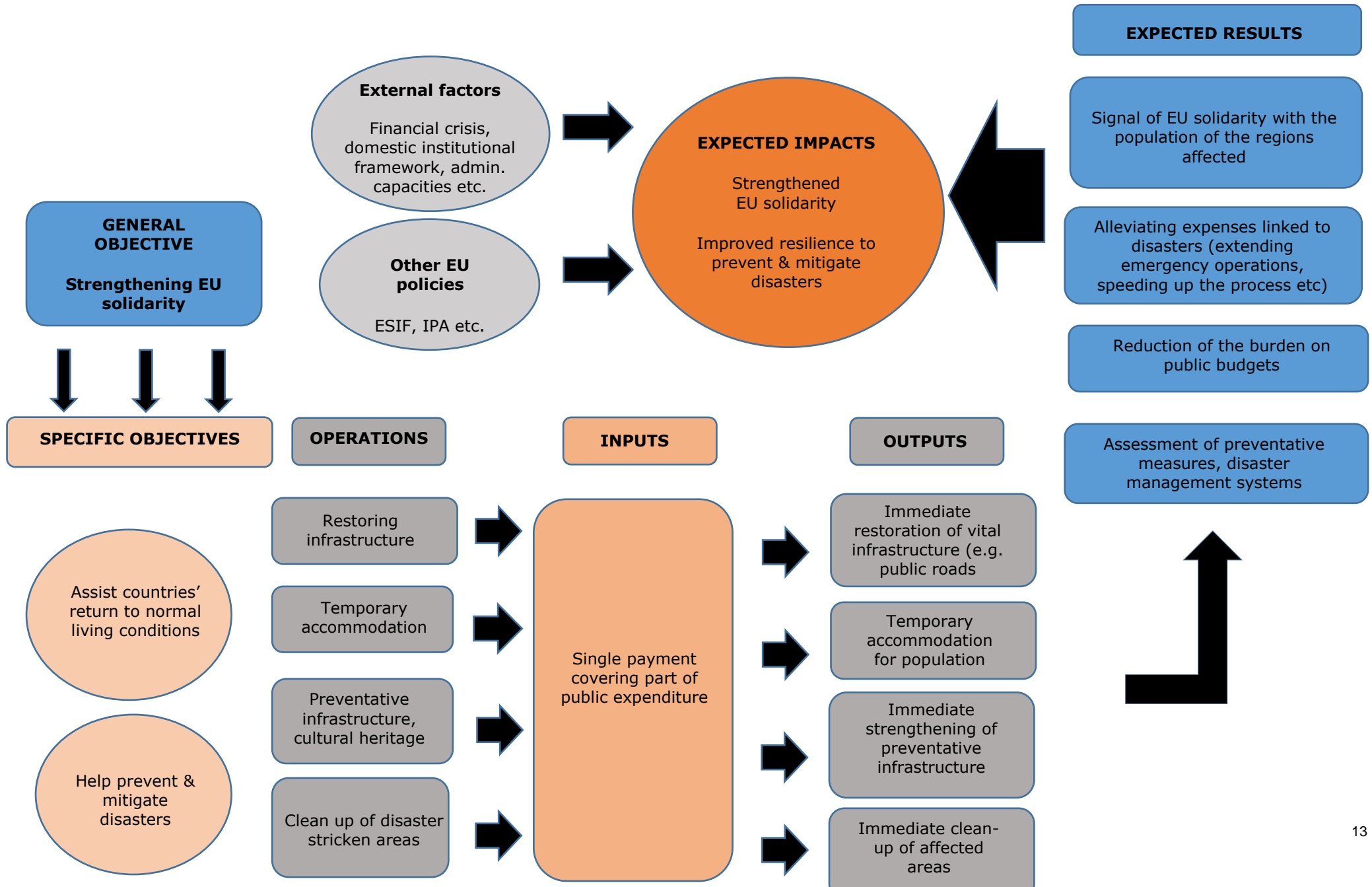


Figure 3: EUSF intervention logic



A financial contribution from the EUSF will, given the formula for calculating the payment, be only a small contribution to the overall costs of dealing with the disaster. By contrast, there are few restrictions on the specific projects eligible for support, other than the overarching requirement of being consistent with the four categories of support on what is funded. EUSF interventions can – albeit indirectly – be assessed in terms of both how well they achieve the specific operational plans in what is submitted and wider aims. The former will include, for example, the number of people temporarily housed, the speed and quality of restoration of infrastructure, and measures of clean-up. Broader results will embrace, on the one hand, the effects of the intervention in improving the resilience of the affected area against future incidents and, on the other, the demonstration of EU solidarity in responding to disasters.

### **2.3 Previous assessments of the EUSF**

The EUSF was created to provide a demonstration of EU solidarity with countries experiencing major disasters. Together with the establishment of the EU Mechanism for Civil Protection, it reflected the ambition of EU institutions and Member States to have instruments and organisational arrangements at EU level for crisis management – a process which has not been uncontested, with differing views regarding the balance between national and collective EU responsibility.<sup>6</sup>

In the 16 years since its inception, the EUSF has dealt with two main categories of disaster:

- geological disasters caused by shifts in tectonic plates and seismic activity (earthquakes, volcanos) which are relatively rare but potentially very costly in terms of loss of life and impact; and
- climatic disasters related to extreme weather (drought, flooding, storms) which are more frequent, generally less costly, and vary in terms of the magnitude of the impact.

Flooding is the most frequent type of natural disaster to affect European countries. Flood disasters in recent years have shown how single extreme events may affect several countries placing “high pressure on trans-national risk reduction and risk transfer mechanisms”. Moreover, research suggests that “extreme flood losses could more than double in frequency by 2020 under future climate change and socio-economic development”.<sup>7</sup>

The challenge of the EU is how best to assess and manage risk and maximise resilience in terms of disaster preparation, management and recovery, and to show that intervention through the EUSF is effective. As the OECD has shown, the systematic international analysis of expenditure on disaster management has historically been poor, with limited scope for developing the evidence base to show that investments in disaster risk reduction are effective in reducing socio-economic costs.<sup>8</sup> Improvements are, though, being

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<sup>6</sup> Åhman T, Nilsson C and Olsson S (2009) *The Community Mechanism for Civil Protection and the European Union Solidarity Fund*, in S. Olsson (Ed.) *Crisis Management in the European Union*, Springer, Berlin, Heidelberg.

<sup>7</sup> Jongman B, Hochrainer-Stigler S, Feyen L, Aerts J, Mechler R, Botzen W, Bouwer L, Pflug G, Rojas R and Ward P (2014) Increasing stress on disaster-risk finance due to large floods, *Nature Climate Change* 4, 264-268.

<sup>8</sup> OECD (2018) *Assessing the real cost of disasters: the need for better evidence*, OECD Reviews of Risk Management Policies, Organisation for Economic Cooperation and Development, Paris.

encouraged by the Sendai process<sup>9</sup> as well as the process for implementing the Sustainable Development Goals agenda<sup>10</sup> – both of which are supported by the EU.

With respect to the evidence base for the effectiveness of the EUSF, there is an extensive literature on disaster management, but relatively few contributions looking specifically at the EUSF, and many of them are by the EU institutions.

Although the Commission had not, prior to this project, undertaken a formal evaluation of the EUSF, the Fund has been assessed on several occasions by the European Parliament (EP) and the European Court of Auditors (ECA), offering valuable insights into some of the operational features of the EUSF.

Three EP publications, in particular, are useful for the evaluation, insofar as they identify specific issues about how the Fund operates. The 2012 EP Report<sup>11</sup> observed that the 'Fund has proven to be one of the most successful and well-received Union instruments, since it is one of the few instruments available to the Union with which it can demonstrate its solidarity with, and closeness to, European citizens'. However, the report criticised ambiguities in the rules governing EUSF applications and delays in the provision of EUSF assistance. It pointed out that applications for "regional disasters" were more likely to be rejected and highlighted problems with "slowly unfolding disasters". A further EP report<sup>12</sup>, published in November 2014, gives a good overview of the EUSF and focuses in particular on the role of the EP. However, it largely limits itself to descriptive material.

The Cicu report from 2016<sup>13</sup> considered the application process still to be too lengthy, likewise the timescales for assessing implementation and closure reports, despite the 2014 reform, and called for better communication with the general public about the support offered by the EUSF. It also advocated better cooperation with local and regional authorities in assessing eligible damage and in the preparation of applications. It welcomed the provisions for advance payments, but raised the question of whether they could be increased to 15 percent.

Other insights into the implementation process are available in the Annual Reports submitted by the Commission to the European Parliament and the Council. Several pre-2014 reports<sup>14</sup> drew attention to the unanticipated demand for support concerning regional disasters, and the problems in using the existing criteria to assess them. The obligation for States to define, in their application, the affected region as a single coherent area in which the majority of the population must be affected often did not reflect the reality (e.g. floods in different river basins). Further, the requirement to demonstrate serious and lasting effects on the economic stability of the affected region was considered somewhat

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<sup>9</sup> <https://www.unisdr.org/we/coordinate/hfa-post2015>

<sup>10</sup> <https://www.un.org/sustainabledevelopment/sustainable-development-goals/>

<sup>11</sup> European Parliament (2012) *Report on the European Union Solidarity Fund, implementation and application*, – rapporteur Rosa Estarás Ferragut, A7-0398/2012, Brussels.

<sup>12</sup> European Parliament (2014) *Success stories: the use of the EU Solidarity Fund – in-depth analysis* – author David Meier, Policy Department D Budgetary Affairs, Brussels.

<sup>13</sup> European Parliament (2016) *Report on the European Union Solidarity Fund: an assessment* – rapporteur: Salvatore Cicu, A8-0341/2016, Brussels.

<sup>14</sup> European Commission (2013) *European Union Solidarity Fund Annual Report 2012*, Report from the Commission to the European Parliament and the Council. European Commission (2014) *European Union Solidarity Fund Annual Report 2013*, Report from the Commission to the European Parliament and the Council.

speculative, economically not very sound and a burdensome exercise which was found to be difficult to assess, especially for smaller areas.

The post-2014 annual reports found evidence of some improvements.<sup>15</sup> Under the new regulatory provisions and associated guidance, potential applicants seemed to have a clearer understanding of what was required in the application process, reducing the need for the Commission to request additional information before the assessment of the application can be completed. Also, the merger into a single Commission implementing act of the previously separate grant decisions and implementation agreements helped to reduce delays. Lastly, the possibility of carrying forward by one year the unspent amounts of the preceding year was found to be helpful in maintaining the Solidarity Fund operational in budgetary terms, even though its annual allocation had been reduced in the 2014-20 multi-annual financial framework.

The European Court of Auditors (ECA) has published two special reports. The first, in 2008,<sup>16</sup> was also critical of the delays in mobilising support; the time taken between the application and the payment was found to be usually about one year. The ECA also questioned the fairness of the calculation of grant amounts for regional disasters. However, the ECA found that the EUSF was efficient in terms of the administrative costs incurred. Also, Member States that received money were satisfied or very satisfied with the Fund, leading the Court to conclude that the Fund was meeting its underlying objective of demonstrating solidarity with Member States in times of disaster.

A second ECA report in 2012<sup>17</sup> raised questions about the eligibility of some of the expenditure incurred in one of the largest EUSF interventions, responding to the 2009 earthquake which struck L'Aquila, Italy. The delays and administrative costs were found to be less of a problem for major disasters, but (as also stressed in the 2012 EP report) were most problematic for smaller applications.

The ECA made two recommendations in 2008, calling for procedures 'to ensure that an applicant state receives timely and detailed guidance on the requirements of the application' and asking the Commission to 'establish direct contact with the body in the Member or Accession State responsible for preparing the application'. In a subsequent follow-up of what had resulted from its earlier report, the ECA found in 2013<sup>18</sup> that its recommendations on how to improve the EUSF process had been fully implemented, commenting that:

*'improvements in the quality of applications led to a reduction in the number of applications for which the Commission needed to request additional information'.*

In 2012, the ECA found that, with the exception of spending on earthquake resilient housing known as CASE, the EUSF interventions in the L'Aquila case were spent on eligible

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<sup>15</sup> European Commission (2015) *European Union Solidarity Fund Annual Report 2014*, Report from the Commission to the European Parliament and the Council. European Commission (2016) *European Union Solidarity Fund Annual Report 2015*, Report from the Commission to the European Parliament and the Council.

<sup>16</sup> European Court of Auditors (2008) *The European Union Solidarity Fund: how rapid, efficient and flexible is it?* Special Report No. 3/2008, Luxembourg.

<sup>17</sup> European Court of Auditors (2012) *The European Union Solidarity Fund's response to the 2009 Abruzzi earthquake: the relevance and cost of operations*, Special Report No. 24//2012, Luxembourg.

<sup>18</sup> European Court of Auditors (2013) *2012 report on the follow-up of the European Court of Auditors' special reports*, Special Report No. 19//2013, Luxembourg.

projects, although the Court notes that the Italian government disagreed with this interpretation, as did the Commission. The thrust of the ECA argument is that the CASE housing was not temporary and, therefore, breached the regulation. Moreover the housing was deemed to be too costly, to have catered for too few victims of the disaster and to have been poorly planned and executed. The intention by the municipality to generate revenue by selling some of the new stock was a further point considered by the ECA to be in breach of the regulation.

In its response, the Commission argues that the need for housing was so urgent and the CASE blocks were constructed so quickly that they fulfilled an immediate re-housing need. However, it only dealt with a fraction of the homelessness engendered by the earthquake, against a difficult backdrop. The Commission nevertheless agreed on the need 'to clarify the formulation of "temporary accommodation" and address the question of revenue generation'.

The ECA critique, though perhaps consistent with a narrow reading of the regulation, could be viewed as counter to the wish to improve resilience, implying a clash between the letter of the regulation and the spirit of the Fund. It can also be questioned in relation to whether the underlying solidarity goal should allow some discretion on issues such as what constitutes 'temporary'.

Similar assessments have been made by commentators outside the EU institutions. In a succinct assessment of the EUSF in 2017, Hochrainer-Stigler et al.<sup>19</sup> noted that the 2014 reform of the EUSF was motivated by a combination of dissatisfaction at how long it took to make payments and the complexity of the application procedure, the latter resulting particularly in too many failed applications. While they applauded the overall functioning of the Fund, they were critical of a number of its features, not least the prospect that the reduced budgetary ceiling from 2014 will be too easily depleted if there is a succession of disasters. Åhman et al.<sup>20</sup> also praised the solidarity attributes of EUSF, but expressed concern that there could be tensions with Member States if the Commission intrudes on their organisation of civil protection.

Three wider policy issues are raised by other studies of the EUSF. First, as Hochrainer-Stigler et al.<sup>21</sup> noted, the definition of solidarity is open to different interpretations which, in turn, could cast some doubt on the intervention logic:

*'if solidarity is interpreted to mean that claim payments are differentiated based on member states' own capacity to face up to a disaster, the fund falls short of fulfilling its aims. Significantly, more aid as a percentage of eligible costs has been allocated to old member states that are more able to face up to their disasters than new member states. Alternatively, if solidarity is interpreted as based on member state contributions to the fund, the EUSF receives higher marks. In most cases, historically, the less wealthy new member states have gained the most.'*

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<sup>19</sup> Hochrainer-Stigler S, Linnerooth-Bayer J and Lorant A (2017) The European Union Solidarity Fund: an assessment of its recent reforms, *Mitigation and Adaptation Strategies for Global Change*, 22, 547-563.

<sup>20</sup> Åhman T, Nilsson C and Olson S (2009) *op. cit.*

<sup>21</sup> *Ibid.* 560.

Second, Hochrainer and Lorant<sup>22</sup> have calculated that 87 percent of disaster-related spending over the 20-year period to 2010 went on disaster relief and reconstruction, with only the remaining 13 percent allocated to reducing risks from future disasters. This is despite the compelling evidence that natural disasters are becoming both more frequent and more costly. While they identified a recent shift towards greater emphasis on risk prevention, including in how the EUSF functions, they were also critical of the lack of policy integration at EU level and separation of the roles of public support and private insurance. Nevertheless, EUSF is expected to shift towards risk abatement.

Third, in an earlier contribution, Hochrainer-Stigler et al.<sup>23</sup> noted the moral hazard risk deriving from the existence of the EUSF, because it may encourage national governments to under-provide support for the mitigation of the consequences of disasters in the knowledge that EUSF will offer support. This argument may be analytically plausible, but can be criticised because of the arithmetic of the amounts involved: it is hard to believe that a relatively modest (and, to some extent, uncertain) pay-out from the EUSF (a small part of the direct costs resulting from the disaster) would so distort government priorities. However, the paper does raise intriguing questions about the balance between risk reduction and risk management in the evolution of EUSF, an issue reiterated in their more recent contribution on the future of the EUSF.<sup>24</sup>

This issue was described graphically by Schwarze and Wagner,<sup>25</sup> who argued that (154):

*"the availability of emergency relief and private donations is systematically weakening the incentive for potential victims to implement preventative measures so as to reduce the risk of damages..... The dilemma is further exacerbated by the evident over-estimation of the extent of damages in the immediate aftermath of natural disasters, resulting in the unnecessary withdrawal of private demand and the ad hoc reprogramming of public investment".*

This highlights the importance of publicly funded disaster support incorporating incentives for improved mechanisms for disaster prevention and management. There is inevitably a public-private balance to be struck, given that the probability of extreme weather events and natural disasters varies across Europe, the limitations and growing cost of private insurance, and with some of the countries most affected by natural disasters having the least capacity and resources for disaster management.<sup>26</sup>

What emerges in general from these assessments is that the EUSF is a well-regarded instrument which succeeds in its core objective of offering solidarity, but has encountered a number of administrative problems. There is also evidence of the problems being

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<sup>22</sup> Hochrainer-Stigler S and Lorant A (2018) Evaluating Partnerships to Enhance Disaster Risk Management using Multi-Criteria Analysis: An Application at the Pan-European Level, *Environmental Management*, 61, 24-33.

<sup>23</sup> Hochrainer S, Linnerooth-Bayer J and Mechler R (2010) The European Union Solidarity Fund: Its legitimacy, viability and efficiency, *Mitigation and Adaptation Strategies for Global Change*, 15(7), 797-810.

<sup>24</sup> Hochrainer-Stigler S and Lorant A (2018) *op.cit.*

<sup>25</sup> Schwarze R and Wagner G C (2007) The political economy of natural disaster insurance: lessons from the failure of a proposed compulsory insurance scheme in Germany, *Environmental Policy and Governance*, 17(6), 403-415.

<sup>26</sup> Aakre, S Banaszak I, Mechler R, Rübhelke D, Wreford A and Kalirai H (2010) Financial adaptation to disaster risk in the European Union: Identifying roles for the public sector, *Mitigation and Adaptation Strategies for Climate Change*, 15(7), 721-736. Porrini D and Schwarze R (2014) Insurance models and European climate change policies: an assessment, *European Journal of Law and Economics*, 38(1) 7-28.



addressed, both in the revisions to the regulation and in the handling of the process. There are, though, some wider policy issues about the policy approach of the EU with respect to disaster management and whether there are better ways of achieving the same political goals.



### **3. OPERATION AND ACHIEVEMENTS OF THE EUSF**

Turning to the evaluation evidence for the implementation of the Solidarity Fund, this section provides an assessment of the operation of EUSF, based on examination of the documents on each application submitted since the inception of the Fund. The analysis distinguishes between successful and rejected cases, looking at the former in greater depth. It provides a general overview of operations carried out, an analysis of their achievements, and a qualitative assessment with a particular focus on administrative processes. The conclusion of Section 3 synthesises the results of this assessment according to these evaluation criteria.

#### **3.1 Application Stage**

The first issue for the assessment is to consider how the EUSF performs in each of the four phases of its operation: the application process; the EU assessment and decision on EUSF support; the implementation of the financial assistance; and the closure of the intervention. For each phase, a description of the process is followed by quantitative analysis (depending on data availability) and qualitative insights drawn from documentation in case files.

##### **3.1.1 Application process**

The application process, set out in Article 4 of the regulation, asks for it to be submitted to the Commission unit responsible for EUSF (the E1 Unit) 'as soon as possible and no later than 12 weeks after the first occurrence of damage', albeit with updates to applications permissible in 'justified cases' or if the disaster continues. The deadline was ten weeks prior to the 2014 reform of the EUSF. Advice from the Commission and the ease with which it can be accessed is a vital part of the process, considering that in the context of a disaster the administrative resources of national and regional authorities will already be under huge pressure.

Countries submit an application to the European Commission providing information on the total direct damage caused by the natural disaster and its impact on the population, economy and the environment concerned, an estimation of the costs of the operations to be undertaken, details of any other sources of funding, and a short description of the implementation of EU legislation on disaster risk prevention and management. Updates to the application can be submitted at the request of the Commission or by the applicant if more accurate information on damage becomes available.

The scope and structure of applications differ considerably, incorporating different combinations of application fiches, fuller application reports and attachments. For instance, the case of floods in Germany in 2016<sup>27</sup> consists of a ten-page summary fiche and annexes, while the sludge spill in Hungary in 2010<sup>28</sup> includes the same elements as well as a 106-page report. However, it should be noted that the contents of the application form and the guidance provided by the Commission to applicants has evolved over the years as part of a learning process. The Commission has drawn on its experience in dealing with applications to include recurring issues in its guidance, provided as part of Annual Reports and on-line guidance on the EUSF website. This process of updating guidance is ongoing and responds to feedback received by the E1 Unit from beneficiaries. For instance, in 2011, applicants completed a form with 27 fields with guidance included in the relevant cells. In its current version (version 6 from 2017), the application form is more detailed, with thirty-

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<sup>27</sup> EUSF Application Form – Floods in Germany in May 2016.

<sup>28</sup> EUSF Application Form – Floods in Hungary in May 2010.

six fields that applicants complete. This incorporates a new 'overview' section which includes guidance responding to issues that have emerged in previous applications (e.g. how to determine a clear starting date for a progressively unfolding disaster such as a drought). The current version of the guidance also asks for a breakdown of damage estimation by sector and a set list of annexes to be included with the form.

The EUSF Regulation is comparatively short and general to ensure flexibility and minimise the burden on beneficiaries. This emphasises the importance of informal guidance and the role of communication between the Commission and applicants in the submission of applications. This includes bilateral exchanges either verbally or through emails. The Commission web-site states that it "is strongly recommended that the body responsible for preparing an application establishes early direct contact with the service in charge in DG Regional Policy who can offer a range of advice that will help to speed up the application procedure as much as possible". According to the E1 Unit, around half of applicants do this.

Some applicants have submitted draft applications, allowing the Commission to provide specific feedback (e.g. in the case of floods in Croatia in 2010). Applicants have requested meetings to discuss the application in detail with the Commission and in some instances this has led to an exchange of information that has been crucial in ensuring the quality and timely submission of the application. In the opinion of the E1 Unit, intensive contacts with applicants make a substantial difference to the quality and success of applications. It is understandable in this context that, the quality of applications has improved over time, particularly in those countries, which are the most frequent EUSF applicants (such as Italy). In these cases, strong contacts have been established with the Commission, and substantial experience in writing applications has accumulated in national and sub-national authorities.

However, as noted in the 2008 ECA report, there have been instances when applications were submitted 'ad hoc', without the applicant states seeking any prior contact with the Commission.<sup>29</sup> There are still cases where the E1 Unit receives applications at the point of the submission deadline without any prior warning. In such cases, the likelihood of the application being rejected is increased. With advance communication, the Commission can warn the applicant of any serious issues, enabling them to address weaknesses and improve the submission or alerting them to the risk of rejection before committing substantial resources to ineligible applications.

Analysis of applications shows considerable variation in the application process, notably in terms of the time taken for submission, and the potential role of various factors in influencing this phase (e.g. the pre and post-reform regulatory environment, the type and nature of disaster etc.). Another key issue concerns the estimation of damage in the application, often difficult at a time when the priorities of local officials lie elsewhere in dealing with immediate disaster management.

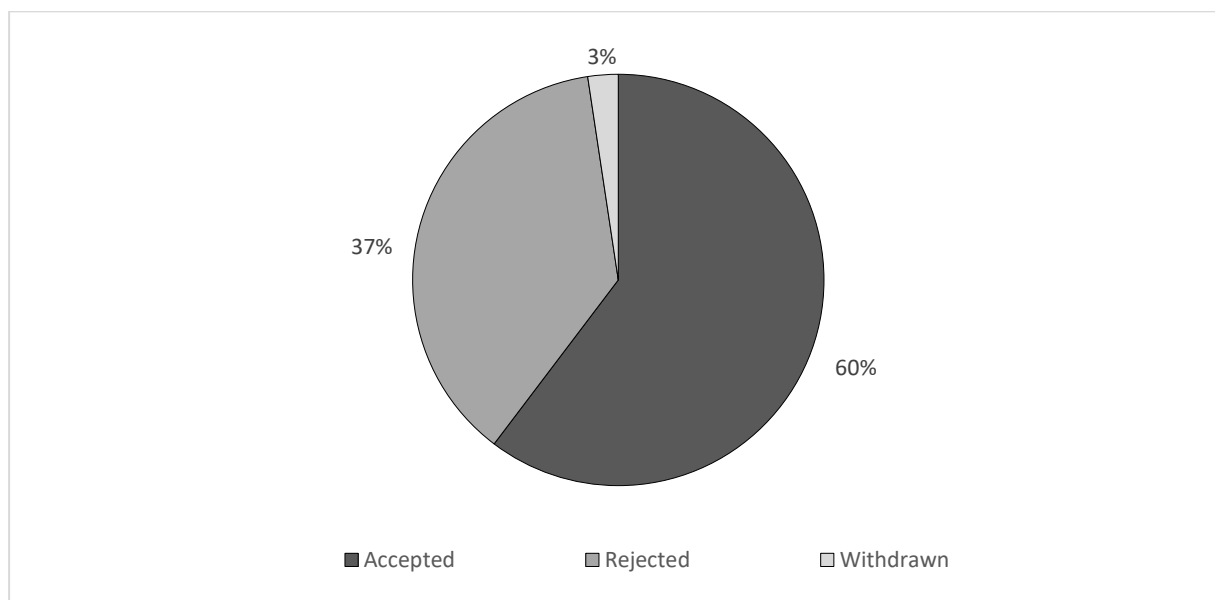
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<sup>29</sup> European Court of Auditors (2008) *The European Union Solidarity Fund: how rapid, efficient and flexible is it?* Special Report No. 3/2008, Luxembourg.

### 3.1.2 Types of application

From its launch in 2002 until the end of 2016, 126 applications were submitted to the EUSF, of which 76 were accepted, 47 rejected and three withdrawn (see Figure 4). The last accepted case covered in this evaluation, concerned an earthquake suffered by Italy at the end of 2016.

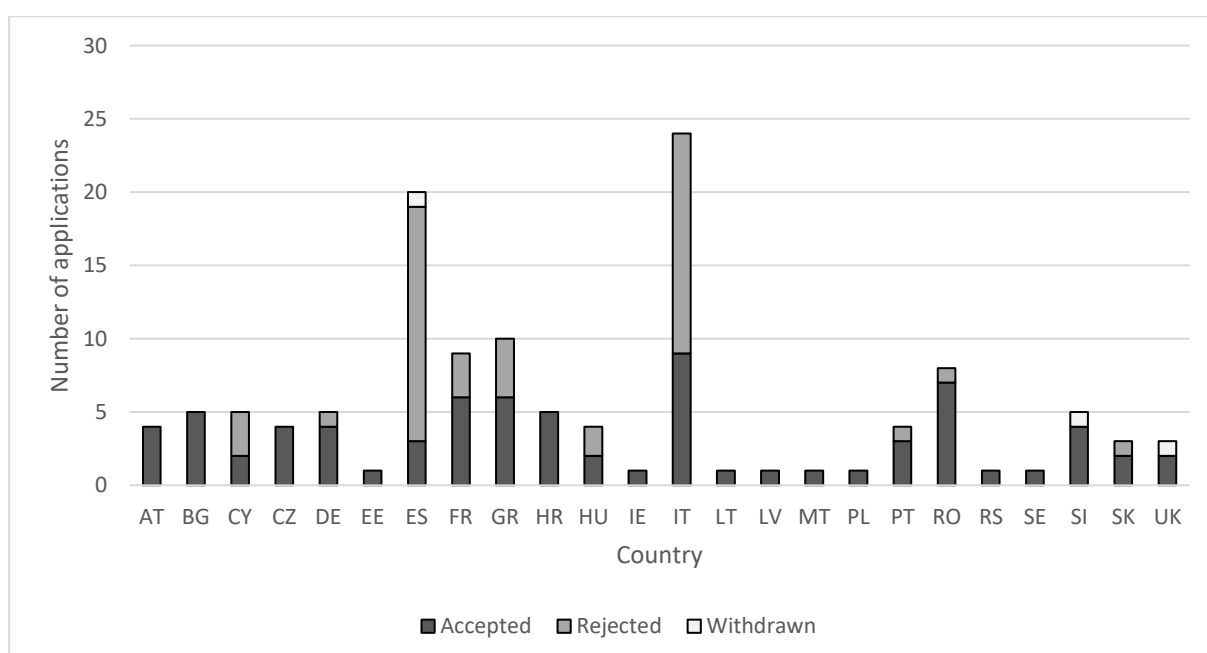
**Figure 4: Share of accepted, rejected or withdrawn applications (n=126)**



Source: Commission data, 2018.

There is a broad geographical spread of applications across Member States, reflecting the absence of territorial quotas (see Figure 5). The majority of rejected applications have been from Italy and Spain.

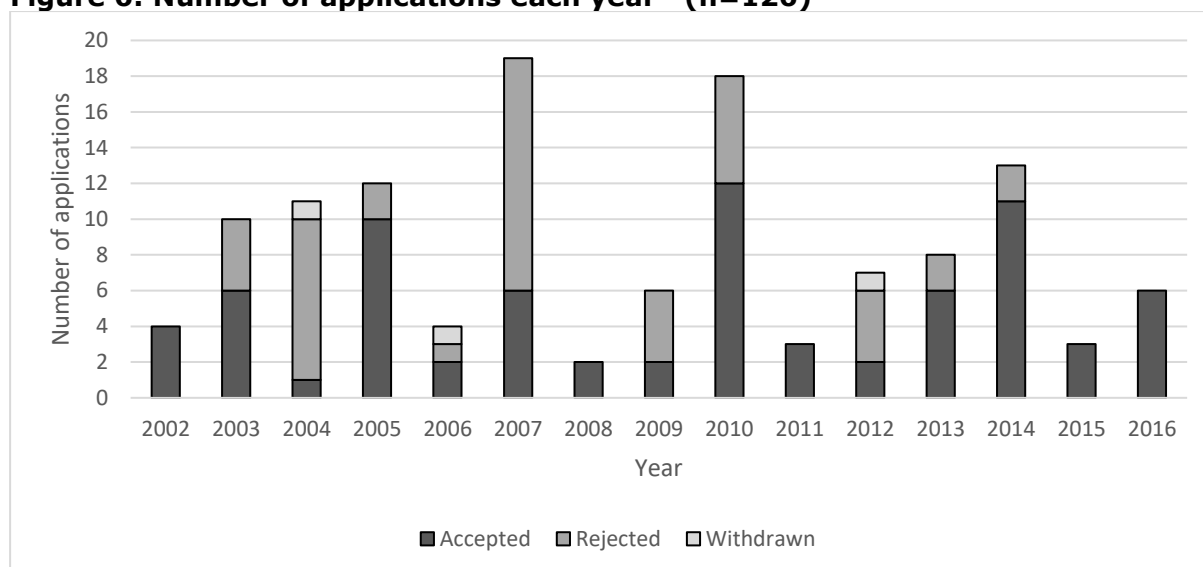
**Figure 5: Number of applications per country (n=126)**



Source: Commission data, 2018.

Between 2002 and 2012, a significant proportion of applications was rejected in all but three years (see Figure 6). Since 2012, the rejection rate has fallen markedly, with no rejections in 2015 and 2016, as explored further below.

**Figure 6: Number of applications each year\* (n=126)**



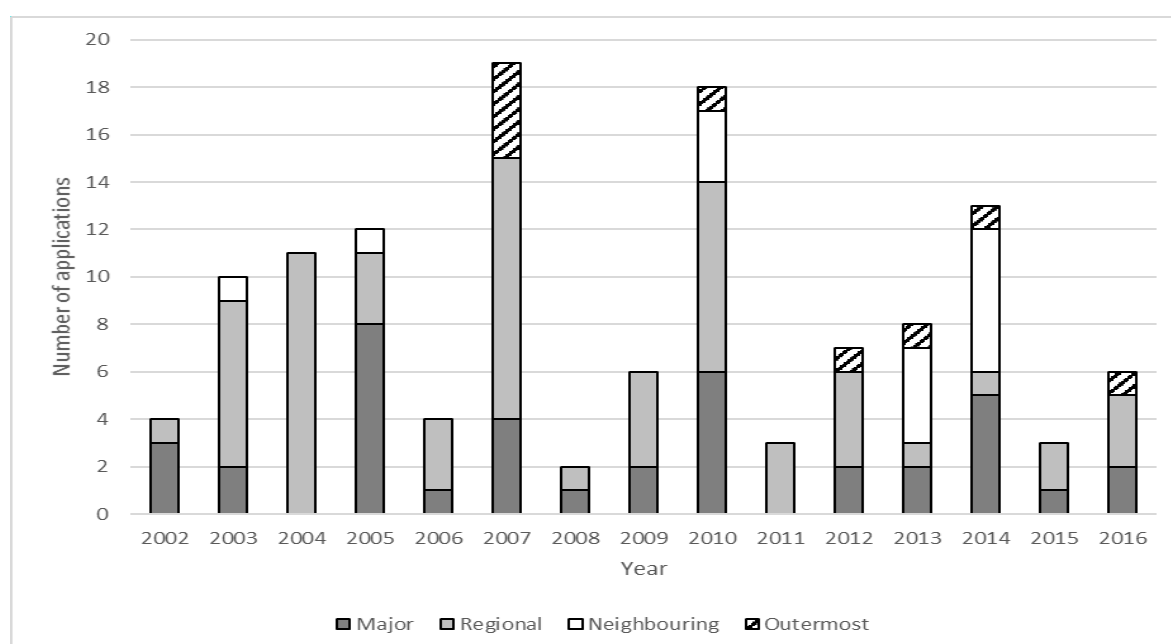
Source: Commission data, 2018.

\*Note: Refers to year of submission of the application.

The breakdown of applications by category – major events, regional events, events in neighbouring countries and events in outermost regions – varies from year to year, although regional events account for the largest category of applications in most years (see Figure 7).

Nine applications between 2002 and 2016 concerned disasters in geographically outermost regions of France, Portugal and Spain. However, only four of these applications were accepted.

**Figure 7: Applications by year and category (n=126)**



Source: Commission data, 2018

Most accepted applications relate to major disasters, and this category also accounts for the great majority of funding (see Table 2).

**Table 2: EUSF support granted by category of disaster (n=76)**

Category	No. of cases	Total Aid (m€)	Total aid (%)
Major	38	4544.7	89.4
Neighbouring Country	10	54.1	1.1
Outermost	4	53.3	1.0
Regional	24	434.0	8.5
<b>Total</b>	<b>76</b>	<b>5086.1</b>	<b>100%</b>

Source: Commission data, 2018.

Some disasters – notably floods – are prone to strike more than one country simultaneously. Floods occur more often than other forms of natural disaster and are by far the most frequent among the categories of disaster in which the EUSF has intervened (see Table 3).

**Table 3: Applications by type of disaster (n=126)**

Type of disaster	Approved	Rejected	Withdrawn
Cyclone		1	
Drought	1		
Drought & Fires	2		
Earthquake	7		1
Explosion			1
Flood	48	16	
Floods and Mudslides		1	
Forest fires	4	23	1
Naval base explosion		1	
Oil spill	1		
Severe winter conditions	2	3	
Sludge Spill		1	
Storm	10	1	
Volcanic Eruption & Earthquakes	1		

Source: Commission data, 2018.

This initial overview of the applications to the EUSF shows the following.

- The pattern of applications varies greatly over time because it reflects the unpredictable incidence of the different sorts of disasters.
- However, it is also important to note the effects of the revision of the eligibility criteria for regional disasters in the Regulation as amended in 2014. An expected

result of this was to ensure that clearly ineligible applications are no longer presented.<sup>30</sup>

- The bulk of the support from the EUSF has been allocated to the category “major disaster”. This is understandable: the Fund was designed for major disasters which have, by definition, a larger scope of impact and damage.<sup>31</sup> The relatively low proportion of ‘neighbouring country’ approvals is in line with the expectation that these would be granted under exceptional circumstances.

### **3.1.3 Duration of the application process**

The EUSF was amended in 2014 in part in response to concerns expressed by the EP, ECA and others that the Fund had been slow to respond to flooding in central Europe. As noted earlier, the Cicu report from 2016<sup>32</sup> considered the application process still to be too lengthy, despite the 2014 reform.

In this context, the duration of the period between the disaster and submission of the application is important. Nevertheless, before assessing this process it is important to note some caveats.

First, although there is an expectation that support will be provided in a timely way to achieve EUSF goals, it should be reiterated that EUSF was not conceived as a rapid response instrument. Second, although the duration of the application process, from the date of the disaster to submission to the European Commission, is formally fixed at a maximum of 12 weeks (ten weeks prior to the reform in 2014), it varies in practice because of the possibility of updates that include new information or responses to requests from the Commission. There are instances where applicants struggling to meet the submission deadline have informed the E1 Unit that they will submit in the knowledge that they will have to provide more information in an updated submission. There have also been cases where disasters occur over an extended period and applicants have had to submit new versions to reflect changing circumstances (e.g. the revision and resubmission where forest fires have spread, as in the case of forest fires in Portugal in 2016).

Consequently, assessments of the duration of the application phase have to look not just at submission according to the deadline stipulated in the EUSF regulations, but also the effective duration of the application process. Given the extension of the deadline following the 2014 reform, it is useful to divide this assessment of the duration of the application process between pre and post-reform periods.

#### **(a) Pre-reform period**

In the pre-reform period, 110 applications were made to the fund.<sup>33</sup> The following analysis covers 103 of these applications. This discounts three withdrawn applications and the first four EUSF applications which were accepted retroactively for which there is no data.

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<sup>30</sup> European Commission (2016) *European Union Solidarity Fund Annual Report 2015*, Report from the Commission to the European Parliament and the Council.

<sup>31</sup> European Court of Auditors (2008) *The European Union Solidarity Fund: how rapid, efficient and flexible is it?* Special Report No. 3/2008, Luxembourg.

<sup>32</sup> European Parliament (2016) *Report on the European Union Solidarity Fund: an assessment* – rapporteur: Salvatore Cicu, A8-0341/2016, Brussels.

<sup>33</sup> This includes 3 cases that were subsequently withdrawn.

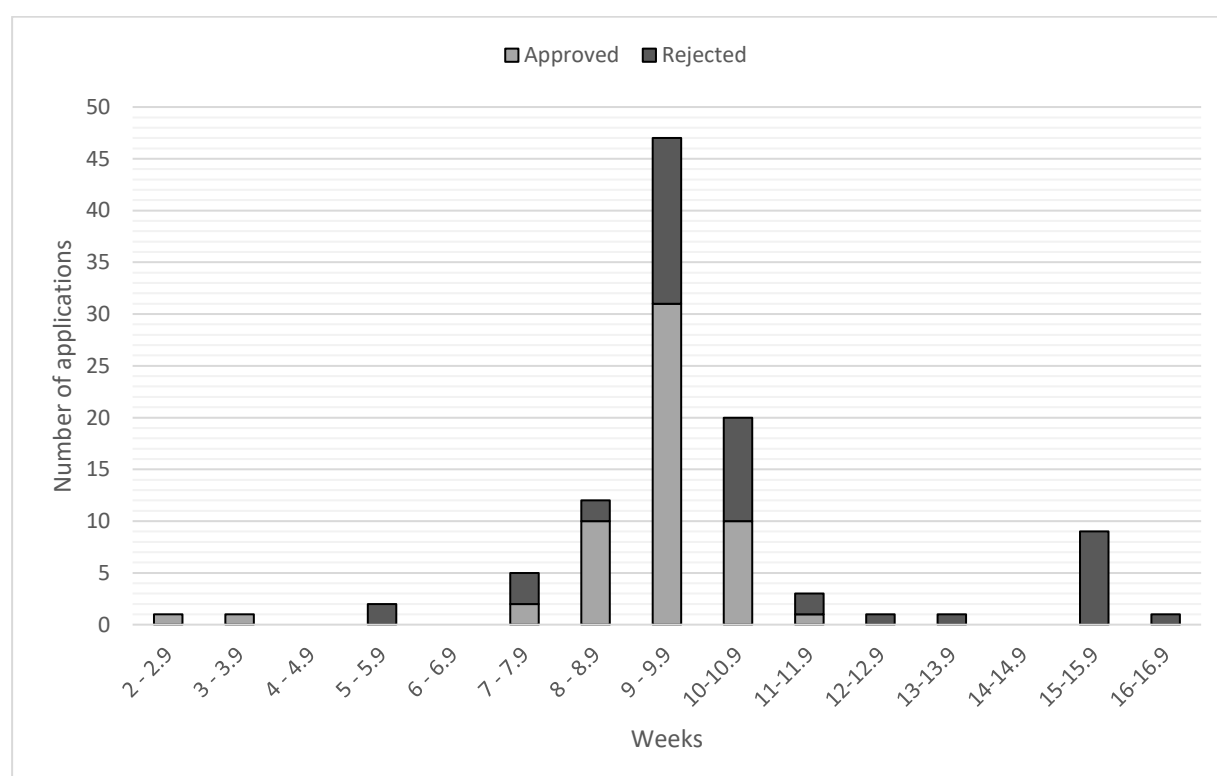


Analysis of the time taken for submitting applications indicates that applicants used most of the stipulated 10-week period following the disaster. Figure 8 shows that 80 out of 103 pre-reform applications were submitted 8-10 weeks after the disaster. All of the 60 accepted cases met the regulatory deadline of ten weeks to submit applications and 51 of them submitted between 8-10 weeks.

For rejected cases, 27 out of 47 sent their applications within 8-10 weeks, 15 of the rejected cases missed the ten-week deadline for submission. Between 2002 and 2016 all cases that missed the application deadline were subsequently rejected.

Some applications were submitted well in advance of the deadline. A total of 17 applications were submitted within 7-8 weeks of the disaster. Five of these were cases that were subsequently rejected by the Commission. However, it should be noted that these applications all concerned 'regional' categories of disaster which were generally problematic and were often rejected in the pre-reform period whether they were submitted early or not. The type of disaster covered in these applications (i.e. fires, floods, earthquakes etc.) varied but there was no clear relationship with early submission and rejection.

**Figure 8: Submission of applications up to 10-week deadline (n=103)\***



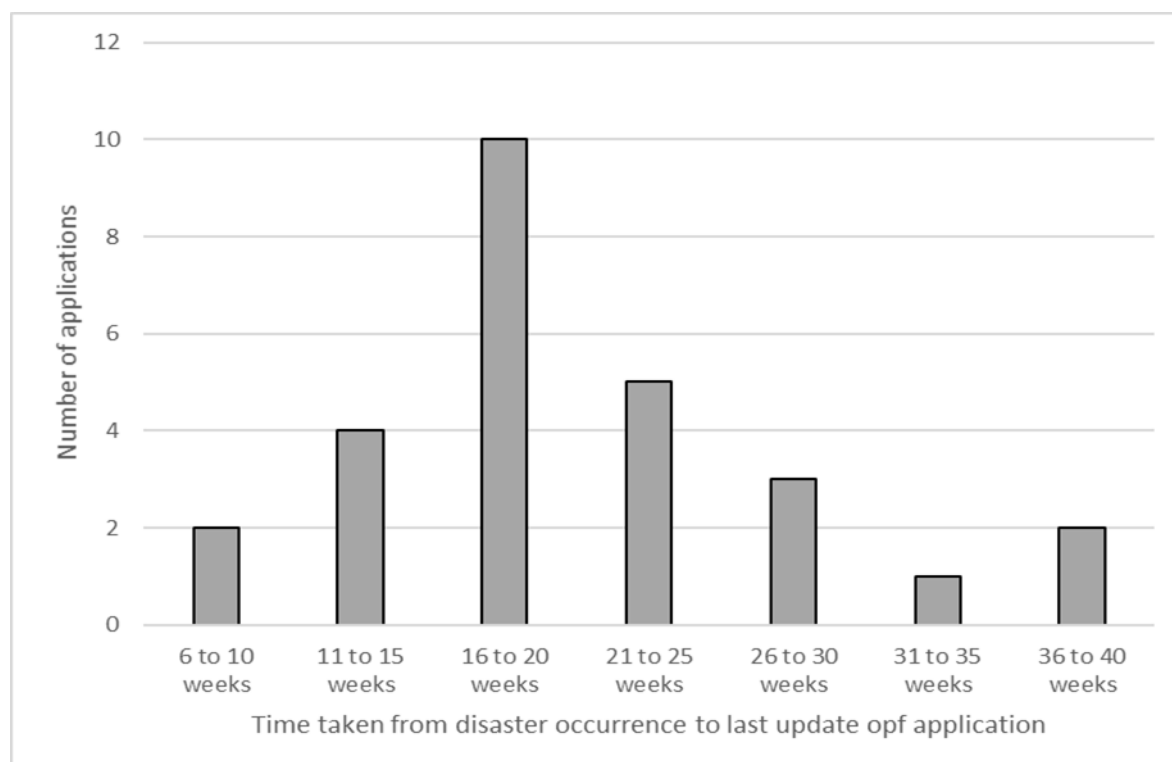
Source: Commission data, 2018.

\*Note that there is one accepted case over 11 weeks, this refers to a case retroactively accepted by the Commission for which there are data: the volcanic eruption in Italy in 2003.

A substantial number of cases were required to resubmit updates or revised applications. From the data collected, 53 applications required further updates and resubmission. This update process included applications that were eventually rejected. Of the 47 pre-reform rejected applications (there have been no rejected applications thus far in the post-reform period), 26 were required to provide updates. The majority of these concerned 'regional' disasters (again there was no clear relationship between the type of disaster and the need for updates). Additional information was requested for one of three withdrawn cases, the 2004 earthquake in Slovenia.

A sizeable number of accepted cases (27 out of 60) required updates in the pre-reform period. This extended the application period, sometimes considerably. Sixteen of the 26 cases concerned 'major' disasters, eight regional cases and three neighbouring cases. Again, the type of disaster (fires, floods, earthquakes etc.) varied but with no significant relationship with the need for updates. For these 27 cases, the process of updating the application extended the duration of the process, in some instances significantly. Eleven cases took between 20 and 30 weeks after the disaster to submit revised applications and two took between 36 and 40 weeks (see Figure 9).

**Figure 9: Duration after disaster for submission of accepted, updated applications (n=27).**



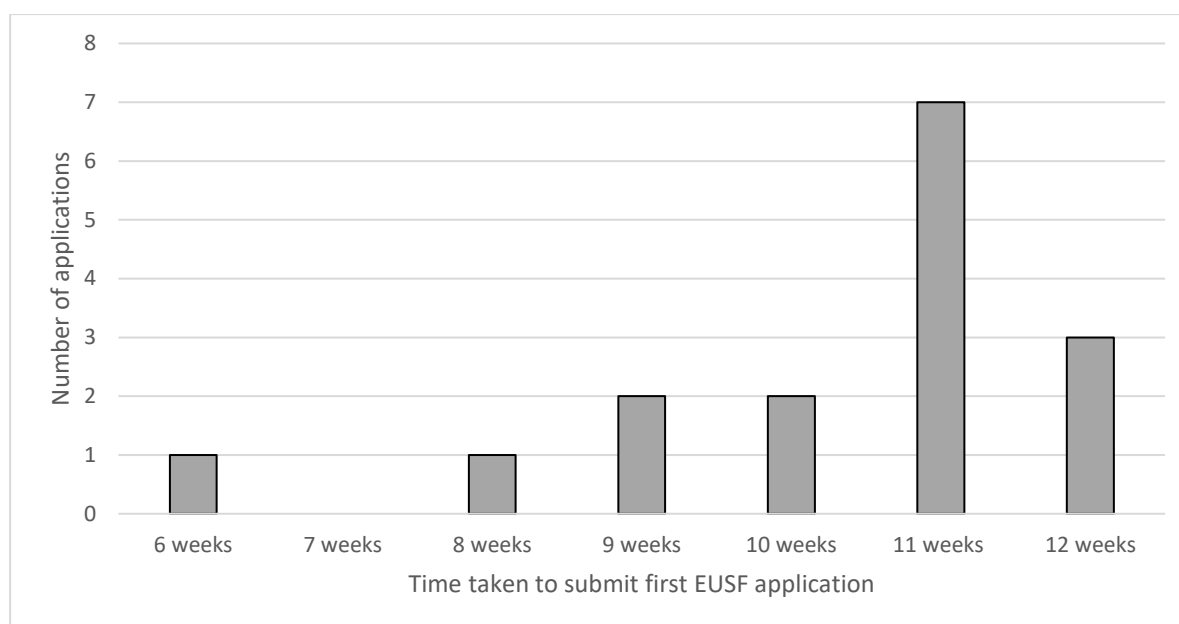
Source: Commission data, 2018.

### (b) Post reform period

In the post-reform period, covering 16 cases between 2014 and 2016, the deadline for submission of applications was extended to 12 weeks. All cases were accepted and met the deadline, with a large majority again submitting on or near the target date (ten applications were submitted around 11-12 weeks after the disaster event – see Figure 10).

An interesting exception in this respect is the case of forest fires in Portugal in 2016 (case 125), where the initial application was submitted very quickly (6.3 weeks) but was ineligible at that stage. However, the fires spread and a new application reflecting the changed situation was later accepted. This illustrates the challenges authorities face in making an application when disasters are ongoing.

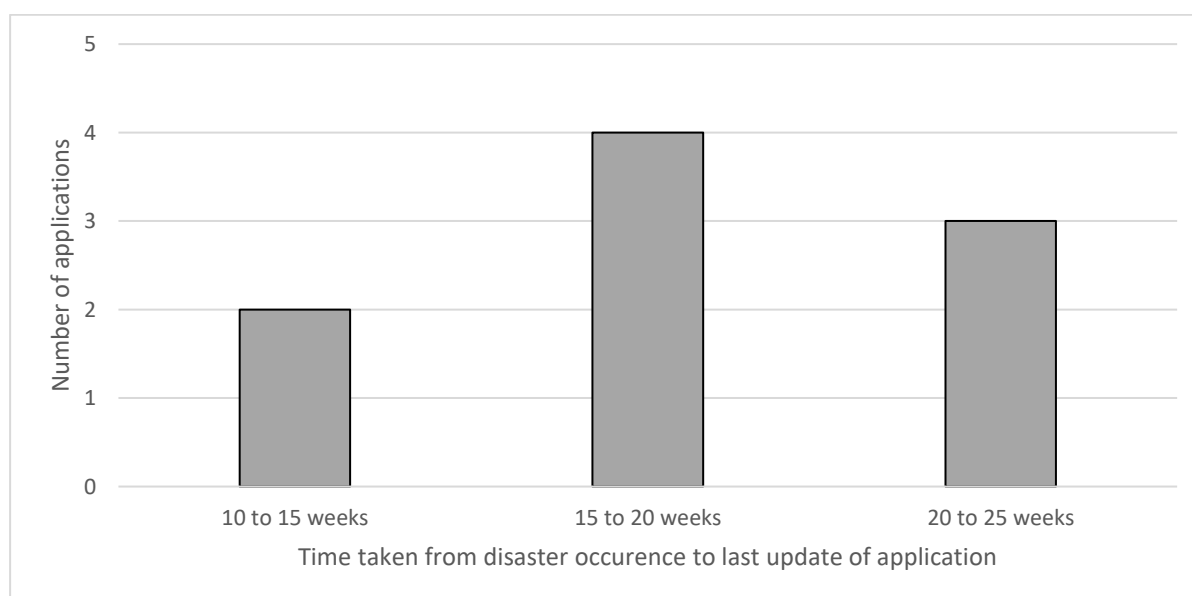
**Figure 10- Submission of applications according to 12 week deadline (n=16)**



Source: Commission data, 2018

According to the data collected, nine of these 16 cases required updated applications. In seven of these cases, the submission of updated applications took between 16 and 25 weeks after the disaster. These cases include a mix of categories and type of disaster. The small sample size means that it is difficult to identify significant relationships between these characteristics and the duration of the update process.

**Figure 11: Duration after disaster for submission of updated applications (n=9).**



Source: Commission data, 2018.

Comparing the duration of the application process in the pre and post-reform periods, it can be concluded that:

- In both the pre-reform and post-reform periods, a substantial majority of applicants have used the maximum time available for submission. The extension of the application deadline to 12 weeks after the 2014 reform has not changed this pattern.

- In the pre-reform period, four applications were submitted within six weeks of the disaster. These were mainly 'regional' disasters which were subsequently rejected. In the post-reform period, there is only one case of a very early submission, where the initial application was not eligible but the ongoing nature of the disaster meant that a successful application was submitted close to the 12-week deadline.
- In both periods, significant proportions of applications have required updates following the initial submission. Some of these revisions have been made in a relatively short space of time, but a substantial number in both periods have taken several months (the update process is assessed below).

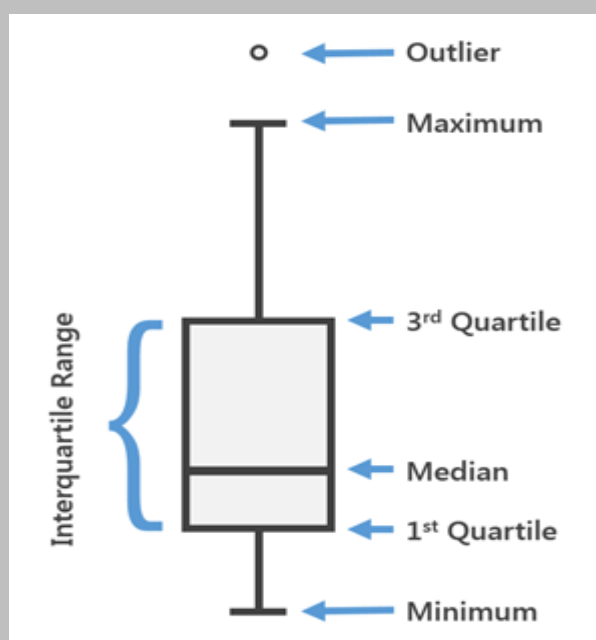
### 3.1.4 Factors influencing the application process

#### (a) Category of disaster

Figure 12 presents a boxplot (see Box 1 for explanation) showing the variability and distribution of pre-reform cases according to the timespan between the date of the disaster and the submission of the application (or the last update of the application, if later) in weeks. Across all categories, the median, representing the mid-point of the data, is close to, or on, the ten-week deadline, indicating that around half of submissions met the deadline without any need for updates.

#### Box 1: Boxplot presentation of data

A boxplot is a graph that displays the distribution and variation of data. They are useful for comparing data as five figures (seen in example below) split the data evenly into four sections (each containing 25 percent of the data). A smaller distance between two quartiles shows reduced variability, as 25 percent of the data is within the smaller area.



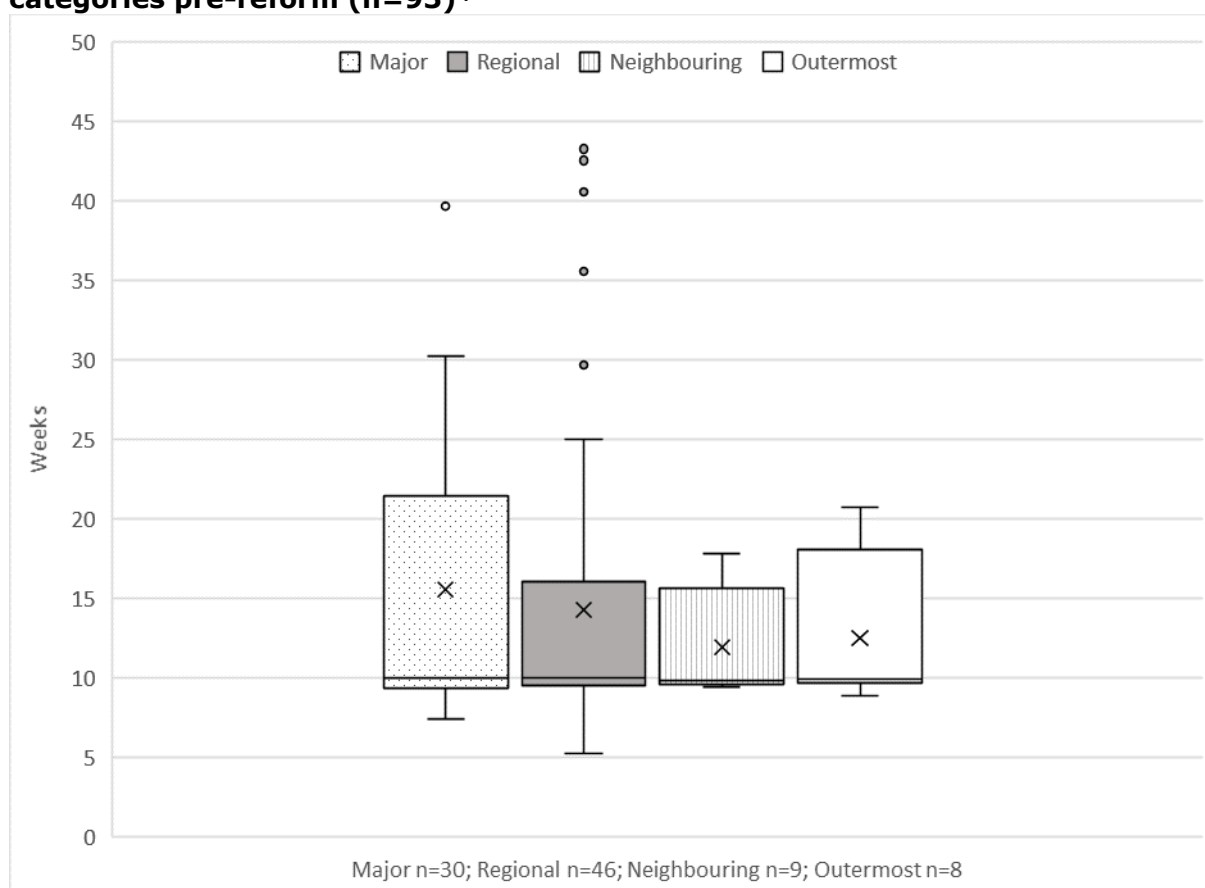
Median = middle value in the data set  
 Mean = sum of all data divided by number of data values

Figure 12 shows that there is more substantial variation above the median line, in comparison to the data within the first and second quartiles. The data above the median covers the update process as part of the time taken to complete the final application.

- For the 33 **major** applications, for which data were collected in the pre-reform period, 16 required subsequent updates.
- For **regional** cases, 31 of the 57 applications required revisions.
- Among the ten **neighbouring** cases, nine were submitted during the pre-reform period and three of these required additional information.

The variation in application duration is greatest among major disasters, the category which has had the most applications. It is also worth noting the presence of some high-value outliers in regional disasters, for example floods which affected Greece in 2006 and Italy in 2011 had application completion times of 35.6 weeks and 40.6 weeks respectively. This illustrates the issues some applicants had with uncertainties in eligibility criteria for regional disasters (a problem which was addressed in the 2014 reforms). There is less variation in neighbouring and outermost cases, however the sample size for these categories is small and therefore results should be interpreted with caution. The highest mean value (represented by 'X') duration is for major disasters (15.6 weeks from the disaster), followed by regional (14.3 weeks).

**Figure 12: Variation in weeks taken to complete pre-reform applications between categories pre-reform (n=93)\***



Source: Commission data, 2018

\*Note: Date of last update/application date is unavailable for the first four EUSF interventions, for IT51-59 and for RO109. Three withdrawn cases are also discounted from this analysis.

Turning to the post-reform period Table 4 sets out variation in the mean number of weeks taken to complete applications, including updates from the time of the disaster. Assessing variation in duration is questionable because of the low number of cases involved. However, there has been a reduction in the mean time spent on updates in comparison to

pre-reform cases. 'Major' and 'regional' categories show a reasonable mean time of 2-3 weeks beyond the 12 week deadline for submission. In the pre-reform period, taking into account the shorter application deadline, the mean time taken for the update process after initial submission was 4-5 weeks. The 'neighbouring' category has a value of almost 20 weeks, but this refers to only one case.

**Table 4: Variation in weeks taken to complete applications between categories post-reform. (n=16)**

Category	Cases	Mean number of weeks from disaster
Major	6	14.9
Regional	8	15.8
Neighbouring	1	19.7
Outermost	1	10.6

Source: Commission data, 2018.

### (b) Nature of disaster

There is some variation in the time taken to submit applications according to the nature of disasters (see Table 5). In the pre-reform period, applications related to severe winter conditions took on average almost 25 weeks, but not too much should be read into this given the very small numbers of some types of disaster. In the post-reform period, flooding is the only type of disaster with a substantial number of cases, and here the average duration of the application process is similar to that for pre-reform flood applications.

**Table 5: Mean time period between disaster and submission of application, types of disaster (weeks) (n=109).**

Type of disaster	Mean time period (weeks) between occurrence of disaster and application completion			
	Pre-reform		Post-reform	
	Mean time period	Cases	Mean time period	Cases
Severe winter conditions	24.9	3	12.0	1
Earthquake	9.9	5	20.6	2
Floods	14.3	49	14.9	11
Forest Fires	11.2	17	10.6	1
Storm	15.5	11	:	:
Other	17.6*	8*	18.4**	1**
		93		16

Source: Commission data, 2018.

\*Note: Pre-reform Other includes: an oil spill, a volcanic eruption, a drought, a flood/mudslide, a sludge spill, a naval base explosion, a drought/fire and a cyclone.

\*\*Note: Post-reform Other includes: one case of drought/fires.

Note: Three withdrawn cases have been discounted; data is unavailable for IT51-59, the first four cases and for RO109.

### (c) Applicant country

It is important to take account of the administrative context in applicant States in considering the application process. The bodies dealing with the EUSF, many of which are also the beneficiaries, typically include departments within a ministry, national water, energy and other utility companies, and regional or local authorities. There is variation in

the combination of these implementing bodies across countries, depending on existing administrative arrangements. For instance, in many Central and Eastern European cases, implementation tasks are largely the responsibility of national authorities while in countries with devolved or federal structures (such as cases in Austria, Italy and Germany), regional and municipal authorities have more substantial roles.

At the application stage, there are administrative challenges in estimating damages caused by the disaster in specific territories, in identifying the best potential use of the funds and in demonstrating compliance with regulatory requirements (e.g. concerning public procurement). Focusing on the pre-reform period, Table 6 presents the number of applications (accepted and rejected), submitted by countries and the minimum and maximum length of time it has taken for authorities in these countries to submit applications (including those applications that were revised after their initial submission).

**Table 6: Applications by country and duration of applications - pre-reform (n=93)\***

Country	Number of applications		Duration of application completion	
	Accepted	Rejected	Min no. weeks	Max no. weeks
AT	3		9.7	20.4
BG	2		8.9	11.0
CY	1	3	7.0	27.6
CZ	3		9.4	9.7
DE	2	1	9.6	26.0
EE	1		21.3	21.3
EL	3	4	8.7	43.3
ES	3	16	5.3	16.1
FR	5	3	8.0	20.6
HR	4		9.7	10.0
HU	2	2	10.0	30.3
IE	1		29.7	29.7
IT	7	6	8.3	40.6
LT	1		17.9	17.9
LV	1		8.7	8.7
MT	1		8.0	8.0
PL	1		10.0	10.0
PT	2	1	7.4	20.7
RO	5		9.9	39.7
SE	1		19.7	19.7
SI	4		8.9	10.0
SK	2	1	9.4	21.1
UK	1		19.4	19.4

Source: Commission data, 2018

\*Note: Three withdrawn cases have been discounted; data is unavailable for IT51-59, the first four cases and for RO109.

Again, comparison with the post-reform period is challenging giving the limited number of cases. Table 7 sets out the time period for submission by country.

**Table 7: Applications by country and duration of applications from time of disaster - post-reform (n=16)\***

Country	Cases	Minimum (weeks)	Maximum (weeks)
BG	3	9.6	12.0
CY	1	18.4	18.4
DE	1	11.9	11.9
EL	3	11.1	16.1
HR	1	10.7	10.7
IT	2	16.7	25.0
PT	1	10.6	10.6
RO	2	19.7	24.1
RS	1	13.7	13.7
UK	1	22.9	22.9

Source: Commission data, 2018.

\*Note: All post reform cases were accepted.

Taking both periods together, there is significant variation across countries in the number of applications submitted, their success and the range of time taken to submit. This makes a comprehensive categorisation of countries according to application duration of limited value. However, it is possible to highlight some key points.

Italy and Spain are by far the most frequent applicants to the Fund. However, they differ significantly in their experiences. Italy has more variation in the duration of its applications, with a maximum of 41 weeks. Nevertheless, it has had more applications accepted, in absolute terms. Italy also provides an example where frequent applications have prompted a learning process. According to the E1 Unit, applications from Italian authorities have evolved and improved considerably over time. Italy is one of the most frequent EUSF applicants and has built strong contacts with the Commission and substantial experience in writing applications.

The EUSF Annual Report highlights the earthquake in Emilia-Romagna in 2012<sup>34</sup> as a case where support was made available in a very short space of time for the biggest disaster in the history of the Fund up to that point. This included the submission of an application ten weeks after the date of the disaster that required no further updates. According to the EUSF Annual Report the rapid release of funds could “only be achieved with the good cooperation of the applicant States as was the case here”.<sup>35</sup>

Several countries have made a comparatively moderate number of applications but have had most if not all accepted with a maximum duration of 20 weeks or less. This includes several countries from Central and Eastern Europe: Bulgaria, Czech Republic and Slovenia and Slovakia have made multiple applications, while Poland and the Baltic countries have made single applications.

Other countries have made only one or two applications but with a range in duration that includes some high values. In some of these cases, communication between the Commission and the applicant has been limited. For instance, in the case of the 2009 floods in Ireland, the applicant authorities made an initial submission in January 2010, the

<sup>34</sup> Further detail is provided in the Task 3 Case Study Report for this case.

<sup>35</sup> European Commission (2013) *European Union Solidarity Fund Annual Report 2012*.



Commission requested additional information in March, but work on finalising costings in the application meant that the Irish authorities did not respond until June 2010.

#### **(d) The challenge of damage estimation**

The issue of damage estimation is of critical importance for the functioning of the EUSF. It is the criterion based on which the EUSF application is accepted or rejected. Moreover, the estimation provides the basis for calculating the size of EUSF support. Member States applying to the Fund must provide estimated amounts of direct damage broken down according to sectors and cost of operations. This often involves national and sub-national authorities with the assistance of international experts.

There is a reasonable correspondence between the initial estimated damage included in EUSF applications and the total direct damage accepted by the Commission (see Figure 13). Nevertheless, the challenges involved in assessing the cost of disasters are substantial. An OECD report in 2018 concludes that data on the economic impact of disasters are often scarce, especially for smaller-scale disasters. Where data are available, it is often not clear to what extent the estimates include both disaster damages (direct economic impacts) and losses (indirect economic impacts). In many countries, data on the public resources engaged in disaster risk management are similarly hard to identify.<sup>36</sup>

Across the EU, evidence from applications, the Commission assessments and the implementation reports indicates that the access of contracting authorities to data on damage, administrative resources and legal and technical knowledge to meet these challenges varies. These challenges are greater where the effects of the disaster are still unfolding and the onus is on authorities to launch interventions while some potentially important data are unavailable.<sup>37</sup> For instance, in the case of the earthquake in Italy in 2016, the authorities submitted an application within the 12-week deadline. In this application, the Italian authorities stressed that due to the second series of earthquakes at the end of October the damage assessment was still incomplete, that the relevant figures were only provisional and that more time was needed for the assessment of the damage. On 18 January 2017, shortly before the intended submission of the updated application, a third series of severe earthquakes occurred. On 15 February 2017, 25 weeks after the initial occurrence of the disaster, the Italian authorities presented an updated application with revised estimates including all damage caused between 24 August 2016 and 18 January 2017.

The situation is complicated further where applications rely on inputs from a range of authorities with different levels of experience and administrative capacity or where the nature of the disaster causes specific challenges to damage estimation. For instance, in the case of the 2012 drought in Romania, the EUSF application was submitted on 2 November 2012, ten weeks after the date of the disaster. However, having carried out an assessment, the Commission requested a review of the amount for total direct damage in the application. The Commission highlighted that as a slowly evolving disaster, the application should take the date of the disaster as the date when it is presumed to have peaked and asked the Romanian authorities to revise estimates accordingly. The final, revised application was resubmitted on 30 May 2013, 40 weeks after the date of the disaster. The coordinating authorities noted the challenges involved in the assessment of

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<sup>36</sup> OECD (2018) *Assessing the Real Cost of Disasters: The Need for Better Evidence*, OECD Reviews of Risk Management Policies, OECD Publishing, Paris.

<sup>37</sup> European Court of Auditors (2012) *The European Union Solidarity Fund's response to the 2009 Abruzzi Earthquake: the relevance and cost of operations* p17.

the value of the damage and the preparation of the application form, drawing together supporting documents from different institutions in a timely manner.<sup>38</sup>

In total, 35 of the 76 accepted cases were required by the Commission to provide additional information. Table 8 sets out the types of update requested from 23 cases where data was collected. Commission requests in these cases often covered multiple points to be addressed, including more than one under each type.

**Table 8: Categorisation of updates among accepted application (n=23)\***

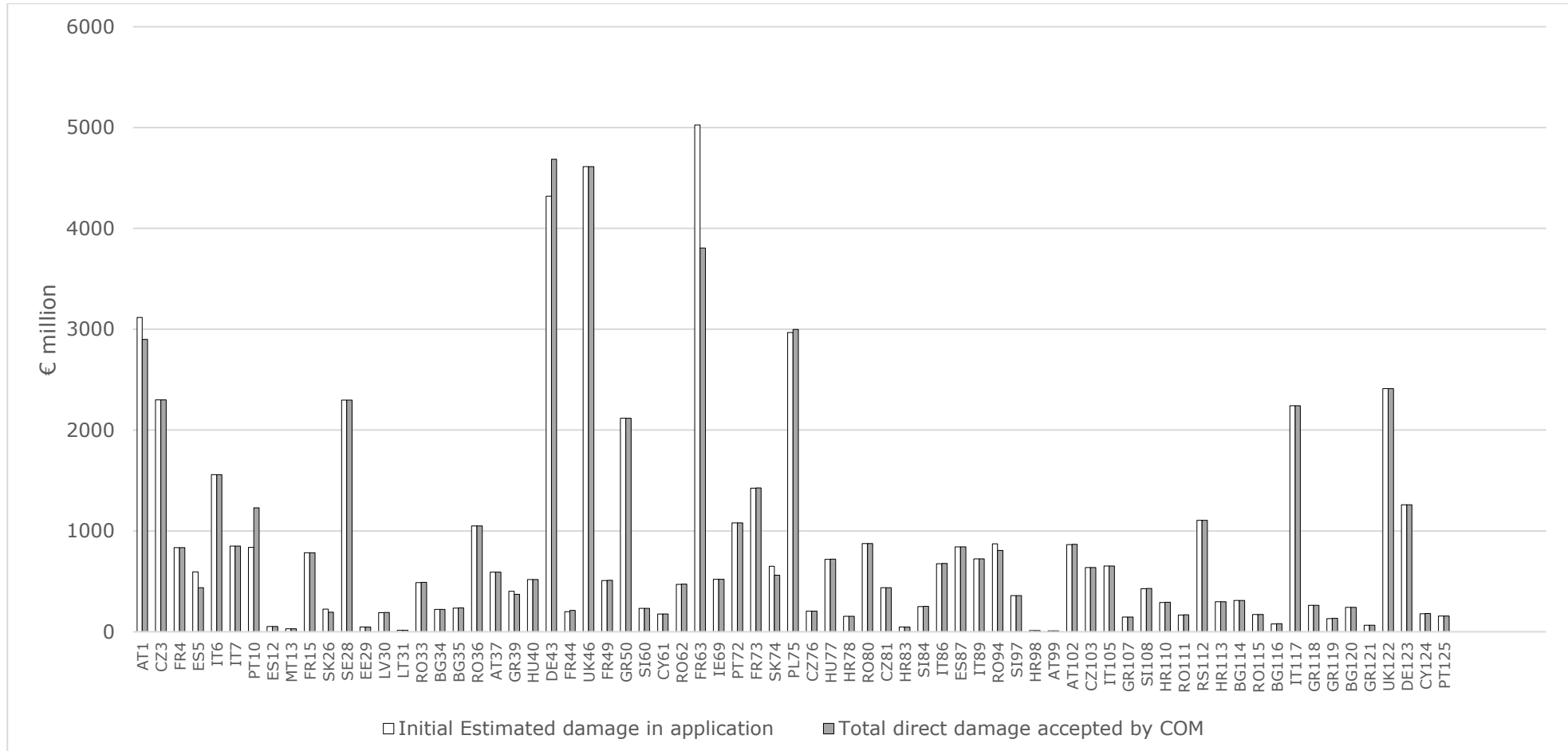
Type of update	Number of requests
Clarification/methodology of damages	29
Costs of eligible/ineligible operations	14
Exchange rates	4
Insurance	3
Details/effects of disaster	5
Revision of application submitted	3
Other	4

Source: Commission data, 2018.

\*Note: within a letter requesting additional information, the Commission services frequently include more than one point for clarification. The 23 applications covered in this table encompass 62 separate points of clarification requested by the Commission.

<sup>38</sup> Implementation Report of the EUSF in Romania – Drought and Fires in summer 2012.

**Figure 13: Comparison of initial estimated damage and total direct damage accepted by the Commission (n=71\*).**



\*Note: DE2, IT64, IT91, DE101 & IT126 were excluded for the purpose of this analysis due to their large values.

An assessment of these applications shows that the most frequently requested additional information concerns estimation of damages. This includes the clarification of damage figures or the methodologies used to calculate them. As an example, in relation to the case of the storm of 2005 in Lithuania, the Commission asked for further detail on the calculation of total volume of timber covered and associated prices, broken down into different tree species. Moreover, the Commission noted that it could only consider direct damage.<sup>39</sup> This also includes specific Information regarding the costs of eligible/ineligible operations. In the case of forest fires in Greece in 2007, the Commission noted that "reforestation costs" could only be considered in the case of a non-commercially exploited forest (e.g. a national park), where the cost of the disaster is the cost of re-instating the status quo ante and asked the Greek authorities to confirm that this was the case. The Greek authorities were also asked to confirm that the damage assessment included only those forest fires that occurred after the date indicated as the starting date in the application and that the eligible expenditure was restricted to the regions referred to in the application, which were affected after the starting date of the disaster.<sup>40</sup>

It should be noted that the Commission also issued requests for often very specific pieces of other information, including the exchange rates used in calculations. For instance, in the case of the floods in Poland in 2010, the Commission response to a draft application referred the Polish authorities to the exchange rate published on DG BUDG's website, noting that the correct exchange rate to be used is the one of the time of application.<sup>41</sup> Some updates also covered clarification of insured and non-insured damage estimations. For example, a Commission letter to the Slovak authorities concerning its application for support following floods in 2010 asked for information on all insured and non-insured direct (physical) damage to public and private (households, businesses, in agriculture).<sup>42</sup> Some applications were required to include additional details of the disaster and its effects. For example, in the case of the snow emergency in Italy in 2012, the Commission invited the Italian authorities to provide additional information concerning the serious and lasting repercussions (for more than a year) on living conditions and on the economic stability of the area affected.<sup>43</sup>

There is substantial variation in national systems for collecting data on damages. Different institutions, from national to municipal level, are active in the collection of data for economic losses from disasters and information is not always centralised in one national database.<sup>44</sup> However, there are examples from EUSF beneficiary countries where national systems for data estimation have addressed the challenges noted above and helped to ensure the timely submission of quality applications. For instance, estimating damage in the private sector can be particularly challenging in some countries. German authorities check with insurers to see what claims have been made as a result of the disaster and then extrapolate estimates on this basis. The Austrian approach to damage estimation in EUSF

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<sup>39</sup> EUSF Application Form – Storm in Lithuania in January 2005.

<sup>40</sup> European Commission letter to Greek authorities on EUSF application – Forest Fires in Greece in August 2007.

<sup>41</sup> European Commission letter to Polish authorities on EUSF application – Floods in Poland in May 2010.

<sup>42</sup> European Commission letter to Slovak authorities on EUSF application –Floods in Slovak Republic in May 2010.

<sup>43</sup> European Commission letter to Italian authorities on EUSF application –Snow and Frost in Italy in February 2012.

<sup>44</sup> OECD (2018) *op. cit.*

applications, based on the national system, can be seen as a case where different levels of administration contribute to a comprehensive methodology (see Box 2).

**Box 2: Damage estimation in Austrian EUSF applications<sup>45</sup>**

The Austrian system of financial assistance after natural disasters involves 'municipal damage commissions' collecting data and evaluating the damage as local experts. The commissions, which consist of local councillors, experts and administrative staff, are responsible for visiting sites to draw up damage reports. These reports are forwarded to the Federal or State Governments as required for assessment and initiation of the disbursement of the aid. Most of the damage estimates for a EUSF application are therefore based on municipal assessments. In the field of preventative infrastructure, experts from the Torrent and Avalanche Control Department, the Federal Water Authority and the local waterway administration also collect information and assess damage

In the case of the 2013 flood, where the application was submitted within the 10 week deadline and where no updates were requested by the Commission, three methods of assessing damage were used, depending on the availability of the data (the last two methods were used only in selected instances

- direct assessment and evaluation of damages based on known costs;
- if this was not possible, an estimate was made using experience and averages in conjunction with the known extent of damage; and
- if the previous steps were not possible a plausible estimate using the best-available information was made.

**3.1.5 Summary assessment of the application stage**

- Although EUSF was not conceived as a rapid response to emergencies, the duration of the application process is important in ensuring funding reaches disaster areas in a timely manner. In both the pre-reform and post-reform periods, a substantial majority of applicants have used the maximum time available for submission. The extension of the application deadline to 12 weeks after the 2014 reform has not changed this pattern.
- Although applicants submit on time, a substantial proportion of cases have required updates. This extended the application process, sometimes considerably, adding weeks or in some cases months to the application phase. There is evidence that the time taken for applications to be updated has shortened in the post-reform period, although the number of EUSF cases since 2014 is comparatively low. Several factors can contribute to this shortening, including the extended deadline for application submission in the post-reform period (potentially allowing a better initial application, accumulated experience at member state level and enhanced Commission guidance.
- In the pre-reform period, there were often problems with applications under the regional disaster heading, reflected in a high proportion of rejected applications and in some lengthy processes of application updates. Although relatively early in the

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<sup>45</sup> BMI Austria, Summary application to mobilise the European Union Solidarity Fund (2013), BMI-ZB1330/0008-II/13/a2013

post-reform period, the benefits of clarification of regional disaster eligibility criteria in facilitating timely submission can be identified. It should be noted that the need for updates may be inevitable in some cases (e.g. unfolding disasters).

- Four applications were accepted under the outermost criteria, FR44, FR49, PT72 and PT125 (all pre-reform) were assessed under outermost criteria and subsequently accepted. Five outermost region cases were rejected (ES42, ES48 ES93, PT100 and FR106). The reason for rejection for all five cases was that the 'criteria were not met'.
- A crucial issue in the application process is the estimation of damages. This has been challenging for many applicants and is the cause of the majority of requests for updates. Although there are examples of good practice where applicant States have drawn on strong experience and comprehensive domestic systems, other countries have limited capacity to provide detailed estimates of damages and costings quickly. This highlights the need for further work at both national and EU levels to develop standard methodologies to measure the damages resulting from disasters.
- There is some variation among applicant States in the success rate of applications and the range of time taken to submit. There are examples where the efficiency of the application process has benefited from the experience of multiple applications over the years, and cases (notably Italy) where strong contacts have been established with the Commission and a learning process has taken place. This has facilitated the application process. The dissemination of this valuable experience to other applicants through knowledge exchange would be valuable.

### **3.2 Commission assessment and proposal**

The Commission assessment of applications is the second stage in the EUSF process. It leads to the proposed decision to accept or reject the application and, if the application is successful, determines the amount to be contributed by the EUSF.

From discussions with representatives of the EU institutions, it appears that once the Commission makes its proposal for a contribution, the amount is not altered by the budgetary authorities.<sup>46</sup> The implication is that the latter stage is a procedural one stemming from the fact that the EUSF is outside the ceilings of the Multi-annual Financial Framework (MFF) and allows additional financial means to be entered in the EU budget over and above the ceilings set for the Financial Framework. The phase of Commission assessment of applications thus includes several components, the main issues being: the effective time of Commission assessment and the factors contributing to variation in its duration; reasons for rejection of applications; the types of interventions proposed by the Commission for support; and the proposal for the EUSF grant.

#### **3.2.1 Duration of the Commission assessment process**

On the final submission of the application, including any updates required, the Commission checks eligibility and then decides whether it should propose support for the case to the Council and the European Parliament. As part of this process, the EUSF Unit in DG REGIO calls together an inter-Commission grouping of the relevant DGs (AGRI, MARE, ECHO etc.), DG Budget and the Commission's legal services. The EUSF Unit circulates the relevant

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<sup>46</sup> As explained in interviews with the head of unit E1 and a former Council official

documentation, including work done by the Commission's Joint Research Centre based on scientific analysis of the scale and territorial coverage of the disaster event. There is an exchange of views on the case before a decision is made on whether to propose support for the application.

It is challenging to establish a baseline for the duration of the Commission assessment period. Although there are number of examples of instruments that could provide potential 'benchmarks', they vary widely in terms of the specific objectives of the instrument (e.g. the extent to which it is seen as immediate emergency support) and the institutional procedures involved.<sup>47</sup> Moreover, the duration of the assessment often varies within the instruments themselves, depending on the quality of information available to facilitate the process. Some international examples provided comparative information (see Box 3).

**Box 3: International examples disaster relief assessment processes<sup>48</sup>**

In Australia, a Natural Disaster Relief and Recovery Arrangements (NDRRA) operate to alleviate the financial burden on the states and to facilitate the early provision of assistance to communities affected by disasters. Under the NDRRA, the Australian Government reimburses states and territories for a proportion of their expenditure after a natural disaster. State and territory governments apply to the Australian Government to activate relief and recovery assistance immediately following a disaster. Assistance is intended to be in the nature of an emergency support, rather than to provide compensation for losses or restore lifestyles to their pre-disaster standard. According to NDRRA guidance, the Government assessment process should take 6-8 weeks from receipt of the application, but this is dependent on the time it takes to ascertain that claims concern essential public assets.

In Canada, the Disaster Financial Assistance Arrangements (DFAA) provides federal funds when the capacity of the provincial or territorial government to deal with a disaster has been exceeded (based on a cost sharing reimbursement scheme). An evaluation of cases that contained the dates for both the application and the date of decision found that, on average, DFAA took 11 months to process claims, but with several taking less than six months. This variation was due to a range of factors, including the quality of information provided in the applications, differences between provinces in estimating damages and the proximity of either federal or provincial elections.

The 2014 EUSF Regulation introduced the stipulation that the Commission should assess applications "as quickly as possible as and no later than six weeks after receipt of the application, counting from the date of receipt of the complete application and excluding the time needed for translation, within the limits of the financial resources available". Previously, there was not a precise target time and with this in mind, the analysis of the duration of the Commission assessment is divided into pre-reform and post-reform periods.

**(a) Pre-reform period**

For pre-reform cases, the Commission needed around 17 weeks (mean value) from the time of receiving complete information from the applicant State to making a proposal to

<sup>47</sup> OECD (2015) Disaster Risk Financing: A global survey of practices and challenges, OECD Publishing, Paris, <http://dx.doi.org/10.1787/9789264234246-en>

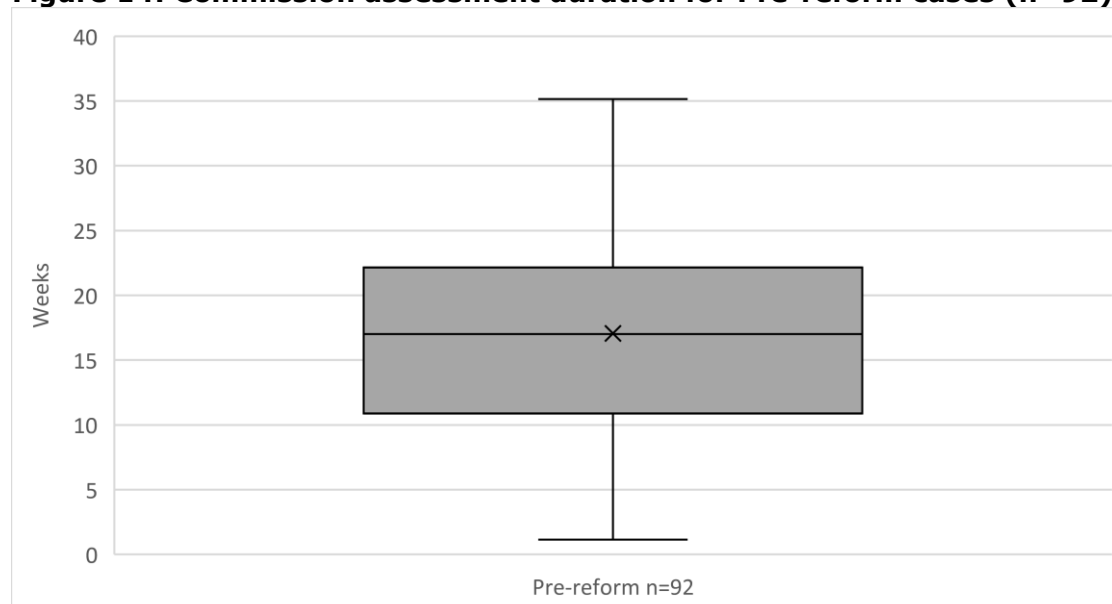
<sup>48</sup> Public Safety Canada (2017) 2016-2017 Evaluation of the Disaster Financial Assistance Arrangements Final Report 2017-03-14

the Council and the EP (see Figure 14). For 40 percent of the cases, the assessment time was longer than 20 weeks.

In the pre-reform period, the longest time period concerned the cyclone which occurred in Martinique and Guadeloupe. The application for EUSF funding was received within ten weeks of the first occurrence of the disaster, and the last update to the application was on 8 January 2008 but the proposal for funding was not made until 10 September 2008.

The shortest assessment period concerned the 2008 drought that occurred in Cyprus in 2008. The application was first submitted on 1 July, and a further update to the application was made on 16 October 2008. The Commission proposal was made on the 24 October, only eight days after the application process was completed. The only other Commission proposal made under four weeks was in the case of the 2005 floods in Greece. The last update to the application was made on 9 September 2005 and the proposal was made on 23 December, two weeks after the application was completed.

**Figure 14: Commission assessment duration for Pre-reform cases (n=92)\***



Source: Commission data, 2018

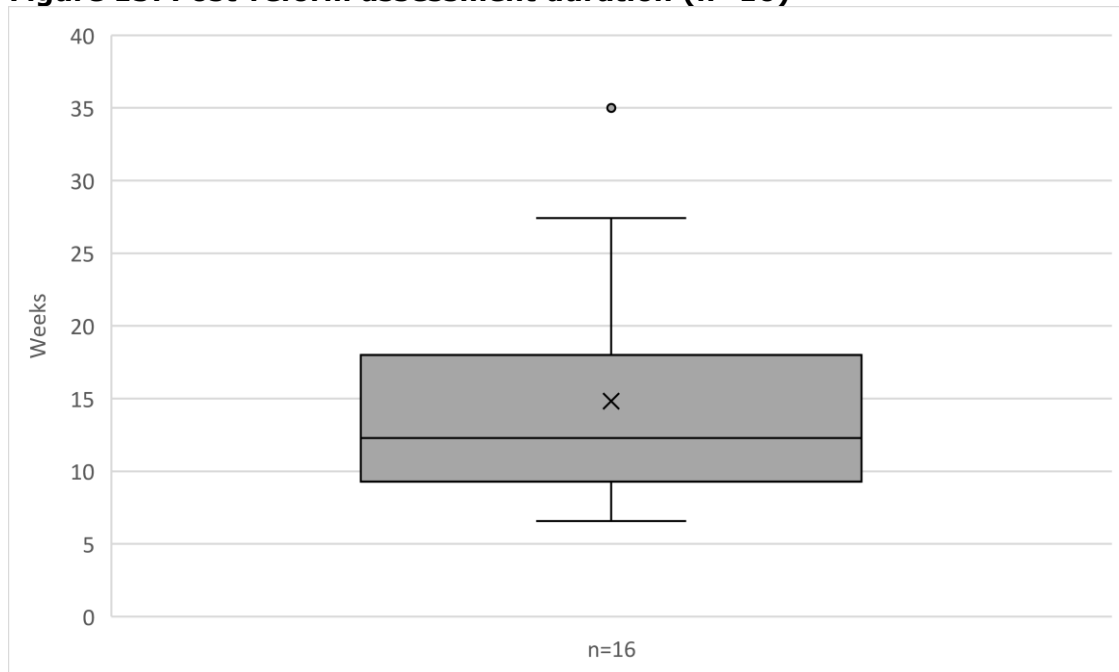
\*Note: Three withdrawn cases are discounted. Data are not available for IT51-59, the first four EUSF cases and RO109. PT10 is excluded from the analysis as additional information was submitted two days after the Commission proposal.

### **(b) Post-reform**

For the post-reform cases, there is a tendency for the process to become slightly shorter (see Figure 15). In these cases, the Commission took on average 14 weeks for the assessment. The longest case relates to flooding which occurred in the UK on 5 December 2015. The application was received by the Commission on 26 February 2016, 12 weeks after the occurrence of the first damage. An update to the application was sent on 13 May 2016. The proposal for funding was then made on 13 January 2017, 35 weeks after receipt of the application by the Commission (though it should be noted that the intervening period covered the EU referendum and its aftermath).

The shortest Commission assessment duration in the post-reform period concerns flooding which occurred on 19 June 2014 in Bulgaria. The application for EUSF aid was received by the Commission on 25 August 2014, ten weeks after the occurrence of the first damage caused by the disaster. The proposal for funding was then made on 10 October 2014, six and a half weeks after the receipt of the application.



**Figure 15: Post-reform assessment duration (n=16)**

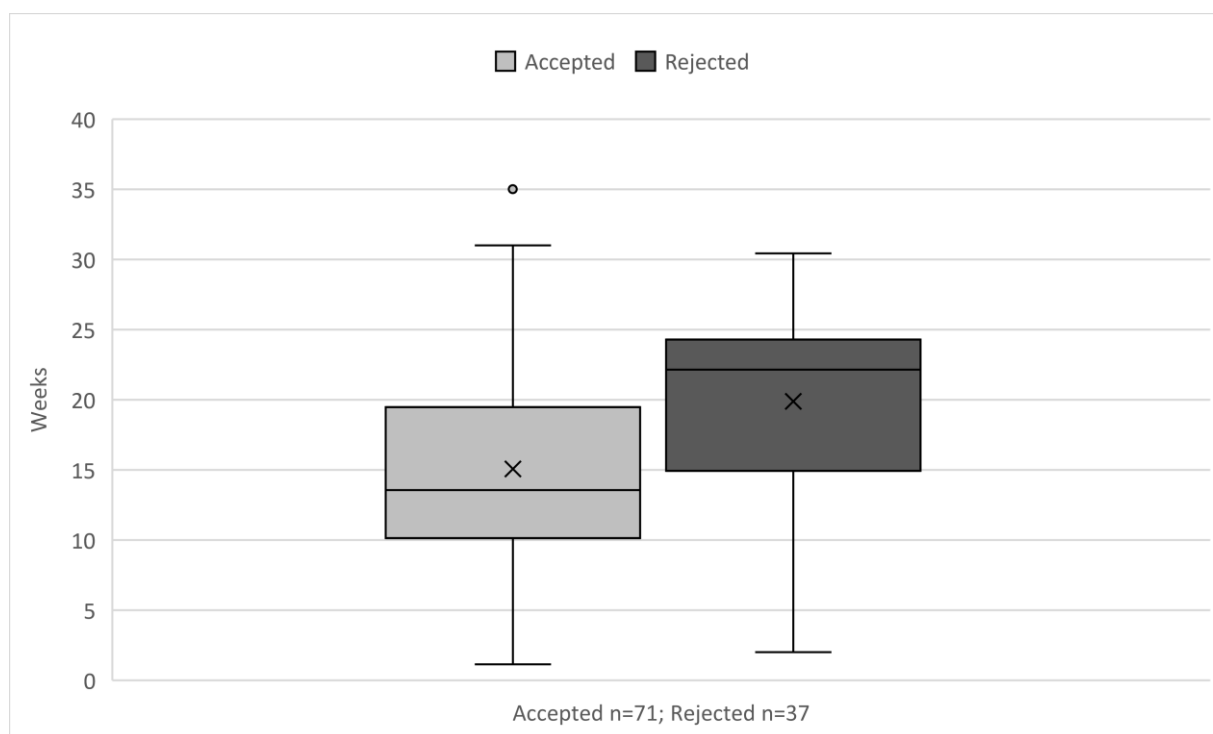
Source: Commission data, 2018.

### **3.2.2 Factors influencing the assessment process**

#### **(a) Accepted/rejected cases**

There is a significant difference in the time taken to assess applications between accepted and rejected cases (rejected cases refer solely to the pre-reform period, (see Figure 16). More time is taken on average on the assessment of applications that are subsequently rejected. Rejected cases had a mean assessment time of around 20 weeks while accepted cases had a mean assessment time of around 15 weeks.

**Figure 16: Time period (weeks) between completion of the application and the Commission's proposal between accepted and rejected cases (n=108)\***



Source: Commission data, 2018.

\* Note: Discounting 3 withdrawn data (n=123) Data are not available for IT51-59, the first four EUSF cases and RO109. PT10 is also excluded from the analysis as additional information was submitted two days after the Commission proposal.

### (b) Category of disaster

There is evidence of some variation in the duration of assessment according to category of disaster (see Table 9). The assessment of 'regional' and 'outermost' categories takes on average longer than other headings. Pre-reform 'major' applications took on average 13.7 weeks to assess while pre-reform 'regional' applications took 19 weeks and 'outermost' applications took 21.8 weeks.

According to the EUSF Unit, the scale of the disaster can also be an important factor in the work required during the assessment process. Larger scale 'major' disasters can often be assessed more quickly as the case being made is likely to be clear-cut. Assessment of smaller scale disasters in regional or outermost areas may often need examination of detailed information and data may not always be as comprehensive or available at these scales.

The duration of the assessment process varies for different categories of disaster before and after the 2014 reforms. As already noted, in the pre-reform period the majority of applications under the category of exceptional regional disasters were rejected due to unclear provisions, suggesting that these were more challenging to assess. As Table 9 illustrates, there has been a reduction in the assessment time taken for 'major' and 'regional' applications, but an increase in the assessment duration for 'neighbouring' applications. The number of cases in the latter two groups, post reform is, however, small and these findings should be treated with caution.

**Table 9: Duration of the Commission Assessment for pre-reform and post-reform cases (n=108)\*.**

Category	Pre-reform (n=92)			Post-reform (n=16)		
	Min	Mean	Max	Min	Mean	Max
Major	1.1	13.7	31	6.6	11.1	18
Regional	2	19	30.4	8	16.4	35
Neighbouring**	8	13.9	20.7	27.4	27.4	27.4
Outermost**	10.9	21.8	35.1	13.6	13.6	13.6

Source: Commission data, 2018.

\* Note: Discounting 3 withdrawn data (n=123) Data are not available for IT51-59, the first four EUSF cases and RO109. PT10 is also excluded from the analysis as additional information was submitted two days after the Commission proposal.

\*\* Note: In the post-reform period, there has been one Neighbouring case and one Outermost case.

### (c) Type of disaster

The nature of the disaster has an influence on the assessment period, with specific challenges for the assessment process e.g. in calculating the starting point of droughts, in deciding the eligibility of flood damage in 'downstream' areas, and in cases where 'follow on' disasters such as earthquake aftershocks occur while the assessment is underway, leading to adaptations. Thus, while there is some difference between types of disaster (see Table 10), it is difficult to draw conclusions on which are particularly challenging to assess.

**Table 10: Mean time-period of Commission assessment by type of disaster (n=108)**

Type of disaster	Mean duration of Commission assessment (weeks)
Drought & Fires (n=2)	15.8
Earthquake (n=7)	15.8
Flood (n=59)	15.2
Forest fires (n=17)	21.6
Severe winter conditions (n=4)	16.6
Storm (n=11)	16.5
Others (n=7)*	19.2

Source: Commission data, 2018

\*Note: Others category includes the following types of disasters for which there was one case; cyclone, drought, floods and mudslides, naval base explosion, oil spill, sludge spill and volcanic eruption and earthquakes.

#### (d) Procedures within the Commission

As noted above, there are different administrative processes within the Commission assessment stage that can account for variation in the duration of the assessment process. Key issues include the following.

- **Availability of Commission staff.** A timely process of consultation relies on the availability of staff in the relevant Directorates-General (e.g. DG ENV, DG AGRI, DG ECHO etc.). The Joint Research Centre also prepares inputs to inform the assessment process. DG BUDG and legal services also have to take part for decisions involving the proposal of grants. The availability of staff from these different services to give immediate inputs into the assessment process depends on other commitments. The time for the assessment process cannot be 'blocked off' in calendars well in advance, as it can for other activities.
- **Translation time.** There is also evidence that the time needed for translation of documents has in some cases delayed the assessment process. The Commission asks beneficiaries to provide applications in English, French or German to speed up the decision process. However, applicants cannot be obliged to do this and forms and annexes are not always submitted in one of the main working languages of the Commission. According to the E1 Unit, translations may require up to six weeks. A conclusion of the ECA Report of 2008 was that the time necessary to mobilise funds depended on key factors, including the rapidity of the Commission and the need for translation. Specific instances are noted in EUSF Annual Reports. For instance, in May 2006 the Greek authorities submitted an application relating to flooding that occurred in March 2006. Supplementary information was provided in July and November 2006, but the translation of this information from the original Greek caused a substantial delay for the assessment of the application<sup>49</sup>.
- There are cases where the duration of Commission assessment has been prolonged by specific technical challenges or when applications have been rejected under one category of disaster, but accepted under another. The Evros flooding in Greece (2006) had a Commission assessment duration of 39 weeks. One explanation for this is found in the closure note where it states that the application required 'detailed technical analysis of the evidence provided'.

The Commission has implemented measures to address bottlenecks and accelerate the process. As noted above, the EUSF application form and guidance have been changed in recent years partly (according to the E1 Unit) to speed up the assessment process. Previously, applicants were asked to provide a summary of the disaster and this could lead to the submission of applications of various lengths and consistency. The new approach encourages applicants to complete only the relevant parts of the form and attach a limited number of annexes with a short summary table and a description of the methodology for damage estimation. Nevertheless, applicants do not follow the guidance and translation challenges may arise. The papers for Commission consultation are prepared in English only, although English and French versions are normally required. The standard procedure for requesting the formal opinion of other DGs on the contents of a proposal is normally set at 15 working days if the documentation is longer than 20 pages or ten days (two weeks) if it is less. In the case of the EUSF it can be shortened to five working days.

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<sup>49</sup> EUSF Annual Report 2006

### 3.2.3 Reasons for rejection

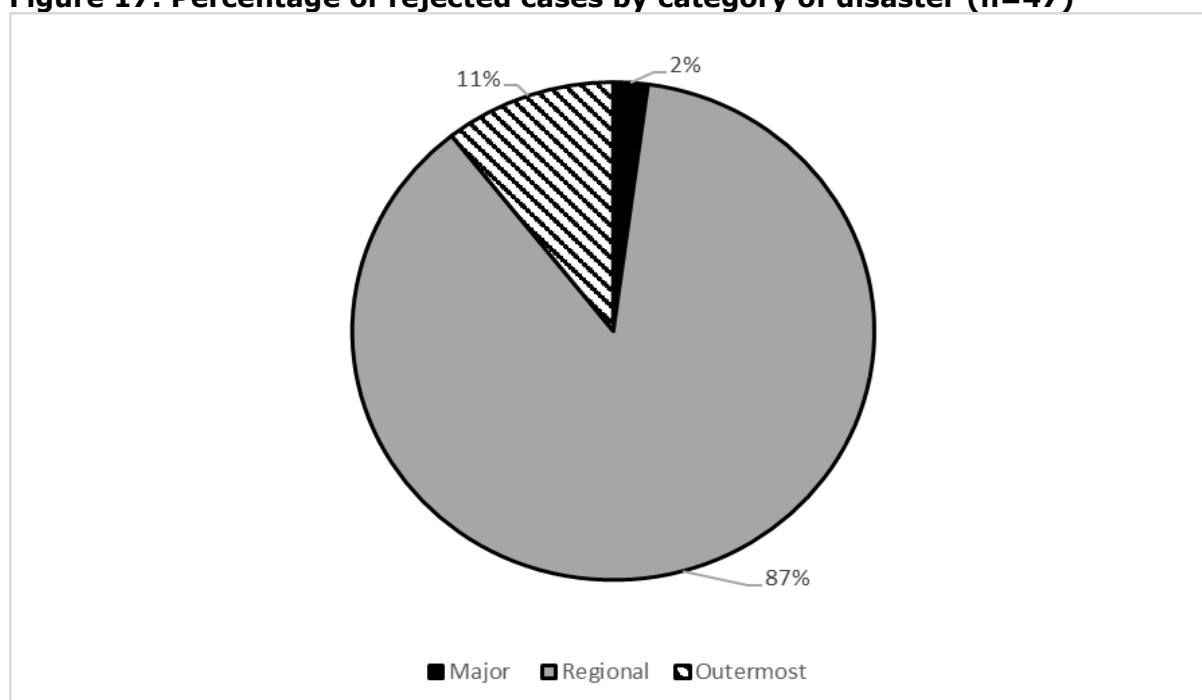
There have been no rejections since the 2014 reform, but analysis of pre-reform cases provides insights into the reasons for the rejection of applications.

#### (a) Type of disaster

An important cause of rejection in the pre-reform period related to the type of disaster. The definition of 'extraordinary regional disasters' in the pre-reform regulation was vague, and meeting the conditions for activating the Fund under this category was challenging. The implementation reports and other documents from the case files indicate that providing evidence that the disaster affected the majority of the population of a region with serious and lasting consequences for economic stability and living standards was burdensome for national and regional authorities as well as being imprecise and difficult to assess. For instance, a letter to the Commission from the Irish authorities in the case of delays with an application for 'regional' support following flooding in 2010 noted "*While the impact on public infrastructure of the flooding event, particularly on roads, affected the majority of the population in the region, it is not possible to provide evidence (other than anecdotal) to support this statement*".<sup>50</sup>

As a result, applicant States and the Commission spent significant time and effort in assessing applications for smaller disasters that in the majority of cases turned out not to qualify.<sup>51</sup> As Figure 17 shows, rejections were frequent for regional disasters during the pre-reform period.

**Figure 17: Percentage of rejected cases by category of disaster (n=47)**



Source: Commission data, 2018.

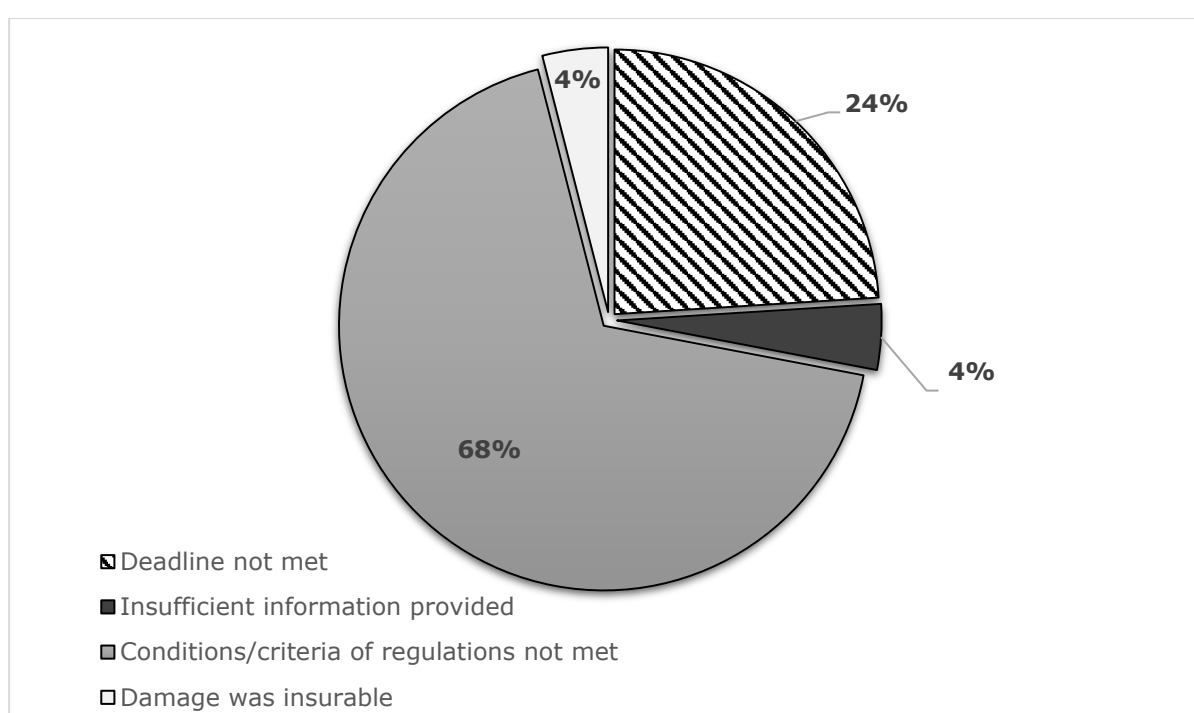
<sup>50</sup> Letter from Irish Department of Finance to European Commission, 15 June 2010.

<sup>51</sup> European Commission (2011) *op. cit.*

**(b) Data included in applications**

Detailed information from the case files reveals more about the reasons for rejections stemming from data problems in the applications. By far the most common issue in rejected applications was failing to meet eligibility criteria. This includes cases of applying for a major disaster when a regional one might have been more plausible and applications for regional disaster support when this was not eligible or where claims of exceptional circumstances were considered not to be demonstrated.<sup>52</sup> In response to an application by authorities in France relating to the flooding disaster in the Département du Var of June 2010, the Commission expressed concern regarding the demonstration of the impact on the economic stability of the wider region, beyond specific municipalities, particularly in a case where the affected zone formed part of an economically well-developed region.<sup>53</sup>

**Figure 18: Reasons for rejection stemming from the application process (n=47)\***



Source: Commission data, 2018

\*Note: All 47 rejected cases were analysed for this Figure, as some cases had multiple reasons for rejection there are 50 reasons within this chart.

Many rejected application forms included insufficient evidence of impact on a major part of the population or of long-lasting repercussions on living conditions. For the Commission, full disclosure of the total direct damage is essential for the application to qualify for support. In some instances, there is simply a lack of concrete information on the damage incurred. For example, in the case of the forest fires in Spain in 2004, the seven applications give identical, very short justifications for requesting the mobilisation of the Fund. The applications stated that the rural population in the affected municipalities had suffered important, partly total losses of their basis for living due to destruction of their

<sup>52</sup> See, for example Letter from the Commission concerning the Application for EU Solidarity Fund assistance relating to storms near Nicosia in September 2009.

<sup>53</sup> European Commission (2011) Communication to the Commission on the application for European Union Solidarity Fund financial aid presented by France relating to the flooding disaster in the Département du Var of June 2010.

property of jobs and the economic stability of the affected region was in danger. However, according to the Commission no further evidence was provided to support this.<sup>54</sup>

In other applications, impact estimations were detailed but in the Commission's assessment they did not meet the required scale to justify support. For instance, in the case of the floods in Slovakia in 2004 the size of the affected population was assessed to be too small.<sup>55</sup> In other cases (e.g. the cyclone in Réunion in 2014), the estimated damage to long-term living conditions was similarly assessed by the Commission to be of limited scale in their specific contexts.<sup>56</sup> These reasons for rejection point to the challenges in estimating damage caused by disasters. As noted, a significant number of rejected applications had already been updated on the basis of Commission requests for additional information. Applications have been withdrawn in instances where the type of damage was ineligible (United Kingdom explosion in an oil depot, 2005, which was not a natural disaster).<sup>57</sup>

Thus, challenges on the estimation of damages experienced as authorities wrote applications also had an impact at the Commission assessment stage and was a frequent cause of rejection. The 2014 reforms sought to address this issue by clarifying the criteria applicable to the smaller scale regional disasters. No applications subject to assessment since the reform was introduced have been rejected. Although it is difficult to compare pre and post-reform trends due to different sample sizes, the changes introduced have evidently dealt with the underlying problem.

### **(c) Rejections by country**

A breakdown of rejected applications in relation to total damage by country shows that Italy and Spain stand out for the scale of damage that has not qualified for EUSF support (see Table 11). As noted above, these same two countries also have a large proportion of applications requiring updates, indicating issues with the efficient development and submission of applications. This can be partly explained by eligibility problems; the scale of direct damages in rejected applications in Spain, for instance, is due to the rejection of separate applications for regional disaster support for seven forest fires that occurred in 2004, all of which were excluded for not meeting eligibility criteria.

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<sup>54</sup> European Commission (2004) Communication to the Commission from Ms Hübner, Ms Grybauskaite and Ms Fischer Boel on seven applications to mobilise the European Union Solidarity Fund introduced by Spain relating to the forest fires in the summer of 2004.

<sup>55</sup> European Commission (2004) Communication to the Commission from Ms Hübner, Ms Grybauskaite and Ms Fischer Boel on the application to mobilise the European Union Solidarity Fund introduced by Slovakia relating to floods in the regions of Prešov and Košice.

<sup>56</sup> European Commission (2014) Demande d'intervention de Solidarite de l'Union europeenne pour la France – Cyclone tropical Bejisa.

<sup>57</sup> European Commission (2006) Letter to UK authorities on application to mobilise EUSF for explosion at oil terminal.

**Table 11: Sum of total direct damages for rejected applications per country**

Country	Cases	Sum of total direct damage (€ million)
CY	2	40.8
DE	1	937.8
EL	3	347.6
ES	16	2698.3
FR	3	1386.5
HU	2	202.3
IT	5	4070.2
PT	1	25.7
RO	1	21.9
SK	1	29.1
Total	35	9760.0

Source: Commission data, 2018.

### **3.2.4 Commission calculation of support to be granted**

Based on the data in the application, the Commission proposes a given volume of EUSF support. When calculating the amount of aid that a Member State can receive, the Commission considers the prosperity of the State is and the amount of total direct damage suffered. Country-specific thresholds for the scale of disaster are normally applied, requiring the cost to exceed 0.6 percent of GNI or €3 billion at 2011 prices. At regional level, the threshold is damage exceeding 1.5 percent of GDP, though with an exception for the outermost regions where a lower threshold of one percent of GDP applies. There are further provisions for groups of regions and for regions in neighbouring countries.

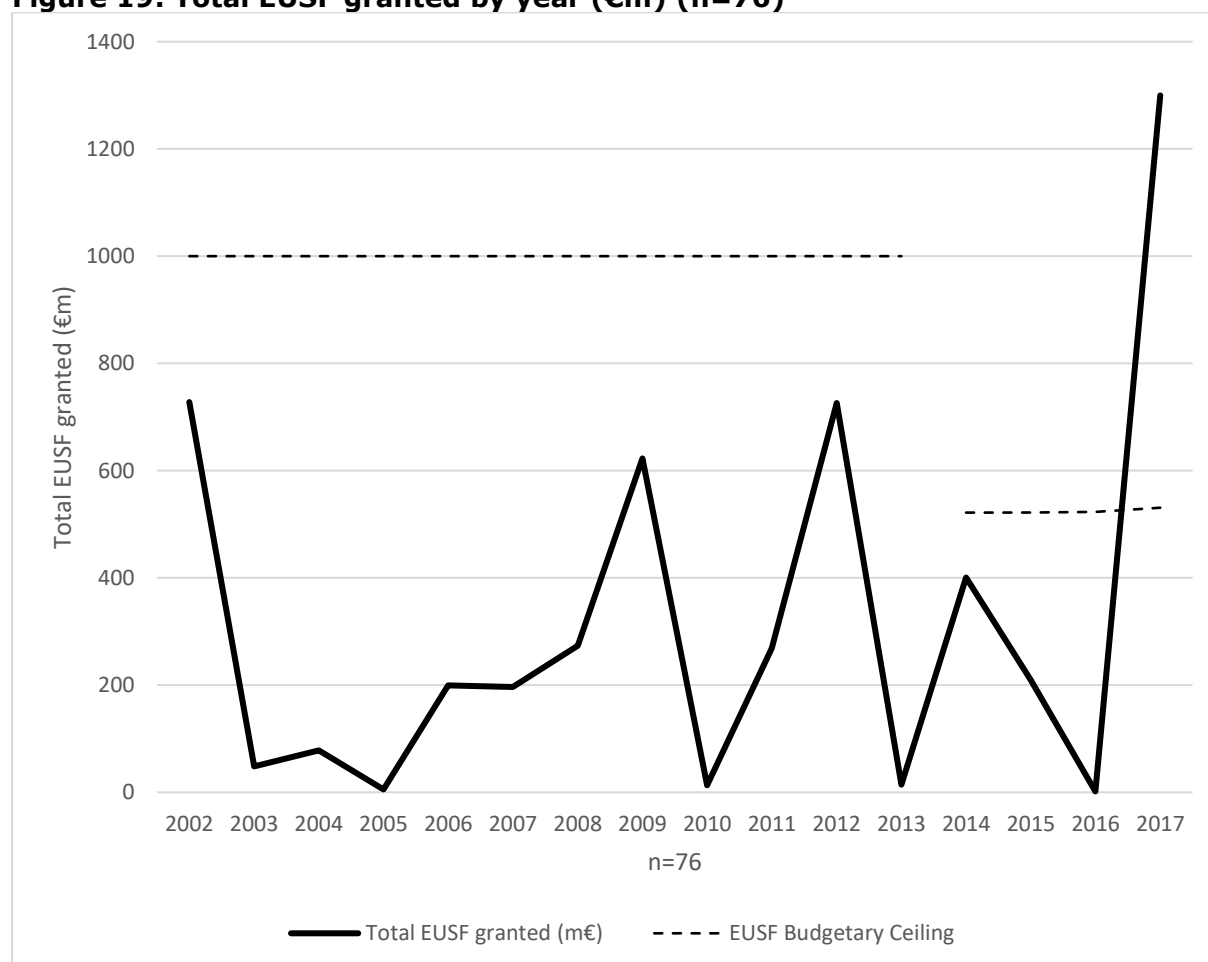
The Commission uses a progressive system whereby a country affected by a disaster receives a lower rate of aid of 2.5 percent for the part of total direct damage below the “major disaster” threshold and a higher share of aid of six percent for the part of the damage exceeding the threshold. The two amounts are then aggregated. This method ensures that the relative capacity of a State to deal itself with a disaster is taken into account. It also ensures that, for the same amount of damage, relatively poorer countries receive more aid in absolute terms than richer ones. For regional disasters and for countries applying for aid under the “neighbouring country” provision pursuant to Article 2(4) of the Regulation (as amended), the same method is applied, meaning that countries affected by those disasters, which by definition remain below the major disaster threshold, receive 2.5 percent of total direct damage.

There is significant variation in the level of EUSF granted by the Commission in any one year, reflecting the variation in scale, type, context and impact of the disasters where EUSF intervenes (see Figure 19). The large spike for 2017 in the figure represents the Italian earthquake in 2016. As already noted, up to 2014 the Fund had an annual budgetary ceiling of €1 billion at current prices. Following the reform in 2014 the annual budgetary ceiling was set at €500 million at 2011 prices. Some flexibility was introduced as part of the reform to carry over any surplus or to draw in advance from the following year. The mean amount disbursed per year in the pre-reform period was well below the available funds, at €264.5 million between 2002 and 2013. Due to the large amount of aid granted to Italy following the earthquakes of 2016, the average aid disbursed between 2014 and 2017 (post-reform) is €477.9 million.



As can be seen from Figure 19, the aid disbursed in 2017 significantly exceeded the budgetary ceiling of €500 million (in 2011 prices) available, the only time this happened. The fact that there was only one small disbursement of aid in 2016 (€1.7 million for Greece) and that the Italian earthquake application was only completed during 2017 was crucial in budgetary terms and demonstrates the value of being able to carry forward by one year the unspent amounts in the EUSF budgetary ceiling of the preceding year. The 2016 annual report on EUSF cites examples of how helpful this flexibility had been: the probability of a disaster may be calculable, but not the precise timing of it. The 2016 Annual Report also notes how the circumstances of 2016 highlight the limited financial basis of the Fund and the danger that it could face substantial difficulties in ensuring equitable treatment if a number of severe disasters occur in a relatively short period of time.<sup>58</sup>

**Figure 19: Total EUSF granted by year (€m) (n=76)**



Source: Commission data, 2018.

The allocation of EUSF is highly concentrated in a small number of countries (see Table 12), with 77 percent going to the four largest Member States – although it needs to be emphasised that the nature of the instrument implies no expectation of Member State quotas. The largest number of interventions was in Italy, with nine, accounting for nearly half the total money allocated (€2.52 billion). Other Member States receiving the most interventions were France, Romania and Greece. However, by amount disbursed, Germany

<sup>58</sup> European Commission (2017) *EUSF Annual Report 2016*, Report to the European Parliament and the Council.

has been the second largest beneficiary. At the other end of the scale, interventions in Malta and Lithuania totalled under €1 million.

As noted, research on the relationship between the Commission's approach to calculation of EUSF support and the underlying goal of 'solidarity' has found no evidence of 'needs-based' solidarity. According to Hochrainer-Stigler et al., "Since wealthier countries are likely to have proportionally more damage exceeding the threshold (especially if the threshold is the absolute value of EUR three billion versus the 0.6 percent of GNI), their expected pay-outs as a proportion of eligible costs from the EUSF would also be proportionally higher".<sup>59</sup>

**Table 12: Overall totals for direct damage and EUSF aid in €m (n=76)**

Beneficiary country	Cases	Overall total direct damage accepted by COM (€ million)	Total EUSF aid granted (€ million)
AT	4	4368.0	170.7
BG	5	1093.7	39.3
CY	2	357.0	14.9
CZ	4	3578.1	161.0
DE	4	23199.8	1002.8
EE	1	47.9	1.3
GR	6	3099.8	114.3
ES	3	1332.0	31.0
FR	6	7573.2	203.7
HR	5	801.0	22.9
HU	2	1238.4	37.5
IE	1	520.9	13.0
IT	9	52063.8	2515.7
LT	1	15.2	0.4
LV	1	192.6	9.5
MT	1	30.0	1.0
PL	1	2999.0	105.6
PT	3	2465.0	83.7
RO	7	4032.9	118.9
RS	1	1105.6	60.2
SE	1	2297.3	81.7
SI	4	1273.0	48.2
SK	2	756.1	26.1
UK	2	7024.0	222.7

Source: Commission data, 2018.

<sup>59</sup> Hochrainer-Stigler S, Linnerooth-Bayer J and Lorant A (2017) 'The European Union Solidarity Fund: an assessment of its recent reforms', *Mitigation and Adaptation Strategies for Global Change*, 22, 547-563.

### **3.2.5 Summary of Commission assessment stage**

- Commission assessment of EUSF applications is the key step in determining whether or not to propose an intervention of the EUSF and the level of support. It is also important that assessments are carried out in a timely way so that funding can reach beneficiaries as quickly as possible. For pre-reform cases, the Commission needed around 17 weeks (mean value) from the time of receiving complete information from the applicant State to making a proposal to the Council and the EP of the cases, although for 40 percent of applications, the assessment time was longer than 20 weeks. For post-reform cases, there has been a tendency for the process to become shorter. In these cases, the Commission took on average 14 weeks for the assessment. Within this, there has been a reduction in the assessment time taken for 'major' and 'regional' applications, but not others.
- The nature of the disaster has an influence on the assessment period, with specific challenges for the assessment process e.g. in calculating the starting point of droughts, in deciding the eligibility of flood damage in 'downstream' areas, and in cases where 'follow on' disasters such as earthquake aftershocks occur while the assessment is underway, leading to adaptations.
- It is challenging to establish a baseline or reasonable 'benchmark' for the duration of this stage. There are examples of instruments providing immediate emergency support where an application assessment process of 6-8 weeks is set. However, the EUSF assessment process involves an inter-Commission grouping of the relevant DGs (AGRI, MARE, ECHO etc.) and input from the Joint Research Council. The availability of these different services to give immediate inputs into the assessment process depends on other commitments and time cannot be 'blocked off' in calendars well in advance, as it can for other activities.
- The time needed for translation of documents can delay the assessment process, sometimes up to six weeks. The Commission asks beneficiaries to provide translations and tells them that this will speed up the decision process. However, applicants cannot be obliged to do this and forms and annexes are not always submitted in one of the main working languages of the Commission.
- The Commission has implemented measures to streamline the assessment process. These include: simplification and clarification of the application form and guidance, the preparation of papers for consultation in English only; and, the reduction of the usual time set for the intra-Commission consultation procedure to five working days.
- Assessment of rejected cases, all prior to the 2014 reform, indicates that they often had insufficient evidence of impact on a major part of the population or of long-lasting repercussions on living conditions. This emphasises the importance of capacity-building initiatives in applicant countries and of timely, targeted and clear-cut Commission guidance.
- There is evidence that since the 2014 reform, the revised criteria for regional disasters now give potential applicants a much clearer indication of whether an application is likely to be accepted, thus saving them from unnecessary work for an unsuccessful application. Under the old, less clear provisions, some two-thirds of regional disaster applications were assessed as ineligible. Since the reform, the success rate of regional disaster applications has been 100 percent.

- The amounts allocated vary substantially from year to year. This highlights the value of the provision to carry forward by one year the unspent amounts of the preceding year in keeping the Solidarity Fund operational in budgetary terms. It also highlights the limited financial basis of the Solidarity Fund and the danger that its ability to respond could be threatened if a number of severe disasters occur in a relatively short period of time, although it is salient that the aggregate amount disbursed between 2002 and 2016 is only 36.3 percent of the budgetary ceiling total.

### **3.3 EU decision process**

#### **3.3.1 Council and European Parliament decision**

After approval of applications by the Commission, the Commission has to seek the approval of the European Parliament and the Council, as the twin budgetary authorities, for the amount of aid proposed in each case. Endorsement of the application is followed by the adoption of an amending budget proposal in order for the Council and the European Parliament to approve the mobilisation of the Fund, and to make the budget appropriations for the proposed amount of aid available. As the mobilisation of the Fund requires recourse to a full budgetary procedure, the scope for reducing the time at this stage of the process is relatively limited. It is mandatory that Parliament and Council approve the mobilisation of any aid before it can be paid out.

There is a legal minimum time required (at least 8-10 weeks) for the adoption of any amending budget establishing a realistic baseline for this stage in the process. Nevertheless, timing of votes on the mobilisation of the Fund in relation to the calendar of European Parliament plenary sessions can be important. If a Parliament decision on mobilisation is required one day after a plenary then the EUSF decision has to wait for several weeks until the next session. It is impossible to synchronise EUSF procedures with these calendars due to the unpredictability of disaster events. When the Commission presents to Parliament and Council a proposal for a decision of Council and Parliament on the mobilisation of the EUSF for a specific case (usually accompanied by an amending budget proposal) it transmits this proposal in parallel to the national parliaments for scrutiny (within 8 weeks).

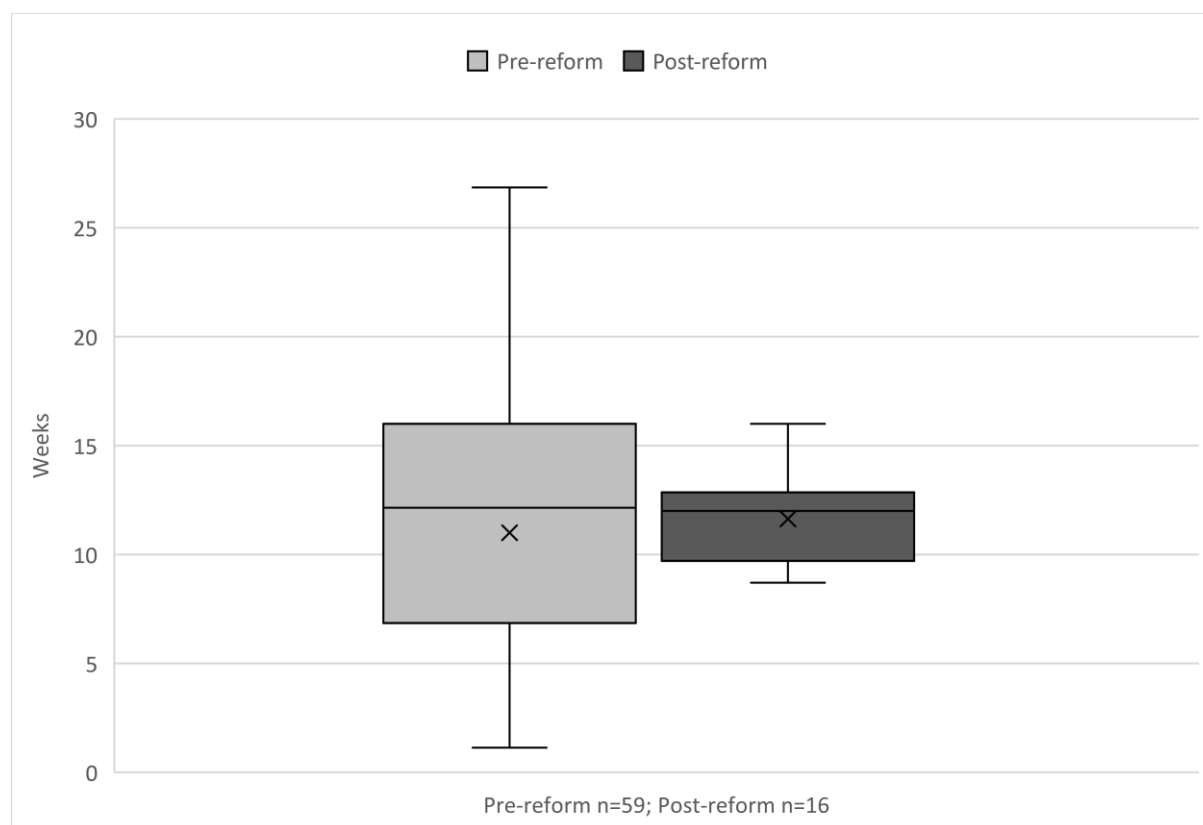
The E1 Unit noted efforts in the European Parliament and Council to speed the process up as much as possible. EUSF decisions are treated as 'stand-alone', independent processes and are not tied to other budgetary debates or decisions so that the EP and Council can make decisions on mobilisation quickly. Over time, there have been efforts to streamline internal procedures within Parliament and Council structures. For instance EP committees have adopted streamlined procedures to deal with EUSF proposals. In 2014, the REGI Committee in the Parliament adopted a streamlined procedure to deal with requests from the BUDG Committee for an opinion on an EUSF proposal. The REGI Committee secretariat prepares a draft letter summarising the contents of each referral and stating that REGI has no objection to it; the draft letter is circulated in the Committee with a deadline for objections; if there are objections, the referral will be put on the agenda for a meeting of Committee coordinators; if there are no objections, the Committee Chair will sign the letter to the EP BUDG Committee.<sup>60</sup>

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<sup>60</sup> European Parliament Committee on Regional Development (2014) Minutes of meeting of 22 September 2014, 15.00 to 18.30, and 23 September 2014, 9.00 to 12.30, Brussels.

Analysing the duration of this stage, there has been a slight increase between the pre-reform and post-reform periods. The mean value for pre-reform is 11 weeks, with around 32 percent of cases taking longer than 15 weeks. The mean value for post-reform cases is 11.6 weeks, however only 6.3 percent of cases took longer than 15 weeks (see Figure 20). Given the relatively small number of post-reform cases, not too much should be read into these changes.

**Figure 20: Time period between the Commission proposal and the EP/Council decision, pre-reform and post-reform cases (weeks) (n=75)\***



Source: Commission data, 2018

\*Note: Data unavailable for Case FR63.

### 3.3.2 Commission Implementing Act

Following the EP and Council decision, the Commission draws up an Implementing Act. The amended EUSF regulation, in force since June 2014, aimed to shorten the administrative procedure by introducing a merger of formerly separate stages in this process. Up to 2014, the EP and Council decision was followed by adoption of a Commission decision addressed to the beneficiary State awarding the aid (Grant Decision). Subsequently, an Implementation Agreement with the beneficiary was developed, specifying the conditions for using the grant, laying down in particular the types of emergency operations to be financed from the aid and nominating the responsible authorities.

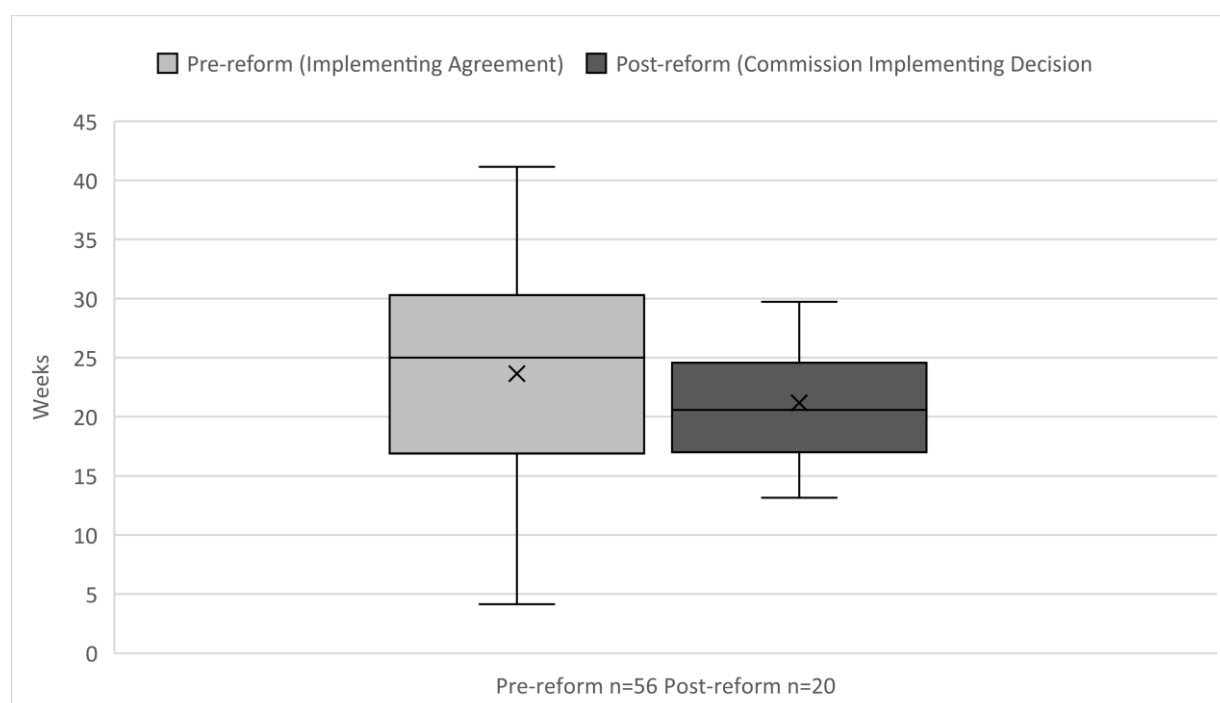
This change followed an assessment by the Commission of the implementation of the Fund.<sup>61</sup> By applying a simplified procedure with only one reading, the Commission estimated that this amendment, since introduced in the 2014 reforms, would mean that

<sup>61</sup> European Commission (2011) *The Future of the European Solidarity Fund*, Communication from the Commission to the European Parliament, the European Economic and Social Committee and the Committee of the Regions.

aid could be paid out four to eight weeks earlier than under the previous system. For eligible non-Member States, i.e. the limited number of countries in the process of negotiating their accession to the EU, this separation has to be maintained as a unilateral act of the Commission such as the grant decision alone would not be binding for them. In such cases, a financing or implementation agreement continues to be required.

The merging of the Grant Decision and the Implementing Agreement has substantially shortened the EU decision process. A comparison of the time-period between the Commission's proposal and first the pre-reform Implementing Agreement and then the post-reform Implementing Act reveals significant differences (see Figure 21). The mean value in the pre-reform period was around 24 weeks, with 63 percent of cases having a duration greater than 20 weeks and a maximum of 41 weeks. In the post-reform period, the mean value is around 21 weeks, with 18 percent of cases taking 20 weeks or longer and a maximum value of 30 weeks.

**Figure 21: Time period between Commission's proposal and Implementing Agreement (pre-reform), Implementing Act (post-reform) (n=76)\***



Source: Commission data, 2018

\*Note: The Post-reform series in this Figure includes four pre-reform cases (IT105, GR107, SI108 and HR110) which were subject to some new provisions of the 2014 regulation, including the Commission Implementing decision.

### 3.3.3 Payment of EUSF support

The emphasis on rapid disbursement of funds is also reflected in the possibility of advance payments, introduced as part of the 2014 reforms. Since 2014, applicants have been able to request an advance payment of up to 10 percent of the expected contribution, capped at €30 million. According to the 2016 Annual Report on the Fund,<sup>62</sup> those availing themselves of advance payments welcomed the possibility, and the payment is recorded as proving to be useful. It should be noted that advance payments have not been requested by all applying states. In some cases, advances have not been deemed necessary as the

<sup>62</sup> European Commission (2016) *op. cit.*

Fund is being used for retrospective projects and national authorities are satisfied with guarantee of eventual full payment from the Fund.

In the case of 2014 summer floods in Romania, although the Romanian authorities recognised the advantages of advance payments in potentially making EUSF available closer to the disaster event, they decided not to make a request. The approach adopted by the Romanian authorities is based on the reimbursement of eligible costs for projects contracted, financed and already executed (or at least in their final stages of execution), drawing on their own sources or funds mobilised for immediate emergency operations from the Romanian Budgetary Reserve Fund and the Intervention Fund. The distribution of the advance to the relevant Romanian institutions involved in the mitigation of the effects of the disaster would have had to follow a similar procedure to the grant itself (a relatively complex procedure involving issuing a Government decision). This process would have lasted some months, limiting the potential benefits of rapid disbursement offered by advance payments. This delay would also have meant that public authorities could not have used the simplified public procurement procedure available for contracting work immediately after the disaster, limiting the scope for EUSF to help rebuild damaged infrastructures.

Nevertheless, the feedback that the E1 Unit receives from beneficiary States is that advance payments can be very helpful. Advance payments are also potentially valuable for the visibility of EUSF. It means that the Commission and beneficiaries can publicise the role of the Fund much earlier and much closer to the time of the disaster, when it is still prominent in public perceptions. As noted in some Implementation Reports, the reimbursement process is valuable for regions and municipalities with limited budgets. Funds provided by the EUSF, both as advances and full payments, can be an important source of cash-flow, especially at a time of fiscal crisis when a number of cost-saving measures had cut financial transfers to municipalities and regions.<sup>63</sup> In these cases, rapid disbursement of the Fund through advance payments can be important. However, as noted above, this potential benefit depends on how quickly the national level can allocate the funds to regional and local levels.

As Table 13 shows, several applicants have taken the option of advance payments in the post-reform period, although it can be seen that in the case of the most recent Italian earthquake, the cash ceiling means the advance payment shrinks to 2.5 percent of the aid granted. The Commission was able to pay out the requested advance quickly: in all but one case within 1-2 months of the complete application dossier having been submitted.<sup>64</sup>

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<sup>63</sup> Implementation Report of the EU Solidarity Fund Czech Republic - Floods May/June 2010

<sup>64</sup> European Commission (2017) *European Union Solidarity Fund Annual Report 2016*, Report from the Commission to the European Parliament and the Council.

**Table 13: Advance payments as a % share of the total EUSF aid granted**

Case number	118	119	120	121	124	125	126
Country	EL	EL	BG	EL	CY	PT	IT
Type of disaster and year	Flooding 2015	Flooding 2015	Severe winter conditions 2015	Earthquake 2015	Drought and fires 2016	Fires 2016	Earthquakes 2016/2017
Amount of aid granted (€ million)	9.90		6.38	1.65	7.30	3.93	1196.80
Advance payment (€ million)	0.66	0.33	0.64	0.16	0.73	0.39	30.00
% share of advance of Total EUSF Aid granted	10%		10%	10%	10%	10%	2.50%
Time between disaster to decision mobilise advance	25 weeks		21 weeks	17 weeks	22 weeks	14 weeks	14 weeks
Time between receipt of application and decision to mobilise advance	9 weeks		9 weeks	6 weeks	10 weeks	8 weeks	2 weeks

Source: Commission data, 2018

Turning finally to the overall duration between the occurrence of the disaster and the payment of EUSF, taking all cases into account, on average 56 weeks elapsed. The longest overall period elapsed concerned flooding in Greece in 2006, when it took 92 weeks from the date the disaster until the EUSF money reached the Greek authorities.

At the other extreme, in the case of forest fires in Portugal in 2003 the disaster to payment time was just 19 weeks. The application itself was received by the Commission three weeks after the first damage caused by the fires, and €48.5 million in aid was proposed for Portugal by the Commission on 27 August 2003, with the European Parliament and Council decision completed just under two months later. Funding was received on 2 December 2003.

There has been a moderate shortening in the overall duration in the post-reform period (see Figure 22). The mean duration pre-reform is 57 weeks with 55 percent of cases taking more than 60 weeks. In the post-reform period, the mean duration is 52 weeks with 20 percent of cases taking more than 60 weeks. The overall time taken on average has dropped and data is more evenly distributed, with fewer extremely high and extremely low cases. Of course, the comparatively low number of post-reform cases should be taken into account.

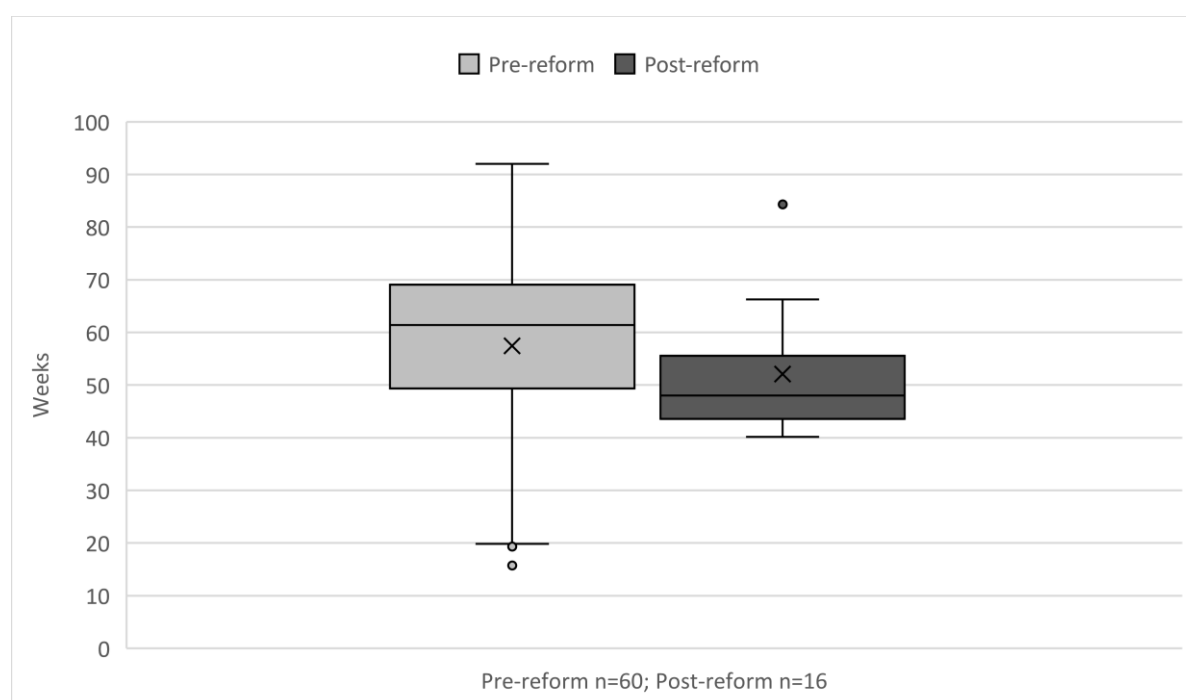
In the post-reform period, the longest duration was the case of floods which caused damage in parts of the UK on 5 December 2015. An 84-week period elapsed between the first date of damage and receipt of funding from the EUSF. The application was received by the Commission within twelve weeks (on 26 February 2016) of the occurrence of the first damages caused by the floods. The UK authorities provided the last update to the application on 22 September 2016. A Commission proposal to accept the application was made on 13 January 2017, with a Council decision then reached on 5 April 2017. A further



three months elapsed before payment was received on 17 July 2017 by the UK authorities from the EUSF.

Portugal again has the shortest decision-making duration in the post-reform period. In the case of forest fires in Portugal in 2016, a 40-week period elapsed between the date of the first damages caused by the fires and the receipt of grant funding by the Portuguese authorities. The application was received by the Commission six weeks after the outbreak of the fires. €4 million was proposed by the Commission on 24 January 2017, just under six months after the outbreak of the fires. Funds were then transferred to the Portuguese authorities on 16 May 2017, just under four months after the Commission proposal.

**Figure 22: Time period (weeks) between occurrence of disaster and payment of grant between pre-reform and post-reform cases**



Source: Commission data, 2018

### 3.3.4 Summary assessment of approval stage

- After approval of applications, the Commission has to seek the approval of the European Parliament and the Council. Endorsement of the application is followed by the adoption of an amending budget proposal in order for the Council and the European Parliament to approve the mobilisation of the Fund and to make the budget appropriations for the proposed amount of aid available. As the mobilisation of the Fund requires recourse to a full budgetary procedure, the scope for reducing the time at this stage of the process is relatively limited. Timing of votes on the mobilisation of the Fund in relation to the calendar of European Parliament plenary sessions can be important. If a Parliament decision on mobilisation is required one day after a plenary then the EUSF decision has to wait for several weeks until the next session. Nevertheless, efforts have been made in the European Parliament and Council to speed the process up as much as possible (e.g. ensuring that EUSF budgetary ceiling decisions are 'stand-alone' and not part of broader debates or votes, producing summary materials where cases are discussed in Parliament committees etc. There is little variation in the mean duration of this stage between pre and post-reform periods.

- Following the EP and Council decision, the Commission draws up an Implementing Act. The amended EUSF regulation, in force since June 2014, aimed to shorten the administrative procedure by introducing a merger of formerly separate stages in this process. The merging of the Grant Decision and the Implementing Agreement has shortened the EU decision process. A comparison of the time-period between the Commission's proposal and first the pre-reform Implementing Agreement and then the post-reform Implementing Act reveals a reduction in the mean time from 24 weeks to 21 weeks.
- The use of advanced payments appears to have been welcomed by those beneficiaries availing themselves of it. Advance payments are potentially valuable for the visibility of EUSF as the Commission and beneficiaries can publicise the role of the Fund much earlier and much closer to the time of the disaster. Releasing payment quickly can be valuable to regions and municipalities with limited alternative funding sources. It should be noted that the option of advance payments is not always taken up: where domestic funding is available and beneficiaries are using retroactive projects, there is less need for advances.

### **3.4 Implementation stage**

The financial contribution has to be used within 18 months (Article 8) of the money being disbursed; prior to the reform of 2014 it was within 12 months. As stated in the regulation the financial contribution from the Fund to a Member State shall be implemented within the framework of shared management' (Article 5.4). For accession countries, the management is delegated. Key issues at this stage relate to the overall quality of the Implementation Reports, the operations that are being implemented and the timely submission of the Reports to the Commission.

#### **3.4.1 Content of Implementation Reports**

Beneficiary countries are obliged to present to the Commission an Implementation Report no later than six months after the expiry of the set time for EUSF operations to be carried out. These must include a statement justifying the expenditure, indicating any other source of funding received for the operations concerned, including insurance settlements and compensation from third parties. The report is also required to detail the preventive measures introduced or proposed by the beneficiary State in order to limit damage and to avoid, to the extent possible, a recurrence of similar disasters. Following the 2014 EUSF reform, Implementation Reports are required to include more information on prevention and mitigation measures, including the use of ESIF for this purpose; the state of implementation of relevant Union legislation on disaster risk prevention and management; and, accounts of the experience gained from dealing with the natural disaster.

The content of Reports vary significantly in the availability of data, presentation of data, and general report style. To give an example, the longest submitted Report is for the Slovak winter storm in 2014 at 436 pages while the shortest Report, for the floods in Malta in 2003, is only four pages long. Of the 56 Implementation Reports for which the evaluation collected evidence, only nine reports are over 100 pages. According to the E1 Unit, there has been a general evolution in the content and presentation of reports over time. The experiences of beneficiary States that have made multiple applications has played a part in this. Indeed some countries (e.g. Czech Republic) have produced their own guidance on Implementation Reports. Commission guidance and changing regulatory requirements after the 2014 reform have also played a part, for instance in terms of providing clarity on the presentation of financial information. However, it is difficult to assess this evolution in a quantitative way. In assessing quality in these 56 Reports, it is useful to differentiate

between those essential elements required by the Commission and those that are not essential but are of potential value for evaluations.

#### **(a) IR content required by the regulation**

**Implementation of the grant.** This section includes information on the bodies responsible for implementing and coordinating, a description of operations and the selection process for individual operations and a description of the financial flow from central level to individual operations. It should confirm the respect of relevant EU policies, in particular on public procurement and environmental protection. This section should also note the date of receipt of the financial contribution, the amount of interest gained (if applicable), the duration of the implementation period and an ex-post valuation of damage (if relevant information has become known). In the 56 Reports covered, there is variation in the level of detail provided under these sub-headings, and in some individual cases data are missing altogether. For instance, data provided in the Reports in respect of procurement rules vary significantly. Information on how public procurement rules were addressed in EUSF implementation is provided in the vast majority of Reports, although the amount of detail varies. In a limited number of cases, information on procurement is missing from the Report altogether (e.g. in the case of the floods in Ireland in 2009). One quarter of the Reports provide information on ex post damage reassessment, including stating that there was no need for damage reassessment.

**Financial control.** This includes a description of the audit and control system and of verification and control of operations at the different levels. Information on financial control is provided in the Reports covered, although again there is significant variation in the level of detail included. Several cases contained extensive detail on their financial control arrangements, such as the case of the floods in Poland in 2010 (see Box 4), whereas others included very limited detail on financial control, beyond a statement that no irregularities have been found in the audit reports and that no deficiencies have been detected in the management and control system (e.g. in the case of the earthquake in Greece in 2014). This is not to say that such information is completely absent. In some instances, more detailed information on financial control arrangements can be found in other case documentation. However, a key issue is consistency in the presentation of important information in these Reports.

#### **Box 4: Presentation of financial control information, Poland floods 2010**

The Implementation Report provided by Poland in 2010 (PL75) demonstrates high detail and clarity in financial control arrangements for EUSF funding:

- the report contains a section dedicated to control mechanisms
- the sample size of control checks by authorities is given
- the relevant authorities are listed and their competencies given
- protocol for dealing with discovery of non-compliance with article 5 obligations is given in detail
- results of multiple financial control instruments are listed clearly

**Preventive measures.** The Reports are required to provide detail on preventive measures introduced or proposed to limit damage and to avoid the recurrence of similar disasters. All 56 reports analysed contained information on the preventive and mitigating measures undertaken after the disaster, to varying levels of detail. The 2014 reform increased the emphasis on this heading, requiring information on the state of implementation of relevant Union legislation on disaster risk prevention and management and the experience gained

from the natural disaster and the measures taken or proposed to ensure environmental protection and resilience. Focusing on nine post-reform cases where Implementation Reports are available, a wide range of activities was planned or activated by beneficiary countries for the prevention and mitigation of similar disasters in areas that had received EUSF support. Activities include the following.<sup>65</sup>

- **Planning and regulatory measures.** These cover progress with developing national regulatory frameworks/strategies for disaster risk management/reduction (Bulgaria, Serbia) and associated institutional arrangements (Croatia), specific flood prevention plans (Romania), local emergency and contingency planning (Italy) and geo-spatial and geo-urban planning of disaster risk (Greece).
- **Infrastructure/structural projects.** Every country recorded infrastructure improvement investment, often involving flood prevention through embankment projects (Croatia, Bulgaria, Romania).
- **Natural systems protection.** Again, this applies to all countries studied, with a focus on flood protection measures through regulation and clean-up of river channels and other catchment measures (afforestation and rainwater drainage), as well as coastal rehabilitation measures (Croatia, Romania).
- **Education and training programmes.** These are more limited, applicable to only four of the countries studied, and cover institutional capacity-building in preparedness (Serbia), and training and equipment for civil protection (Bulgaria, Croatia, Italy).
- **Preparedness and early response.** This is also an area where measures are recorded across all countries studied, with the establishment of (improved) monitoring and early warning systems, and single rescue systems.

These activities have been financed from different sources, mainly domestic budgets, ESIF and other EU funds (Bulgaria, Italy, Serbia). There has also been substantial funding from international agencies, especially national governments and international agencies in the case of Serbia, and the World Bank and UN in the case of Romania.

**Information on types of eligible operations financed.** Of the 56 Implementation Reports assessed, around two-thirds contained tables or data which described the operations financed, aggregated according to the EUSF types of eligible operations (A, B, C, D). The remaining cases contained descriptions of eligible costs incurred, but with breakdowns by operation type presented according to other classifications such as spending by regions, municipalities, government ministry, etc. The variation in provision of these figures is significant over reviewed Reports, with examples such as the case of flooding in the United Kingdom in 2007 (see Box 5) providing clear and easily understood operations breakdowns, while in other instances this information is not aggregated at the level of eligible operation type. Again, rather than the absence of data on eligible operations financed, it is the presentation of that data in a consistent, accessible and accessible and aggregated form in Reports that is an issue.

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<sup>65</sup> This information was gathered from Implementation Reports under Task 4 of the evaluation, reported separately.

**Box 5: Presentation of eligible operations, UK floods 2007**

The Implementation Report submitted by the UK regarding flooding in 2007 (UK46) contains a succinct but easily understood and detailed breakdown of eligible operations. Section 5 of the Report includes:

- Total indicative expenditure and actual expenditure by eligible operation figures are clearly listed at the end of the section to ensure there is no ambiguity as to the breakdown of EUSF spending

Type of measure	Planned Expenditure set out in Agreement (€ million)	Actual Expenditure reported in IR (€ million)
<b>A</b> Restoration	98.1	105.1
<b>B</b> Accommodation and rescue	11	25.8
<b>C</b> Protection and preventative infrastructures	37.7	18.9
<b>D</b> Cleaning	15.4	13.7
<b>Total</b>	<b>162.4</b>	<b>163.5</b>

- Section 5 also provides a breakdown of operations by government sector involved, according to the 4 EUSF eligible operations types.
- All data is presented in clear and concise tables, with accompanying explanatory text to provide context for figures

Source: Implementation Report of the EUSF in the United Kingdom – Floods in 2007.

**(b) IR content relevant for evaluation**

Although Commission guidance now includes a template for the structure of the Implementation Report, the extent of variation of the available reports limits the scope for them to be analysed systematically in addressing some key evaluation questions.

**Inclusion of information on arrangements for communication and publicity.** The visibility of EUSF achievements is key to its aims of demonstrating and strengthening solidarity. However, the Regulation contains no publicity rules and only a limited number of beneficiaries widely communicate the fact that the EU is the source of the aid received. This is a concern, particularly where EUSF grants have been used retroactively to re-finance emergency operations already carried out during, or in the immediate aftermath of, the disaster. Although this is important in alleviating beneficiaries' budgets and helping authorities overcome the financial burden inflicted on them by the disaster, this approach can impair the visibility of the Solidarity Fund grant with the affected population.<sup>66</sup> Funding from the EUSF can have an impact on public awareness of the role of the EU and also affect the general 'morale' of the region affected by a disaster (e.g. 'regional' support after the

<sup>66</sup> European Commission (2011) *op. cit.*

2010 floods in Czech Republic). Nevertheless, it is important to note the EP's suggestions that communication activities could be strengthened.

Only a limited number of the Report examined contained detailed information on publicity/media coverage of EUSF involvement. Three from the Czech Republic, covering two flood events in 2010 and one in 2013, state that eligible applicants had the duty to arrange corresponding publicity of the received EUSF aid. This involved publicity in the regional media (TV, press, broadcasting), on the Internet, council's noticeboards etc. as well as a visible, durable EU logo at the location of implementation works. The Reports note that the expenditures spent on publicity were not the eligible for financing from the EUSF.<sup>67</sup>

In the Report on floods in Bulgaria in 2014, the implementing authorities mention the obligation to carry out activities concerning dissemination of information and publicity. Since these activities were financed entirely with their own funds, they chose a range of methods, including: information boards on the sites of intervention, information on the websites of the implementing authorities, press conferences held both at the start of the projects and after their completion to announce the outcomes from their implementation.<sup>68</sup> The German state of Thuringia issued a publication on the 2013 EUSF intervention for dealing with floods after the spending was finished.<sup>69</sup> The Implementation Report for the case of the mudslide in Portugal in 2010 provides a good example by including a description of publicity initiatives in a dedicated annex (see Box 6).

**Information on experience or 'lessons learned' from EUSF implementation.** From the perspective of evaluating EUSF, insights or 'lessons learned' from those involved in EUSF operations as implementing authorities, beneficiaries or stakeholders, can be very valuable. However, around 60 percent of the Reports assessed did not include a reflection on experiences gained from implementing the Fund. The Implementation Report for EUSF support in response to flooding in the Czech Republic in 2013 includes a section on experiences and lessons learned that provides valuable insights on the operation of the Fund in practice (see Box 7).

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<sup>67</sup> Implementation Report of the EUSF in the Czech Republic – Floods in May/June 2010; Implementation Report of the EUSF in the Czech Republic – Floods in August/September 2010. Storm 2010; Implementation Report of the EUSF in the Czech Republic – Floods in June 2013.

<sup>68</sup> Implementation Report of the EUSF in Bulgaria– Floods in June 2014.

<sup>69</sup> Implementation Report of the EUSF in Germany – Floods in May/June 2013.

**Box 6: Communication and publicity – mudslide in Portugal, 2010**

The Implementation Report on the mudslide in Portugal in 2010 includes an annex ON dissemination, information and publicity activities. This includes: a description of the EUSF page on the website of the beneficiary authority', and a table of news coverage:

<b>Newspaper</b>	<b>Date</b>	<b>Title of news item</b>
Jornal da Madeira	30/06/10	Members of the PPE start their visit to Madeira
	01/07/10	MEPs from the PP want to help speed funding
	01/07/10	EU Funds cannot take so long.
	01/07/10	European Commission asks for an explanation
	30/09/10	Commission proposes 31.2 million in aid to Madeira
	30/09/10	Nuno Teixeira complains of excessive bureaucracy
	19/11/10	EP Budget Committee - 31.2 million approved
	14/04/11	Help about to arrive – EUSF within 15 working days
	03/09/11	90.4% of Solidarity Fund implemented
	30/03/11	31 million of solidarity funds arrive this week
Diário de Noticias	31/03/11	31.2 million of EU funds have found their destination
	03/09/11	Europe came to see implementation of EUSF
ECO do Funchal	19/03/11	Barroso wants Madeira to look to the future
Madeira Livre	April '11	EUSF approved for the Autonomous Region of Madeira

It also has a link to the beneficiary authority's annual publication that contained a chapter on the 'Madeira Reconstruction Programme', including a description of the role of EUSF.

Source: Implementation Report of the EUSF in Portugal – Mudslide in 2010.

**Box 7: EUSF lessons learned: Czech Republic floods, June 2013**

*"The EU Solidarity Fund has a positive impact on restoration of municipalities affected by natural disaster and on putting them back into normal operation. The EUSF is focused on reimbursement of incurred essential costs. Without the EUSF necessary restoration of municipalities and their infrastructures could only be realised with the result of long-term major negative financial impact on the municipalities themselves. From the aspect of eligibility of costs, it fulfils its purpose."* (Patrik Rollo, mayor of the municipality of Lužec nad Vltavou).

Funds provided by the EUSF were an important source of financing of expenses. Regions and municipalities appreciated the fact that funds from the EUSF were transferred back to their budgets. Municipalities and regions could utilise the reimbursed funds for further restoration and development of the area, including building of new flood protection measures for instance.

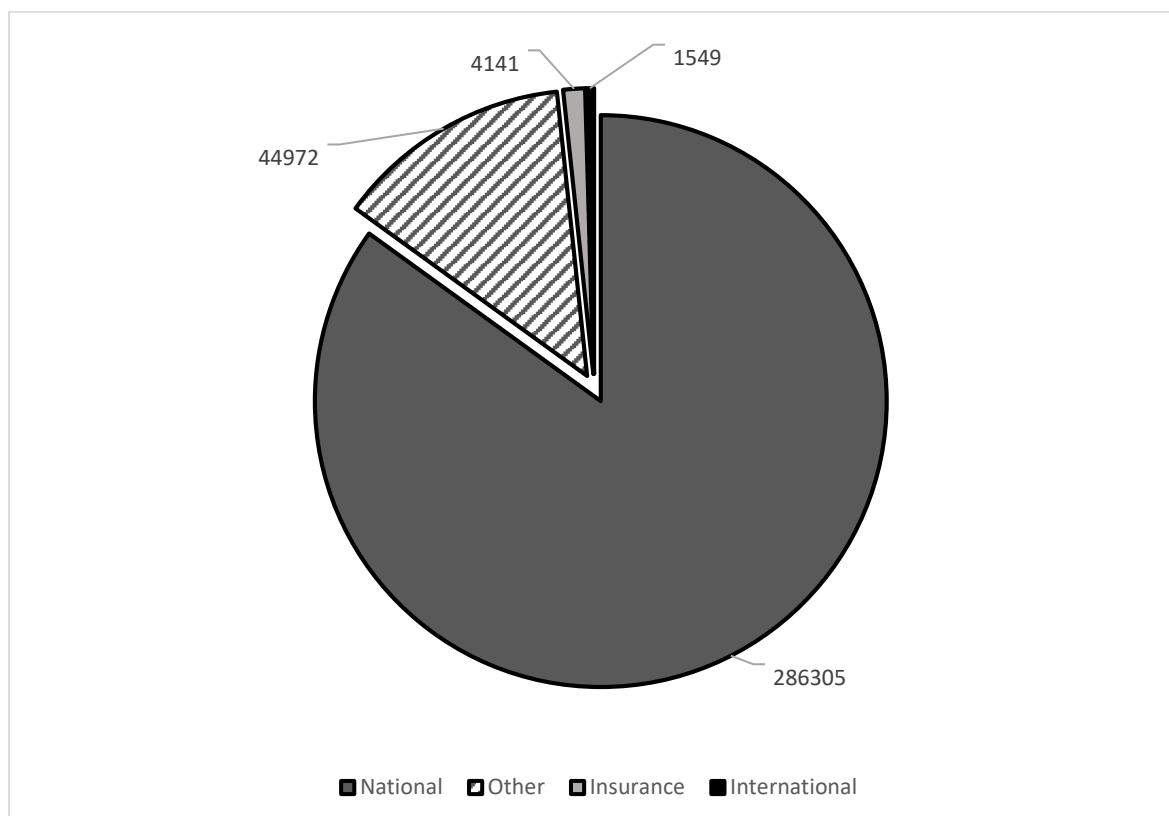
The EUSF intervenes in areas where sufficient subsidies are not sufficiently available within the state budget, or set grant conditions in some cases do not allow for drawing of subsidies (e.g. do not enable ex-post reimbursement of expenditure). The EUSF is thus a suitable supplementary tool in addition to aid provided by the state. Some entities would not have been able to carry out repairs using their own funds if they did not have the opportunity of ex-post reimbursement of these funds from the EUSF. Extension of the time limit for implementation from 12 to 18 months is considered very beneficial as it enables, and will enable in the future, more effective and less "hectic" implementation of the EUSF.

In comparison to the EUSF 2010, changes were made to implementation approaches on the basis of experience, so that the administrative burden was reduced for the Czech authorities and the final beneficiaries of the aid. Cooperation between national and sub-national levels was vital. Cooperation between the national Ministry and the regions was considered important by both sides; regions were actively interested in the opportunity of use of the EUSF.

Source: Implementation Report of the EUSF in the Czech Republic – Floods in June 2013.

**Information on the use of other funding sources.** While the EUSF's flexibility and responsiveness is crucial for its functioning, it is limited by the regulation to making a small contribution compared with the scale of the damage. The objective of the EUSF is not to cover a high proportion of the damage costs but to support the beneficiary State. Consequently, it is useful from an evaluation perspective to have information on the contribution of other sources of funding addressing the disaster. Based on data collected from 43 cases,<sup>70</sup> Figure 23 shows that national funding accounted for 85 percent of the other funding identified. International funding, including other EU funds and bilateral donations, represented 0.5 percent.

**Figure 23: Other sources of funding supplementary to EUSF (€ million) (n=66)\***



Source: European Commission data, 2018.

\*Data were collected for 66 accepted cases.

Note: 'Other' includes corporate funding, private and community funding.

Responding to and recovering from disasters necessitates the mobilisation of a range of funds and among the cases there are examples where EUSF beneficiaries have accessed a variety of national and international sources, including other EU instruments (see Box 8).

<sup>70</sup> Note that this information is taken from accepted EUSF applications.



**Box 8: Mobilising other funds alongside EUSF – floods in Serbia, 2014.**

The case of Serbian flooding in 2014 (Case RS112) provides a good example of the variety of non-EUSF funding which can be mobilised to respond to a disaster. The Serbian authorities drew from several sources of funding to deal with their flooding disaster, including other EU funding sources (the Instrument for Pre-accession Assistance – IPA), bilateral donations from other countries and a World Bank loan.

<b>EU funds:</b>	€162.2 million, including:
- IPA 2012:	€30 million
- IPA 2014:	€62 million (national IPA) and €10 million (regional IPA)
- EUSF:	€60.2 million
<b>Foreign government:</b>	€29.1 million
<b>World Bank loan:</b>	approximately €260 million.
<b>Domestic funds:</b>	€2070.4 million

Source: Implementation Report of the EUSF in Serbia – Floods in May 2014.

**3.4.2 Operations financed****(a) Types of operation**

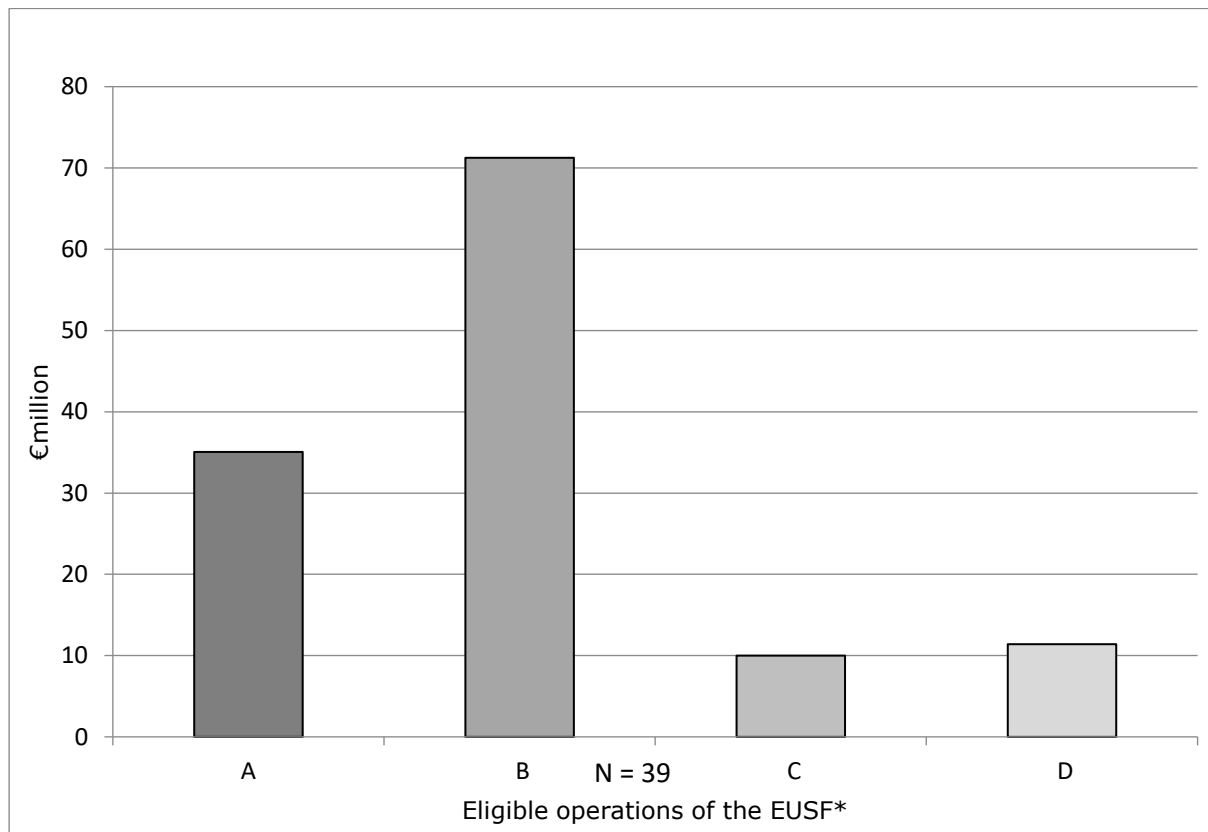
Figure 24 sets out the reported allocations of funding to different types of EUSF operation. The data are drawn from 39 Implementation Reports. The biggest demand for funding and reported costs concerned operations providing temporary accommodation and funding rescue services, and operations restoring the working order of infrastructure and plants in the fields of energy, water and waste water, telecommunications, transport, health and education. Under these operational headings, the level of expenditure initially planned has subsequently been exceeded.

It should be noted that 'overbooking' is encouraged by the Commission.<sup>71</sup> While the Commission will not pay more than 100 percent of the EUSF contribution established in the relevant Commission implementing Decision, beneficiary countries are encouraged to report an amount of eligible expenditure exceeding the amount of the EUSF contribution received. Overbooking allows the beneficiary State to replace expenditure later found to be ineligible following a Commission audit (or other audit carried out after the expenditure is declared to the Commission, together with the implementation report) by other eligible expenditure under the same the EUSF intervention. There are numerous examples where authorities have declared eligible expenditure that was significantly higher than the amount granted. For example, in the case of the mudslide in Portugal in 2010, the funding approved was 9.7 percent more than the actual aid granted. This was done to ensure a margin in case any ineligible expenditure was detected at the control headquarters.<sup>72</sup>

<sup>71</sup> European Commission (2018) *EU Solidarity Fund (EUSF) – clarification on implementation and auditing processes*, update 15/01/2018 Version 4.

<sup>72</sup> Implementation Report of the EUSF in Portugal – Mudslide in 2010.

**Figure 24: Eligible operations - average expenditure (€m)**



Source: Commission data, 2018

\* Note: Operation A = immediate restoration to working order of infrastructure; Operation B = providing temporary accommodation; Operation C = immediate securing of preventive infrastructures and measures of immediate protection of the cultural heritage; Operation D = immediate cleaning up of disaster-stricken areas, including natural zones.

A wide range of projects are implemented under these four operational headings. Table 14 provides a representative example of the types of projects and eligible costs implemented in a case concerning the most common type of disaster, based on information in the Implementation Report on flooding in Hungary in 2010.

**Table 14: Examples of EUSF project types (Hungary – Floods in Spring 2010)**

Operation	Project examples	Examples of eligible costs
A) Immediate restoration to working order of infrastructure and plant in the fields of energy, water, waste water, telecommunication, transport, health and education	<ul style="list-style-type: none"> <li>· repairing pump units</li> <li>· cleaning riverbeds</li> <li>· flood control supplies</li> <li>· procuring hand tools</li> <li>· procuring mosquito repellents</li> <li>· restoring access roads</li> <li>· temporary flood control</li> <li>· repairing IT equipment</li> <li>· removing fallen trees</li> <li>· operation of reservoirs</li> <li>· monitoring services</li> <li>· coordinating rescue forces</li> </ul>	<ul style="list-style-type: none"> <li>· Capital purchases</li> <li>· Wage costs</li> <li>· Service expenses</li> <li>· Fuel, water, energy costs</li> </ul>
B) Providing temporary accommodation and funding rescue services to meet the immediate needs of the population concerned	<ul style="list-style-type: none"> <li>· food, clothing, transport</li> <li>· temporary ambulance station</li> <li>· supplying disinfectants</li> <li>· conducting site visits</li> <li>· rescuing persons and goods,</li> <li>· public information</li> <li>· healthcare, medicines</li> </ul>	<ul style="list-style-type: none"> <li>· Fuel costs</li> <li>· Capital purchases</li> <li>· Service costs relating (clean up, meal supply)</li> </ul>
C) Immediate securing of preventive infrastructures and immediate measures to protect cultural heritage	<ul style="list-style-type: none"> <li>· restoring embankments</li> <li>· restoring dikes</li> </ul>	<ul style="list-style-type: none"> <li>· Fuel costs</li> <li>· Assets and fixtures required for protection</li> </ul>
D) Immediate cleaning up of disaster-stricken areas, including natural zones	<ul style="list-style-type: none"> <li>· replacing trees</li> <li>· waste disposal</li> <li>· water quality tests</li> <li>· disinfecting flooded areas</li> <li>· 'on the spot' advice</li> <li>· supply of drinking water</li> <li>· arranging vaccination</li> </ul>	<ul style="list-style-type: none"> <li>· Fuel and wage costs</li> </ul>

Source: Implementation Report of the EUSF in Hungary – Floods in Spring 2010.

Examples of actions under these operational headings can also be drawn from cases in different beneficiary States.

- **Operation A.** Infrastructure restoration projects commonly include the restoration of state roads, repair of plant and equipment etc. For example, the Czech Republic in 2010, EUSF funding under heading 'A' was used mostly for the repair or restoration of roads and sewage networks which were completely overwhelmed by flooding. Some areas of the Usti region had large roads completely washed away and required total reconstruction. In the Liberec region, entire bridges were washed away as well as the roads connecting to them, requiring complete reconstruction to restore road access to many areas. Of the €268.290 million disbursed from the EUSF, €236.283 million was used in this case by the Czech Republic to restore roads, bridges, riverbanks and sewage systems.
- **Operation B.** Projects under Operation heading 'B' include the identification and adaptation of temporary shelters and support of emergency services, including through the provision of food, clothing, transport, medicine etc. For example, in the

case of forest fires in Portugal in 2003, actions under heading 'B' included reimbursement to firefighting services for the replacement of 8 destroyed and 201 damaged vehicles which were used to fight the blaze, as well as payments for fuel costs for both land and air vehicles. In total, €6.5 million was spent on fire services. Animal feed was also purchased to allow for livestock to be maintained over the course of the disaster clean-up, for a total of 4,508 separate farmers who were each allocated a maximum of €250,000 worth of feed. The case also included substantial expenditure on the provision of emergency housing and aid to affected population, totalling €2.5 million.

- **Operation C.** Under heading 'C', projects can concern the immediate securing of flood defences, the restoration of damaged embankments of water courses, the removal of trees and rubble, damming etc. For example, after the floods in Poland in 2010, €54.1 million was spent to secure preventative infrastructure and protect areas of cultural heritage. Much of the funding was used to enhance the water management capacity of riverbanks and water regulating structures, as well as reinforcement of vulnerable existing structures. Projects aimed at flood management were implemented, including the renovation of two sewage plants. A total of 19,723 kilometres of new or improved anti-flood embankments were constructed to protect vulnerable areas from flooding.
- **Operation D.** 'Clean up' operations can involve environmental measures, including addressing the immediate impact of environmental damage to inhabitants. The volcanic eruption and earthquake in Italy in 2003 involved a substantial clean-up operation supported by the EUSF, with the removal of volcanic ash and sand from the area around Mount Etna. Total cost noted in the Implementation Report was €3.9 million.

Across these operations, typical costs cover the purchase of materials and equipment, the hire of additional vehicles, plant and machinery, fuel and energy supplies, medicine etc., and staff costs of the emergency services and of public administrations during the emergency and recovery phase (eligible only if they represent an effective cost clearly attributable to the operations financed by the EUSF).

### **(b) Timing of operations**

As noted above, operations have to be implemented within 18 months (Article 8) of the money being disbursed; prior to the reform of 2014 it was within 12 months. Implementation Reports do not contain consistent, comparable data on the timing of specific operations, but there is evidence that some beneficiaries faced pressure to meet the EUSF implementation deadline. The Reports note different factors that can result in authorities struggling to meet implementation deadlines.

The utilisation of EUSF funds can be delayed by institutional conditions in beneficiary countries. This could involve the introduction of additional rules and controls to those stipulated in the EUSF Regulation or changes to institutional and administrative structures following elections. For instance, in the case of flooding in Hungary in 2010, post-election changes to the system of public administration meant that the distribution of the EUSF grant between affected Ministries had to be renegotiated.<sup>73</sup> Some Implementation Reports note that operations concerned with restoration of damaged infrastructure often require a

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<sup>73</sup> Implementation Report of the EUSF in Hungary – Floods in spring 2010.

lengthy period for preparation and realisation.<sup>74</sup> According to the EUSF Unit, problems can occur due to the short time-frame for implementation and can be challenging where technical issues, for instance related to public procurement, have to be addressed. The extension of the time limit for implementation from 12 to 18 months, introduced in the 2014 reform, was considered by some beneficiary authorities very beneficial as it enabled more effective and 'less hectic' implementation of the EUSF.<sup>75</sup>

The EUSF is often used retroactively, refinancing already launched recovery and reconstruction projects, reimbursing incurred expenses. Several Implementation Reports state that this was the approach taken. For instance, the Report on floods in Slovakia in 2010 notes that eligible operations were financed by means of reimbursement of the financial resources spent by final beneficiaries from the central government budget, as shown in payment of invoices and relevant accounting documents.<sup>76</sup> Similarly, the Report from the floods in Ireland in 2009 states that the grant from the EU Solidarity Fund was used to reimburse expenditure already incurred by the Exchequer (through Departments and Agencies).<sup>77</sup>

According to the E1 Unit, there are several benefits to this approach. It means that the projects funded will be implemented closer to the time of the disaster, responding to the 'emergency' nature of the operation, even if the EUSF support arrives later. The Implementation Report on floods in the Czech Republic in 2010 notes that the principle of providing the EUSF funds was established only for reimbursement of already made and duly documented expenditures. In effect, ex-post payments meant the Fund supported disaster-related actions, even though the Czech Republic only received the cash about a year after the flood.<sup>78</sup> Nevertheless, beneficiary authorities still have to meet the deadline and using the EUSF to reimburse measures already completed helps to ease pressure. The reimbursement of eligible costs for projects contracted, financed and already executed (or at least in their final stages of execution) based on domestic resources, helps ensure that operations can be completed within the 18 months implementation period of the grant.<sup>79</sup>

EUSF reimbursement of funds already spent can be especially valuable for regions and municipalities with limited budgets. Evidence from correspondence in the case files shows that regions and municipalities appreciated the fact that funds from the EUSF were remitted to their budgets. As the EUSF provides ex-post reimbursement of already incurred eligible costs, municipalities and regions can utilise the reimbursed funds for further restoration and development of the area. Some entities would not have been able to carry out repairs using their own funds without the opportunity of ex-post reimbursement of these funds from the EUSF.<sup>80</sup> There are cases where beneficiaries have used own resources initially to overcome procedural delays related to the adaptation of domestic authorities to implementing EU funds. In the case of the earthquake in Italy in 2012, some delays occurred as auditors were uncertain of their legitimacy to evaluate the EUSF resource

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<sup>74</sup> Implementation Report of the EUSF in the Czech Republic – Floods in June 2013.

<sup>75</sup> Implementation Report of the EUSF in the Czech Republic – Floods in August 2010.

<sup>76</sup> Implementation Report of the EUSF in Slovakia – Floods in May and June 2010.

<sup>77</sup> Implementation Report of the EUSF in Ireland – Floods in November 2009.

<sup>78</sup> Implementation Report of the EUSF in the Czech Republic – Floods in August 2010.

<sup>79</sup> See case study report on floods in Romania in 2014 for more detail on this.

<sup>80</sup> Implementation Report of the EUSF in the Czech Republic – Floods in May/June 2013.

utilisation plan. To overcome this impasse, the regional authority advanced its own funds, enabling the start of operations.<sup>81</sup>

EUSF money also directly supports new or ongoing operations, sometimes alongside retroactive projects. In some cases, a mix of retroactive and current projects are funded. Some beneficiaries struggling to identify eligible projects have found that retrospective funding allows them to support projects that are eligible because they occurred close to the time of the disaster. In the case of the storm in Slovakia in 2005, the Implementation Report notes that funding was reallocated from a planned project that was experiencing difficulties to another already completed project implemented by the same final beneficiary.<sup>82</sup> The Fund has been used for new or ongoing projects where it has been made available relatively quickly and where beneficiary states have been able to identify and select suitable projects prior to disbursement. According to the E1 Unit, Italy is an example of good practice in timely implementation. Drawing on extensive experience of using the Fund, Italian authorities have been able to plan the implementation process and allocate funding to proposed projects before the EP and Council decision, based on the anticipated level of funding proposed by the Commission (which is invariably the amount that is finally approved). Thus, projects were ready to be implemented as soon as the EP and Council decision was confirmed.

### **(c) Size and number of projects**

Different approaches to project development and implementation can be identified from Implementation Reports. A broad distinction can be made between cases that implement a relatively small number of larger initiatives and those that involve a large number of comparatively small projects. An example of the former concerns the floods in Bulgaria in 2005, where a total allocation of €10.6 million supported 42 projects, with 29 implemented by national agencies and 13 implemented by municipal authorities.<sup>83</sup> Similarly, in the case of floods in Austria in 2013, a total of 106 projects were supported by the €21.7 million EUSF allocation, with a focus on a relatively small number of actors at Federal and *Land* levels. There are advantages to this approach in terms of administrative efficiency, as it involves relatively fewer actors, focusing implementation responsibilities on those with the most relevant experience and capacity. In the Austrian case, the Federal Ministry of the Interior noted that the whole process from application through approval to closure was characterised by only limited bureaucracy and complexity, partly because fewer authorities were involved in the EUSF-process.<sup>84</sup>

In other cases, EUSF has been used to fund a large amount of small projects, and within this, a substantial number of individual measures, often through allocating resources to many municipalities. This approach can create implementation challenges: each project has common administrative requirements, regardless of the cost, and this approach potentially involves a large number of actors with varied capacity and experience. In some contexts, complex implementation arrangements for the Fund involve numerous implementing bodies: municipalities affected by the flooding, various departments of the regional authority and national government ministries and departments.

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<sup>81</sup> Protezione Civile, Regione Emilia-Romagna, Regione Lombardia e Regione del Veneto (no date) p. 164.

<sup>82</sup> Implementation Report of the EUSF in Slovakia – Windstorm November 2004.

<sup>83</sup> Implementation Report of the EUSF in Bulgaria – August 2005.

<sup>84</sup> See case study report on floods in Austria in 2013 for more detail on this.

For example, in the case of the floods in Germany in 2013, an EUSF award of €360.5 million was granted. Due to the scale of the damage, a large number of municipal, state and federal authorities were involved in implementation. More than 3,500 individual measures were eligible for support from the resources of the EUSF alone; the administrative authorities had to implement and audit the accounting and expenditure for all these measures. Under Germany's federal system, the necessary coordination of these different authorities is highly complex and time-consuming in management terms, and this is cited in the Implementation report as the main reason for the request for an extension of six months to the implementation deadline.<sup>85</sup>

Issues concerning the distribution of funds for 'clean-up' operations and those for related infrastructure restoration can fall across municipal borders, with implications for the level of resources allocated, and this makes demands on coordination mechanisms among local authorities to ensure effective and efficient implementation. This can result in overlapping powers and organisational procedures, requiring careful management with measures defining the implementing procedures and provisions at different levels. Ambiguities and duplication in implementation tasks, such as financial control, were apparent in some cases, particularly where the experience of some actors was limited, and new procedures for coordination and cooperation had to be introduced in a short timescale.<sup>86</sup>

The experience of implementing EUSF in the case of floods in Romania in 2014 provides insights in this context. An EUSF allocation of €4.3 million was implemented by eight Implementing Authorities. Over half of this (€2.3 million) was allocated to the Ministry of Regional Development and Public Administration (MDRAP) as an Implementing Authority. The final beneficiaries for this part of the funding were local public authorities. However, according to the Implementation Report, there was substantial variation in the quality of project documentation received by this Implementing Authority. Multiple requests for clarifications and additions to the submitted documentation were made in order to check compliance with the eligibility criteria, the location in space and time of the project actions, the connection with the disaster and the accuracy and legality of the works performed (including compliance with public procurement procedures). In total, the MDRAP assessed 80 project plans (containing a range of specific measures) from local authorities of which only 12 were awarded funding. The Implementation Report notes this issue as a contributing factor in the low overall EUSF absorption rate of approximately 71 percent.<sup>87</sup>

Related to this is the need for support and guidance identified by implementing authorities. There are examples in Implementation Reports where the need for more support for authorities in implementing the Fund has been identified. Such support can come in the efficient communication of standard implementing documents (model orders, application files, procedure guide, etc.), details on the eligibility of operations (recurring eligibility questions for each EUSF application and exceptions of eligibility under previous EUSFs), or advice and training. The Implementation Report for the floods in France in 2010 noted that the absence of technical assistance hampered the assessment of the needs of the various beneficiaries, the establishment of the procedure prior to the payment of funds and the monitoring of the grant and controls.<sup>88</sup>

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<sup>85</sup> Implementation Report of the EUSF in Germany – Floods in May/June 2013.

<sup>86</sup> Implementation Report of the EUSF in Italy – Floods in October 2011.

<sup>87</sup> Implementation Report of the EUSF in Romania – Floods in July, August 2014.

<sup>88</sup> Implementation Report of the EUSF in France – Storm 2010.

Despite these issues, the potential benefits of involving local authorities directly in EUSF funding, in terms of building capacity and experience (including in the use of EU funds) and in demonstrating solidarity at the local level should be noted. In some cases, the experience of implementing EUSF between state, regional and local authorities and between different sectors and services created a 'laboratory of good practice', translated into a permanent partnership framework for responding to such events (as in France).<sup>89</sup> In these contexts, implementation of EUSF was regarded as an opportunity to test and validate practical experience in programming and allocating public assistance.<sup>90</sup>

#### **(d) Achievements**

The documentation on cases typically provides only general information on the achievement of objectives. Applicant countries are required to demonstrate eligibility and set out estimates of funding under different categories of operation. These are only broad estimates. They are not tied to specific actions with associated targets, and beneficiaries can reallocate funding across categories as implementation progresses. The actual use of funding under different operational headings can be modified in the course of implementation e.g. responding to changes in national financial interventions. Thus, information does not relate to planned costs, but estimations of what could be needed.

Beyond reporting on the funding utilised for operations, Implementation Reports list achievements in various ways.

- Several are general in their approach. For instance, the UK Implementation Report for floods in 2007 notes; "Successful infrastructure restoration as well as new legislation and strengthened arrangements for flood defences and strategies".<sup>91</sup>
- Similarly, the Report on the oil spill in Spain in 2003 points out "Enormous hydrocarbon clean-up operation removing thousands of tonnes from oceanic environment, research gathered on effects on wildlife".<sup>92</sup>
- The Implementation Report for floods in Romania in 2005 notes achievements as "Improved storm resistance works, successful reconstruction and repair of transport infrastructure, successful repair of high-voltage power infrastructure".<sup>93</sup>
- Some Reports provide basic measures of achievements in terms of the number of projects carried out or the scale of infrastructure improvement. The Report for the Polish floods in 2010 notes restoration to working order of infrastructure and preventative infrastructure through over 1,300 projects with nearly 600km of roads rebuilt.<sup>94</sup>

The case of flooding in Bulgaria in 2014 provides a useful quantitative summary of achievements (e.g. in terms of restoration of bridge facilities) albeit not compared to original objectives (see Box 9).

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<sup>89</sup> Implementation Report of the EUSF in France – Floods in Gard in 2002.

<sup>90</sup> Implementation Report of the EUSF in Slovakia – Storm in November 2004.

<sup>91</sup> Implementation Report of the EUSF in the United Kingdom – Floods in June/July 2007.

<sup>92</sup> Implementation Report of the EUSF in Spain – Oil spill in 2002.

<sup>93</sup> Implementation Report of the EUSF in Romania – Floods in 2005.

<sup>94</sup> Implementation Report of the EUSF in Poland – Floods in May 2010.



**Box 9: Achievements of EUSF intervention in Bulgaria, flooding, 2014**

**Summary of achievements:**

- 59% of the financial resources were provided to the municipality of Varna for the project "Restoration of the passability of flood control channels on the territory of the district of Asparuhovo, Varna". The watercourses and the passability of the two channels with total length of 2706 m were restored; 4 bridge facilities along the route of the channels were also restored; restoration of the stability of the spatial bearing reinforced concrete structure at the first inspection pit of the residential collector; restoration of 210 m of the bed of Elpromsko Dere at its lowest point where it flows into the lake, as well as the two bridge facilities along this section of the gully.

**Other resources from EUSF have covered:**

- Restoration to working order of street infrastructure within 12 projects (13000 m of street surface were restored, 36000 m<sup>2</sup> of asphalt mixture laid, street kerbs 2000 m restored, 2 600 m<sup>2</sup> of pavements repaired)
- Other road infrastructure (Road Infrastructure Agency): 90 m of retaining walls constructed; 700 m of reinforcing walls on national roads; 4000 m<sup>2</sup> of horizontal marking, 30000 m<sup>2</sup> safety nets restored
- Rivers, gullies and channels cleaned (4 projects) passability of 9 water bodies restored; 10000 m length of cleaned watercourses, 8 bridges and the dike of one river restored; 7000 m<sup>2</sup> restored concrete correction of the river in the town of Dobrich
- Restoration of the infrastructure of gullies in Kardzhali (900 m)
- Restoration of the landslide control and measuring system (CMS) at Kiparis Station, municipality of Aksakovo, and Sborno Myasto, municipality of Balchik
- Repair and restoration works on water supply and sewerage facilities affected on the territories of (i) Dobrich and (ii) Veliko Tarnovo: 6 new pump units, repairing 27 pumps and 24 electrical switchboards, restoring the buildings affected by the flood; (ii) cleaning up of affected areas, restoration of the stability of the facility with concrete protective casing and of protective gutters and stone pavement
- Dissemination of information and publicity activities (information boards on the sites of intervention, information on the websites of the implementing authorities, press conferences held both at the start of the projects and after their completion to announce the outcomes from their implementation, etc.)

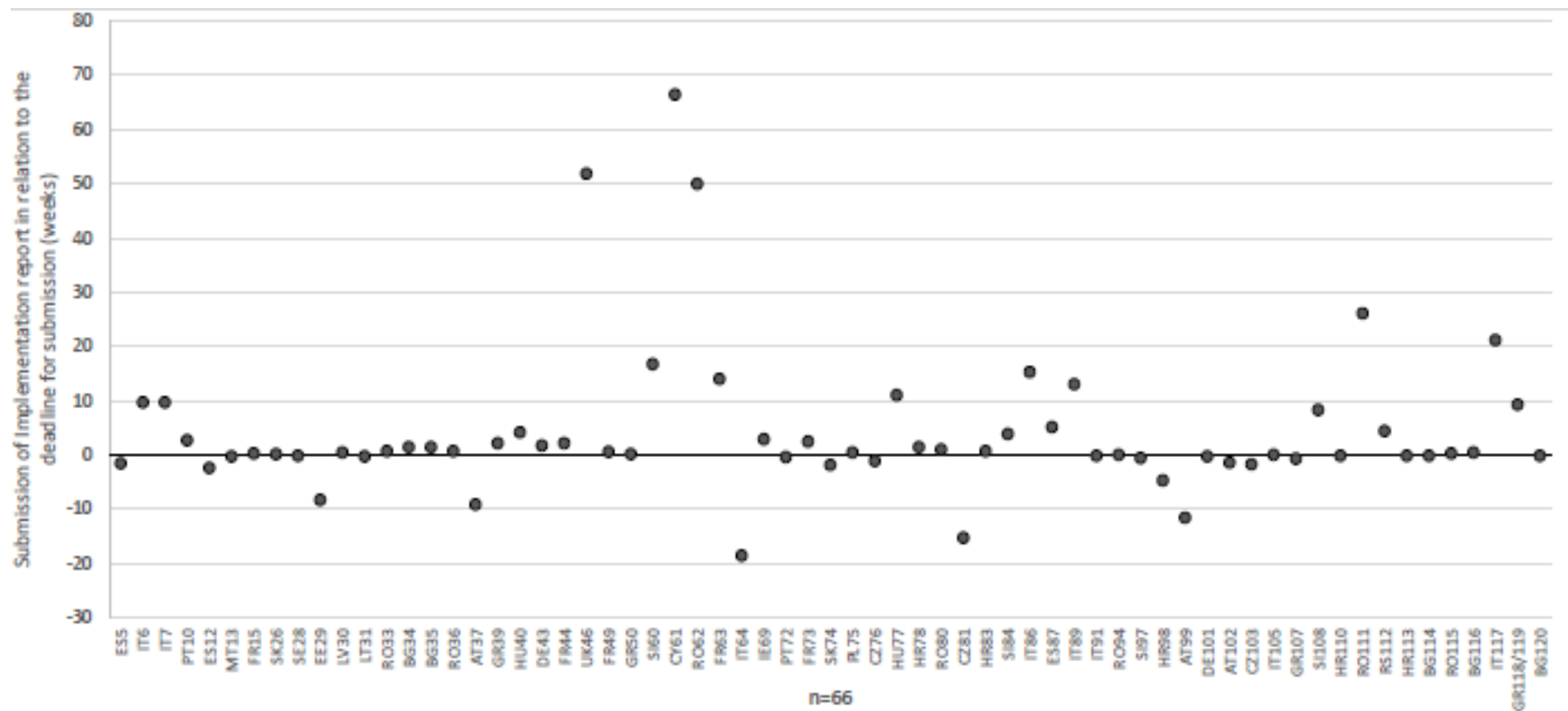
Source: Implementation Report of the EUSF in Bulgaria – Floods in 2014.

**3.4.3 Submission of the Implementation Report**

Based on data collected from 66 cases, Figure 25 sets out the time period between the Implementation Report submission deadlines and the first submission of the report (this includes cases where extensions were granted). As the figure indicates, the great majority of reports were submitted close to the deadline, with a small number being sent early. In case of the Italian earthquake of 2009 the implementation end date was 30 November 2010, and the Implementation Report was submitted on 14 January 2011.

However, there have been some long delays in delivering the Implementation Report to the Commission: five cases missed the deadline by more than 20 weeks and three cases were delayed by over 50 weeks.

**Figure 25: Time period between the implementation report submission deadline (0) and the first submission of the Implementation Report (weeks)**

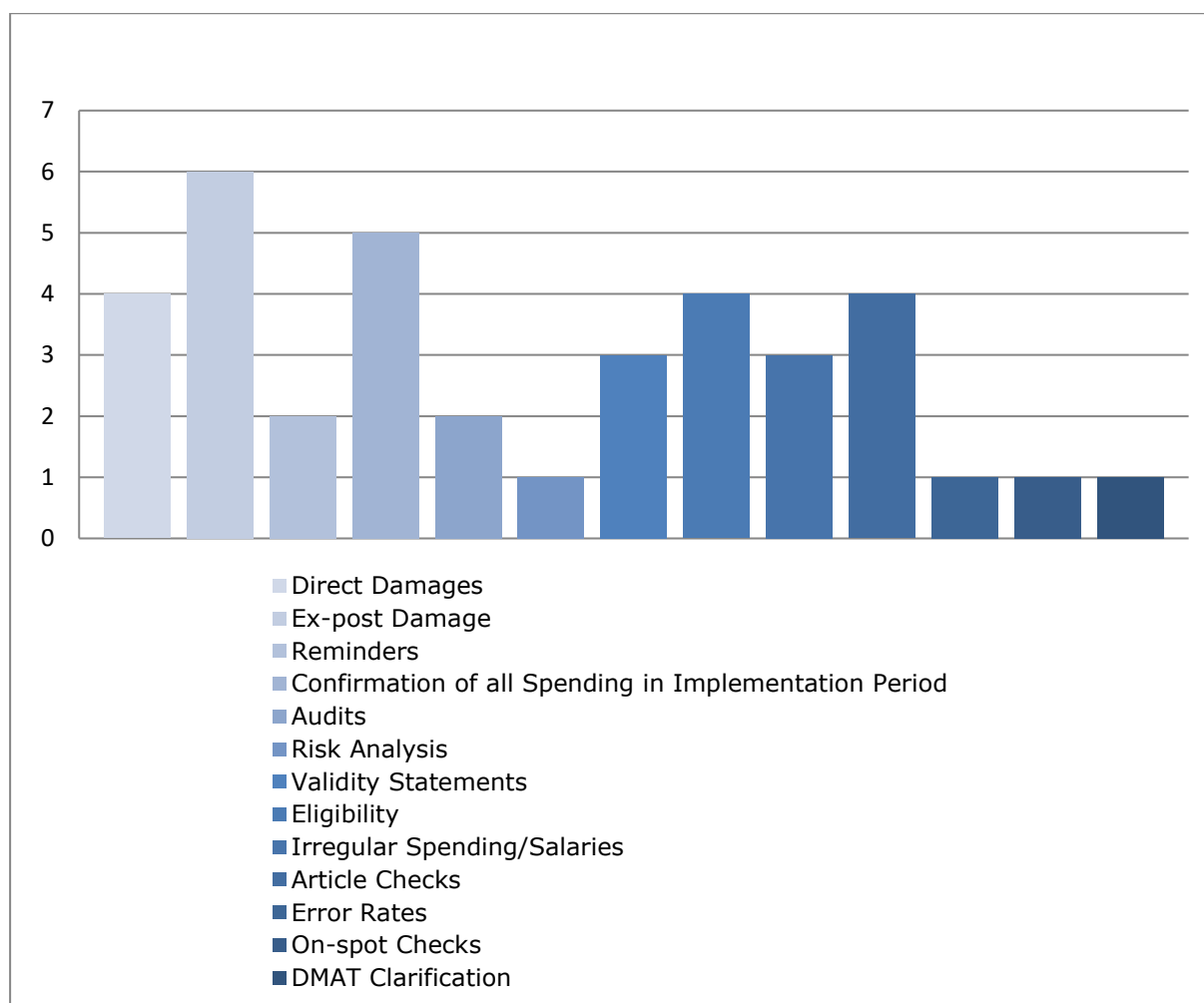


In this context, it is instructive to assess the reasons for requests submitted by beneficiary authorities for extensions to the submission of the Implementation Report (see Table 15). Based on analyses of case documentation, covering 66 cases (discounting four that were retroactively accepted and six where Implementation Reports are still pending), there are nine cases where requests for extensions were submitted to the Commission. Five of these were submitted in the pre-reform period (for cases in Ireland, Spain, Italy, Romania and Slovenia) three concerned requests in the transition between the pre-reform and post-reform period to have the 18 months deadline applied (Germany, Czech Republic, Italy) and one came in the post reform period (Romania).

**Table 15: Requests for extensions of IR submission**

Case	Initial IR submission deadline	Extension (New deadline for submission)	Reason
Floods in Ireland, 2009	22/06/2012	30/11/2013	Availability of staff, need to complete audit
Earthquake in Spain, 2011	20/01/2014	15/06/2014	Need to complete statement of validity
Earthquake in Italy, 2012	19/06/2014	19/12/2014	No information available in case documentation
Drought in Romania, 2012	11/09/2015	03/03/2016	Large number of beneficiaries, problem in identifying eligible expenditure
Flood in Slovenia, 2012	19/05/2015	19/07/2015	Institutional reorganisation, new government introduces new prevention measures
Flood in Germany, 2013	19/09/2015	19/03/2016	Need to implement and audit large number of measures
Flood in Czech Republic, 2013	19/09/2015	19/03/2016	Reallocation of recovered irregular spending
Flood in Italy, 2013	07/10/2016	07/04/2017	No information available in case documentation
Flood in Romania, 2014	21/08/2017	21/03/2018	Government change, problem in identifying eligible expenditure

Source: Commission data, 2018.

**Figure 26: Commission requests for updates to Implementation Reports (n=37)**

Source: Commission data, 2018. Note: n value is 37 as in some cases there is more than one request involved in the IR update process.

#### **3.4.4 Summary assessment of the implementation stage**

- The quality of Implementation Reports submitted varies in terms of accessibility, structure, coverage of relevant issues and level of detail included. The Reports include the elements required by the Regulation, but these are not always presented in a clear, consistent manner. Moreover, the information required for evaluations of 'what works' or 'lessons learned' is only included in a small number of reports.
- There has been a general evolution in the content and presentation of reports over time. It is difficult to compare pre and post-reform periods, but the increasing experience of beneficiary States, improved Commission guidance and refined regulatory requirements have played a part in providing more clarity on what data is expected and how it should be structured, contributing to better and more consistent Reports.
- Nevertheless, there is a lack of systematic information in the Implementation Reports under some headings, such as the achievement of objectives. Beneficiary countries are not required to report against detailed targets, and funding can be directed to different interventions in response to changing circumstances during the implementation process. A standardised approach to how achievements are reported would increase the scope to aggregate and compare data.

- The need for some flexibility in producing reports is noted, but Commission guidance and templates could provide further detail on the type and level of information and the format expected under different headings to increase the scope to aggregate and compare data. It could also include headings for information useful to evaluation of the EUSF. This would strengthen the basis for comparable data and also limit the inclusion of unnecessary information in often lengthy reports. It should also be noted that the development of national-level guidance in some beneficiary States has enhanced the quality of Implementation Reports (e.g. Czech Republic). Dissemination of this experience would be valuable for other applicants.
- The Regulation does not contain rules on publicity, and only a few beneficiaries widely communicate the source and achievements of the support provided. Given that the visibility of EUSF achievements is central to its aims of demonstrating and strengthening solidarity, a dedicated section of the Implementation Report containing a description of arrangements to enhance visibility would be valuable.
- From an evaluation perspective, the inclusion of information on the use of other funding sources, present in many of the Implementation Reports, is valuable. The EUSF makes a small contribution relative to the scale of damage caused by disasters, and it is usually mobilised alongside other, usually larger, domestic and international funds. Information on the scale and source of these other funds (including those from other EU instruments) is useful in understanding the role and influence of EUSF and in the assessment of potential synergies between funding streams.
- In terms of operations financed, the biggest reported costs come under Operation B (providing temporary accommodation and funding rescue services) and Operation A (operations restoring the working order of infrastructure and plants in the fields of energy, water and waste water, telecommunications, transport, health and education). There is often some fluctuation in the level of funding allocated to projects under these operational headings during the implementation process. This fluctuation responds to changing circumstances during disaster responses, unforeseen problems in identifying projects eligible for EUSF etc. The flexibility to reallocate funds and to use 'overbooking' is valuable in this respect.
- A wide range of projects is implemented under the four operational headings. Typical outlays are for the purchase of materials and equipment, the hire of additional vehicles, plant and machinery, the purchase/provision of fuel and energy supplies, medicine etc., and staff costs.
- The deadline for the implementation of EUSF operations (12 months from disbursement of the funding prior to 2014 and 18 months after 2014) has in some cases put pressure on beneficiary authorities. Implementation delays can arise from institutional conditions in beneficiary countries (e.g. institutional flux, the introduction of new legislation). Problems can occur due to the short time-period for implementation where technical issues (e.g. related to public procurement) have to be addressed; these apply in particular to operations concerned with the restoration of damaged infrastructure which often requires a longer time period for preparation and realisation. In this context, EUSF can be included in special procurement systems set up in countries in the immediate aftermath of disasters. The extension of the implementation period in the post-reform period has been welcomed by beneficiary authorities.

- EUSF is often used retroactively, refinancing already launched recovery and reconstruction projects, or reimbursing incurred expenses. This means that EUSF is used for actions close to the time of the disaster, emphasising its 'emergency' nature. Moreover, this approach helps ensure that operations can be completed within the implementation deadline. Some beneficiaries struggling to identify eligible projects have found that retrospective funding allows them to support projects that are eligible because they occurred close to the time of the disaster. EUSF reimbursement of funds already spent be particularly beneficial for regions and municipalities with limited budgets which can utilise the reimbursed funds for further restoration of the area.
- In some countries, EUSF has directly supported new or ongoing operations. This is the case where it has been made available relatively quickly and where beneficiary authorities have been able to identify and select eligible projects before the EP and Council decision, based on the anticipated level of funding proposed by the Commission (e.g. in Italy).
- Different approaches to project development and implementation can be identified. Some cases involve implementation of a relatively small number of larger initiatives. Benefits in administrative efficiency can be gained from EUSF being managed by a limited number of actors, focusing implementation responsibilities on those with the most relevant experience and capacity. On the other hand, there are cases where EUSF has funded a large number of small projects and a substantial number of individual measures, often through allocating resources to many municipalities. The necessary coordination of these different authorities can be complex and time-consuming and problems have been reported in ensuring the selection and implementation of eligible operations. This suggests that beneficiary States should consider the most practical size of projects and the number of authorities involved in implementation (although the value of involving small municipalities in implementation in some way in terms of capacity building and visibility of the EU 'on the ground' has also been noted).
- A substantial majority of reports were sent to the Commission close to the submission deadline. Some beneficiaries have requested extensions, leading to a longer process. These extensions have been due to issues with identifying eligible projects, completing audit processes and dealing with irregularities and adapting to institutional reorganisation. It should be noted that the Commission often seeks updates to the Implementation Reports and this can lengthen the duration of this stage. These requests are usually the result of missing information, notably on ex post damage assessment.

### **3.5 Closure**

Closing a case involves acceptance of the Implementation Report, including a statement of validity of expenditure, and the issue by the Commission of a closure letter. Although a precise timetable for closure of the intervention is not specified in the Regulation, the evidence suggests it can in some instances be a protracted process. An EP report notes that the closing procedure for assistance from the fund is remarkably long in some cases: in 2014 the Commission was still closing files from 2005, 2007 and 2010.<sup>95</sup>

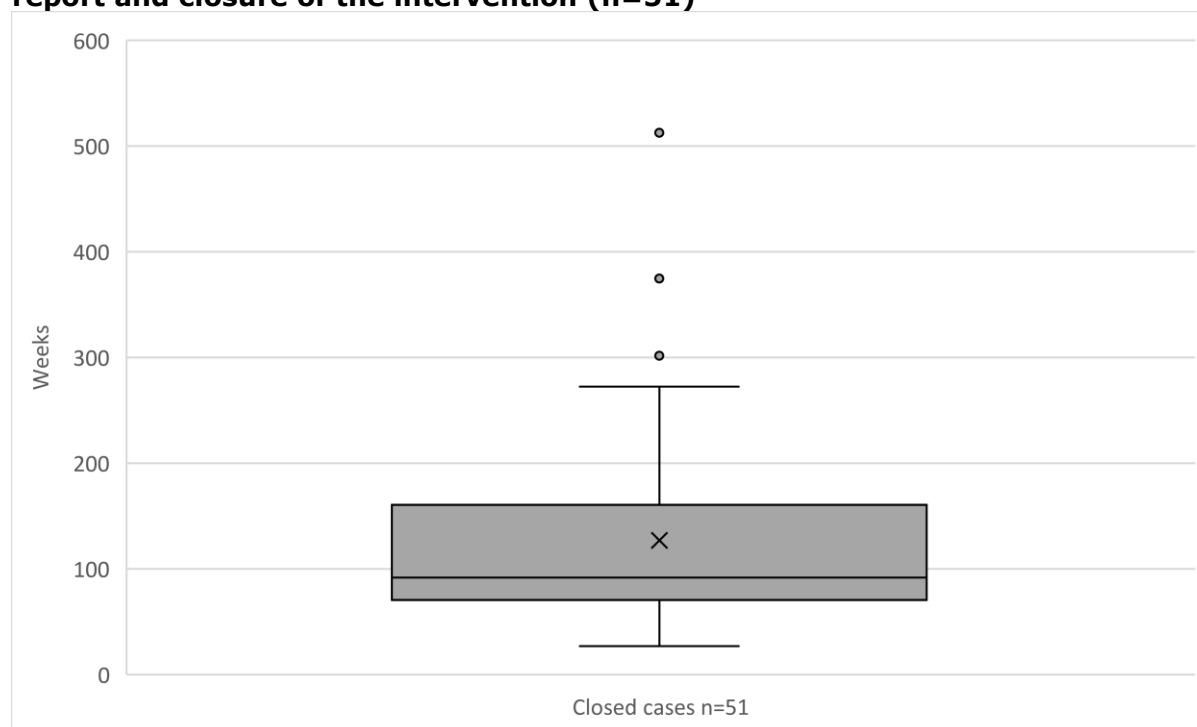
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<sup>95</sup> European Parliament (2016) *op. cit.*

### 3.5.1 Duration of the closure process

For closed cases, taking the duration of closure as the time elapsed between the delivery of the Implementation Report and the date of the closure letter, the mean value is around 127 weeks, with around 27 percent of cases taking over 150 weeks to close (see Figure 27).

**Figure 27: Time period (weeks) between submission of the implementation report and closure of the intervention (n=51)**



Source: Commission data, 2018

According to the E1 Unit, the closure process has evolved over time in line with experience at EU and national/regional levels. New guidance on implementation and auditing was issued by the Commission at the beginning of 2018, including a clear structure for financial reporting. This is not obligatory but beneficiary States are encouraged to follow it, which should help the audit aspects of the closure process. The impact of recent changes, especially since the reform, will not be known until there is a significant population of closed post-2014 cases.

The duration of the closure stage may be affected by a number of issues. First, the closure process involves communication between implementing authorities and audit authorities in the beneficiary State and different EU bodies. At level, the process involves internal consultation in DG REGIO (concerning audit, financial and legal services) and inter-service consultation with other DGs, including DG BUDG, and consultation with OLAF (the anti-fraud office). The cases provide examples of some lengthy exchanges between different actors involved, which can be particularly protracted when governments in beneficiary States change, or when there is institutional reorganisation or turnover of staff.

In some instances, closure has involved additional exchanges, for example when cases have been selected for 'on the spot' audit missions from the Commission or where the ECA has carried out an inspection. The case of the earthquake in Abruzzo in 2009 involved one of the longest EUSF closure procedures. An updated version of the Implementation Report was submitted in May 2011 but closure was not completed until September 2013. The case was the subject of a DG REGIO audit mission and a performance audit by the ECA and the

case could not be closed until these reports were completed (the ECA report was published in February 2013). Irregular expenditure was identified, although this was less than the amount of the expenditure declared in excess of the EUSF grant, so no financial corrections were applied.

A common cause for lengthy closure processes are legal issues arising from the rejection of statements of validity and recovery of EUSF funds. For instance, in the case of floods in the United Kingdom in 2007, the Commission audit identified a systemic irregularity and the resolution of this significantly delayed closure. The Commission's closure note indicates that poor communication from the UK authorities was a factor.<sup>96</sup>

There have been 22 instances where the European Commission has recovered a proportion of the grant from the beneficiary country after the implementation period has ended. Considering all recovery cases, the mean percentage recovered of the total aid granted is 12.88 percent however considerable variation between cases can be seen (0.00024 percent to 90.7 percent). Of all cases, 20 occurred pre-reform and two post-reform. The most prevalent reasons for the recovery of funds are ineligible expenses (in 11 cases) and unspent grant (in 11 cases). The largest recovery (90.7 percent of original aid granted) took place in the 2012 Romanian case in which the total aid granted for the disaster was €2.47 million.

This highlights the role of audit authorities in beneficiary States in checking eligible expenditure and identifying any issues at an early stage. An example of efficient closure, including a comprehensive process of audit in the beneficiary State is set out in Box 10.

Finally, it is important to note cases where internal procedures within the Commission have significantly delayed the closure process. As noted above, on the Commission side, closure involves an internal consultation in DG REGIO on the Implementation Report, and an audit unit assessment of the statement of validity. An inter-service consultation is then launched, including DG Budget and OLAF before a closure letter is issued by the Commission to the beneficiary State. The timeliness of this process depends on the quality of the data included in the Implementation Report, the identification of any issues, and the availability of administrative resources to carry out tasks.

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<sup>96</sup> European Commission (2017) Closure of the EU Solidarity Fund intervention in relation to the flooding event in the UK of 2007, note to file.



### **Box 10: Efficient closure – Floods in Austria in 2013.**

The case of floods in Austria in 2013 represents a good example of efficient closure. This involved an EUSF grant of over €21 million and the duration of the process from submission of the Implementation Report until the issue of the closure note lasted approximately one year. The key stages were:

- August 2015: submission of the Implementation Report and statement of validity (ahead of deadline).
- October 2015: English translation requested by Commission is sent.
- November 2015: DG internal consultation launched.
- May 2016: REGIO audit unit accepts statement of validity, closure can proceed.
- May-June 2016: inter-service consultation launched and completed.
- July 2016: OLAF consulted – no irregularities.
- August 2016: closure letter sent to the Austrian authorities.

It is worth noting that EUSF audits in Austria are conducted with the aid of comprehensive checklists for system monitoring and individual project inspection. These checklists are drawn up on the basis of experience gained from financial auditing of domestic interventions in Austria and for the financial auditing of funds used at the time of previous flood disasters. Austrian checklists for audit also benefit from improvements, additions and extensions drawn from the wide range of experience gained in audits of other EU funds in Austria, including the General Programme 'Solidarity and Management of Migration Flows' (SOLID) in the period 2007–13.

For the system audit, the existence and functionality of the internal administrative and monitoring system was checked with regard to the correct assessment and calculation of losses. This was done by means of timely requests for physical documents, transmission of documents by email, inspection of files and documents, and interviews with the BMLFUW employees responsible and with the relevant departments or sections of the provincial government offices and Torrent Control Authority. DG REGIO's internal consultation was launched in November 2015 but the acceptance of the statement of validity was sent towards the end of May 2016. The Commission had carried out a monitoring visit to Austria during the implementation period (in June 2014).<sup>97</sup>

Source: European Commission (2016) Closure of the EU Solidarity Fund intervention in relation to the flooding in Austria in 2013, note to file. See also case study report on floods in Austria in 2013.

There are cases where the internal procedures in the Commission have been lengthy, even where ineligible expenditure has been identified and dealt with in a timely manner. For example, in the case of the floods in Bulgaria in May 2005, the Bulgarian authorities submitted an Implementation Report in January 2008 (within the deadline), including information on ineligible expenditure identified by the Bulgarian audit authority. The process to recover this funding was launched in July 2008 and completed in December 2008. The Commission's inter-service consultation was launched in August 2008 and OLAF was consulted in December 2008. No irregularities were reported. However, the Commission's internal audit unit did not send its conclusions and analysis stating that the statement of validity could be accepted and that the closure could proceed until January 2011.<sup>98</sup>

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<sup>97</sup> European Commission (2016) Closure of the EU Solidarity Fund intervention in relation to the flooding event in Austria of May/June 2013, note to file.

<sup>98</sup> European Commission (2011) Closure of the EU Solidarity Fund intervention in relation to the flooding event in Bulgaria in May 2005, note to file.

### **3.5.2 Summary assessment of the closure process**

- The closure of EUSF cases has often been protracted, with a number of extremely long closure periods. Submission of the implementation report and closure involves the technical process of shutting down operations, finalising the reporting and recording of results, and ensuring sound financial management. This requires contributions from several bodies at EU level and in beneficiary States.
- Given the focus on disbursing and implementing EUSF quickly to respond to disasters, there is a danger that closure is perceived as a formal adjunct to the management and implementation process, or even as an after-thought.
- For some cases, the duration of the closure process has been extended by exchanges between the Commission and beneficiary State, particularly legal issues concerning financial control and audit, the rejection of statements of validity and recovery of EUSF funds. This reiterates the important role of domestic audit authorities in providing assurance to the Commission.

## **4. CONCLUSIONS AND INITIAL RECOMMENDATIONS**

Drawing the analysis of the operation and achievements of the EUSF together, this section summarises some of the key issues and sets out the initial contribution of Task 2 to answering the evaluation questions – relating to effectiveness, efficiency and relevance – set out in the Methodological Report. Some initial reflections on the added value and solidarity questions are also provided, although these are intended to be answered more fully under other tasks, particularly the Final Report of the evaluation. A tabular summary of the main conclusions and recommendations set out by stage of operation is provided in Annex 2.

### **4.1 Effectiveness**

The effectiveness questions are whether the EUSF has achieved its operational objectives (EQ1), the factors influencing their achievement (EQ2) and the attainment of overall goals (EQ3).

The assessment of effectiveness is constrained by the fact that beneficiaries are not required to report achievements against specific operational objectives, actions and targets, and they can vire funding across categories of intervention as implementation progresses. This strengthens the flexibility of the Fund but means that a quantitative assessment of the achievement of operational objectives, based on the data in case files, is not possible. Although the form and content of Implementation Reports has evolved over time, based on Commission guidance and beneficiary State experience, there is variation in content, coverage and quality, with different reporting of outcomes and other indicators of achievement. In this respect, a recommendation for the Commission is to continue with the development of guidance on Implementation Reports, emphasising the need for clarity and consistency in the structure and content of Reports, and in the type of data included. Beneficiaries should be encouraged to provide clear information on the achievements of EUSF, presented in a standard way to facilitate comparative analysis and to include qualitative reflections on 'what worked'.

Where evidence is provided, it indicates that the operational objectives set out in the Implementing Agreement (pre-reform) and Implementing Act (post-reform) were achieved. Across the cases, the biggest demand for funding, and potentially the most important impact of EUSF relates to restoring network infrastructure, including transport and communications. Restoration of public assets, temporary housing and enabling businesses to recover are also clearly important areas of impact. Implementation Reports note accomplishments under these headings – albeit sometimes in a general way – and several include testimonials to the value of EUSF in providing a crucial source of funding for authorities addressing these issues. There is often some fluctuation during implementation in the level of funding allocated to operations. In this respect, the Commission's provisions for flexibility in resource allocation to operations and the scope for 'overbooking' should be continued to help beneficiaries respond to changing circumstances during implementation.

Among the factors influencing effectiveness, administrative capacity is repeatedly cited in Implementation Reports as conditioning (constraining in some cases) the management of and implementation of funds and achievement of outcomes. This is partly because of the disruptive impact of natural disasters on facilities, resource and networks in the affected areas, but also the scale and unprecedented nature of the demands on officials overstressing the capacity of government departments, agencies, utility companies and (especially) local authorities to cope (see also below).

Institutional factors can put pressure on beneficiaries to implement support effectively within the deadline. In some cases, the process for transferring funds to beneficiaries is reported as being slow, limiting the effectiveness of the EUSF response. The Implementation Reports often indicate how the disaster response requires coordination and cooperation between authorities at different levels and flexible/adaptable ways of working, which has presented difficulties in some disaster events.

The type of disaster and the types of recovery operations are also influential. Effectiveness may be constrained where authorities have limited experience in dealing with a specific event, where relevant data may be unavailable and where it is challenging to develop and implement the most effective operations. The scale of some disasters – earthquakes in Italy, flooding in Germany – posed a major organisational challenge to government authorities even where they had efficient institutions and previous experience.

Given these factors, beneficiaries should plan their approach to the selection of EUSF operations and initiatives well in advance of disbursement (i.e. as soon as the application is proposed by the Commission). In this they should consider the use of retroactive funding: this ensures the 'emergency' nature of support and eases pressure to meet the implementation deadline. They should also consider the potential impact of public procurement procedures. These procedures have caused delays (especially for infrastructure) although special arrangements are often in place immediately after disasters. Beneficiaries should also consider the number and size of projects funded through EUSF. Cases with a small number of large initiatives, implemented by a few experienced bodies have benefited from effective implementation. The involvement of a large number of smaller actors in smaller initiatives has created implementation difficulties, although this should be balanced against capacity-building and added value that can take place.

The use of advanced payments can potentially have a beneficial impact on effectiveness. The Implementation Reports note that releasing payment quickly can boost the 'emergency' character of operations and can be valuable to regions and municipalities with limited alternative funding sources. It should be noted that the option of advance payments is not always taken up: where domestic funding is available and beneficiaries are using retroactive projects, there is less need for advances. Nevertheless, it is recommended that the option of advance payments should be continued.

It is important to consider effectiveness in terms of the general objectives of the Fund. By supporting the operational objectives set out in Implementing Agreements and Acts, the objective of assisting countries' return to normal living conditions is achieved through EUSF support. This is acknowledged explicitly in several Implementation Reports. The EUSF objective of helping prevent and mitigate disasters is also being met. The majority of Implementation Reports contain descriptions of such measures undertaken as a response to the disaster. This reporting was only a requirement after the 2014 reforms, but it should be noted over half of the pre-reform cases provided information in the Implementation Report regarding risk prevention and mitigating measures. This can strengthen the commitment of authorities to invest in future security against natural disasters, through physical structures but also organisational structures (such as new legislation for flood management and response etc.).

## **4.2 Efficiency**

The efficiency questions set out in the project specifications and elaborated in the Methodology Report are whether the EUSF interventions were cost-effective (EQ4), the differences between agreed and actual expenditure (EQ5), evidence for administrative

burdens (EQ6) and factors influencing efficiency (EQ7).<sup>99</sup> The analysis carried out for this Task has yielded the following findings regarding the efficiency of implementing EUSF interventions.

Overall, the evidence indicates a high level of implementation efficiency. In almost all Member States for which data are available, expenditure has been in line with applications, with only a few instances of money being clawed-back. Further, a major improvement in administrative efficiency following the 2014 reform is evident in the decline in rejected applications; there have been no rejections since the 2014 reform. Prior to 2014, there were clearly major problems among applicants for support under the 'regional' heading. These problems related to understanding the information required for demonstrating the scale or long-lasting nature of impacts, as well as meeting other eligibility conditions such as meeting the financial thresholds.

There is evidence that the time taken for applications to be updated has shortened in the post-reform period. The extended deadline for application submission in the post-reform period should be noted in this context and the evolution of Commission guidance, providing greater clarity on what is expected is also important. In particular, there is evidence that since the 2014 reform, the revised criteria for regional disasters now give potential applicants a much clearer indication of what is required.

Nevertheless, although applicants submit on time, a substantial proportion of cases have required updates. This has extended the application process, sometimes considerably, adding weeks or in some cases months on to the application process. The capacity of applicants to estimate damages varies and this has been an important factor in extending the duration of applications. This emphasises the importance of work at both national and EU levels to develop standard methodologies to measure the damages resulting from disasters. It is also recommended that beneficiaries consider the number and capacity of bodies contributing to the application as coordination of inputs can be challenging. Strong communication with the Commission in the application process is recommended to ensure efficient handling of applications. This involves exchange of information as soon as possible after the disaster, meetings, and the submission of draft applications for feedback on drafts etc. There are countries where strong links have been established with the Commission and a learning process on application demands has developed. The dissemination of this valuable experience to other applicants through knowledge exchange would be valuable.

The EUSF assessment process takes on average around 14 weeks, a slight reduction from the pre-reform period. It is difficult to 'benchmark' this against similar instruments as the process involves input from a range of EU bodies and services. The availability of these different actors to give immediate inputs into the assessment process depends on other commitments and time cannot be set out in advance due to the unpredictable nature of disasters. The time needed for translation of documents can delay the assessment process. The Commission recommends the submission of translated applications and it is recommended that applicants where possible supply this in order to speed up the process. The Commission has put measures in place to streamline the assessment process, including: simplification and clarification of the application form and guidance, the preparation of papers for consultation in English only; and, the reduction of the usual time

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<sup>99</sup> In response to clarifications on the functioning of the EUSF obtained from Commission staff, it is now accepted that EQ5 cannot be assessed systematically because there is not necessarily a direct link from what is highlighted in the application to the subsequent use of the EUSF contribution.

set for the internal consultation procedure. Inputs into the assessment from the different Commission services involved should be concise, to facilitate quick decision-making.

The approval of the European Parliament and the Council, as the twin budgetary authorities, is needed for the amount of aid proposed in each case. As the mobilisation of the Fund requires recourse to a full budgetary procedure, the scope for reducing the time at this stage of the process is relatively limited. Efforts in the European Parliament and Council to speed the process up as much as possible have been identified but timing of votes on the mobilisation of the Fund has to be managed in accordance with the calendar of European Parliament plenary sessions. The amended EUSF regulation in force since June 2014, has shortened the drawing up of the Implementing Act by merging of formerly separate stages in this process.

There are also examples of particular closure-related problems associated with some practical issues such as translating reports into Commission working languages. In certain cases, national authorities required extended periods to provide answers to audit questions (e.g. Hungary floods 2010) or did not reply to repeated requests for audit information (e.g. Spain forest fires 2003, UK floods 2007). Closure may also be delayed by resource constraints within the Commission, especially where the Commission staff involved have pressing demands from new cases. The Commission and beneficiaries should give more priority to the closure process, both in terms of completing technical procedures quickly and in using this stage to optimise the scope for efficient implementation. The role of audit authorities in beneficiary States is crucial in providing assurance to the Commission. The use of authorities experienced in audit of EU funds and close coordination between implementing authorities and auditors is recommended. The use of some simplification measures in the audit process could also be considered (e.g. simplified cost options).

Experience is clearly important. Responsibility for managing EUSF is often allocated to ministries/units responsible for ESIF, particularly in several of the Central and Eastern European cases, and also in Portugal. Over time, countries with repeated applications evolve a common institutional structure and procedures for managing EUSF support, including the presentation of Implementation Reports (the Romanian reports are good examples). Comparison of the Implementation Reports for Slovakia storms in 2005 and floods in 2010 suggests that there may have been fewer problems with financial management and control in the latter case. The Implementation Report for the Czech Republic, floods 2013, cites use of a 'Manual for the implementation of the EUSF in the Czech Republic', drafted initially for the earlier EUSF-funded case of floods in 2010.

Specific examples of factors influencing the efficiency of EUSF intervention identified from the Implementation Reports and associated Commission assessments and closure notes are:

- the availability of *standard damage assessment tools* (survey methods, checklists, databases), cited in the case of the Italy earthquake, 2003, and volcanic eruption, 2003;
- the introduction/application of *standard administrative procedures* for managing operations, record-keeping and audit trails, where EUSF was being implemented for the first time (introduced "separately from normal operations" in the case of Malta floods 2003), or where devolved regions had varying institutional arrangements (Italy, floods 2010 and 2011);
- *sufficient co-financing* for projects, where EUSF could only provide part-funding for operations (a problem for some cancelled projects in Slovakia, storms, 2005);

- the importance of *prompt legislation* governing institutional coordination and management of disaster response, such as the allocation of responsibilities, the conditions on projects qualifying for financial aid, and the obligations on public and private actors in reconstruction or remediation initiatives (emphasised in the case of Portugal fires 2003, and Romania floods, 2005);
- *effective organisational coordination*, especially in the case of complex disasters, as in the case of Germany floods 2013, which involved EUSF funding for damage in nine *Länder* and 3,500 individual measures by numerous national, regional and local bodies (a similar challenge applied to the case of Bulgaria, severe winter 2015);
- an *efficient and reliable monitoring system* covering all implementing bodies to manage financial flows and technical and administratively monitor expenditure and performance (cited as important for the Italy volcanic eruption, 2003);
- *financial management and control mechanisms/tools* to ensure the regular allocation of funding to beneficiaries, to prevent double-funding from different sources, and controls to ensure eligible spending and reimbursement where required, ensuring that control bodies are functionally independent of final beneficiaries, and making checks in conjunction with risk analyses (see, for example, difficulties in these areas in Czech Republic (floods 2002), Slovakia, (storms, 2005) and Croatia (floods 2010); and
- the value of *longer term spatial development plans* to provide a strategic framework for infrastructure reconstruction and damage prevention operations (highlighted in the case of Slovenia, floods, 2007).

### 4.3 Relevance

The relevance questions concern how relevant the EUSF is to citizens (EQ8), whether the EUSF intervention matched/addressed recovery needs (EQ9) and the extent to which EUSF provides incentives for long term changes, particularly in relation to the measures planned by beneficiary States for the prevention and management of similar disasters (EQ10).

There is evidence from many Implementation Reports that EUSF interventions addressed public perceptions of recovery needs and were seen as relevant to citizens. Further, there are indications from some reports that the EUSF has had a role in incentivising long-term changes, as in France (floods 2002) where the Implementation Report notes that new thinking on managing river systems was stimulated.

Although one element of the logic of intervention behind the EUSF is to emphasise the visibility of the EU and its provision of solidarity, relatively few Implementation Reports mention the means by which the intervention is publicised. The Regulation contains no publicity rules and only a few beneficiaries widely communicate the source and achievements of the support provided. Given that the visibility of EUSF achievements is important to its aims of demonstrating and strengthening solidarity, a dedicated section of the Implementation Report containing a description of arrangements to enhance visibility would be valuable.

As noted above with respect to the efficiency of EUSF intervention, there is some evidence of learning in how to cope with disasters. The L'Aquila earthquake (2009) provided an example of effective multi-level governance through cooperation between the Italian

Government and the EU in achieving rapid intervention. Research has found<sup>100</sup> that, the response to the 2012 Emilia-Romagna earthquake was more effective, not least because it build on effective networks within the local community. The 2002 flood case in France is an example of EUSF promoting new forms of partnership, especially cooperation between national, regional and local authorities, and between different sectors and services; in this case, there have been 'institutional spillovers' into domestic practice.

#### **4.4 Solidarity**

Turning to the political and public perception of EUSF as a 'demonstration' of EU solidarity (EQ16-19), the Fund is an instrument of solidarity with limited restrictions on how the financial contribution is used, provided it is on the four eligible categories and relevant financial (and other) regulations are respected. An open question is the extent to which it alleviates financial pressure on the beneficiary authority and, as is implied in the intervention logic, means that the Community support facilitates an enhanced and swifter recovery from disaster.

The Implementation Reports are almost universally concerned with the technical aspects of the disaster, recovery operations and implementation (and accounting for) EUSF support. The wider solidarity-related issues tend to be implicit and unarticulated.

The Croatian authorities are one of the few applicants to be explicit (floods 2010): "Considering the economic crisis, enhanced by the above-mentioned weather events, the affected local self-government units and the Republic of Croatia have not been able to budget the damages and recovery activities. That is why the financial support of the EU was necessary."

Another exception is Germany (floods 2002) which set out both the advantages and potential drawbacks of EUSF (and similar support). The Implementation Report for this case is accompanied by a letter from the German Permanent Representation (26 June 2004) stating that "EUSF has made significant contribution to initial rectification of damage.....it has boosted national efforts, not just financially but psychologically as a visible sign of cross-border solidarity for the people affected". However, the Implementation Report also refers to a risk that people underestimate their exposure to disasters and the increased likelihood of flooding due to climate change, and that the combination of immediate voluntary help and a rapid state response increases their expectations of what the State should provide i.e. aid begets an expectation of that such aid will be available in future also.

#### **4.5 Added value**

Although explored in more detail in Task 3, some initial insights on EUSF added value can be identified under different headings from the Task 2 research, responding to EQs 14 and 15. Implementation Reports contain few explicit reflections on the added value gained from the implementation of EUSF. Insofar as problems are described, and solutions set out, they tend to be part of audit checks and relate to financial management and control (as in the case of Latvia, storms, 2005 – where specific recommendations are listed). There is also occasional mention – Bulgaria, floods, 2005 – of the value of Commission "intensive support" in the implementation of the EUSF grant. The Implementation Report for the United Kingdom, floods, 2007, has a chapter on 'lessons learned' but relating to the

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<sup>100</sup> Paper presented at the Regional Studies Association annual conference, June 2018



management of flood disasters rather than EU funding. Overall, specific assessments of experiences and lessons on the added value of EUSF are absent.

- *Economic added value.* Some EUSF interventions have represented a significant additional instrument allowing beneficiaries to aid territories and populations in a more efficient way than would otherwise have been the case. EUSF reimbursement of funds already spent be particularly beneficial for regions and municipalities with limited budgets which can utilise the reimbursed funds for further restoration of the area. For instance, the Implementation Report for the Slovakia storm (2004) notes that a great number of people received quick assistance due to the Fund's existence.
- *Policy added value* Several Implementation Reports (e.g. Romania, floods, 2005) acknowledge the Fund's contribution to strengthening the capacity of the emergency services and preventative infrastructure in case of future disasters.
- *Political added value.* Political effects are limited within countries as a result of EUSF intervention. However, with regard to the political impact of enhanced visibility of the EU, a limited number of Implementation Reports (e.g. Germany floods, 2013) note communication and publicity measures to increase the visibility of the EU through the Fund (via the internet, local press and media events, information boards etc.). The Implementation Report for Estonia, storms 2005 notes that "EUSF has received a lot of attention in the media" through active use of press releases and TV coverage, as well as citation of EUSF in letters to beneficiaries.
- *Operational added value.* In some cases, the experience of implementing EUSF between state, regional and local authorities and between different sectors and services created new collaborative approaches to disaster and risk prevention management (as already noted in the case of floods in France in 2002). In these contexts, implementation of the Fund was regarded as an opportunity to test and verify practical experiences in the area of programming and allocating public assistance.



## 5. EVALUATION OF AVAILABILITY AND QUALITY OF INFORMATION

Analysing the 126 EUSF cases which occurred between 2002 and 2016 has necessitated collecting data of sufficient quality on the cases. The data were retrieved from relevant official case documentations for each stage of the EUSF process, from application to closure. However it should be noted that detailed data on the EUSF process from application to closure was provided by the Commission in an overview database. The main challenge was collecting data from Implementation Reports.

The relevant documentation provided for each case should be as follows:

- the application documents, as well as updates submitted by relevant authorities to the Commission;
- the evaluation or assessment of the application document produced by the Commission;
- the proposal of the Commission to the Parliament and Council, the Draft Amending Budget, Council and Parliament decisions, the Commission Decision and Agreement (under Regulation (EC) no 2012/2002) and Commission Implementation Decision as well as its Annexes (amended REGULATION (EU) No 661/2014);
- the Implementation Report and additional requests for information as well as annexes, which are produced by the relevant authority; and
- the Closure Letter and Closure Note to File, which are produced by the Commission.

The research team have mapped the availability of documentation for each of the administrative processes, summarised in Figure 28. The mapping exercise shows significant variation in document availability for the different processes across the 126 cases. Only for five steps in the administrative process is there close to full availability of documentation available for all cases:

- the application from the Member State;
- the Commission implementing decision (for post-reform cases);
- the Council decision;
- the Parliament decision; and
- the Implementation Report (although several are pending).

Gaps are to be expected for pending or ongoing EUSF cases, especially where cases are in the implementation or closure phases. Nonetheless, there are significant document gaps for parts of the administrative process. However, further work to enhance the comprehensiveness of the data was undertaken in collaboration with the EUSF Unit. This has helped identify or fill gaps in the data relating to specific cases, such as the date of last update to application/implementation, updates to ongoing cases, the categorisation of outermost regions and the location of missing documentation.

- The most problematic documents include the Proposal of the Commission, additional information requests for both the application and the Implementation

report, the additional information supplied by the beneficiary country for both the application and the implementation report<sup>101</sup> and the Closure Letter.

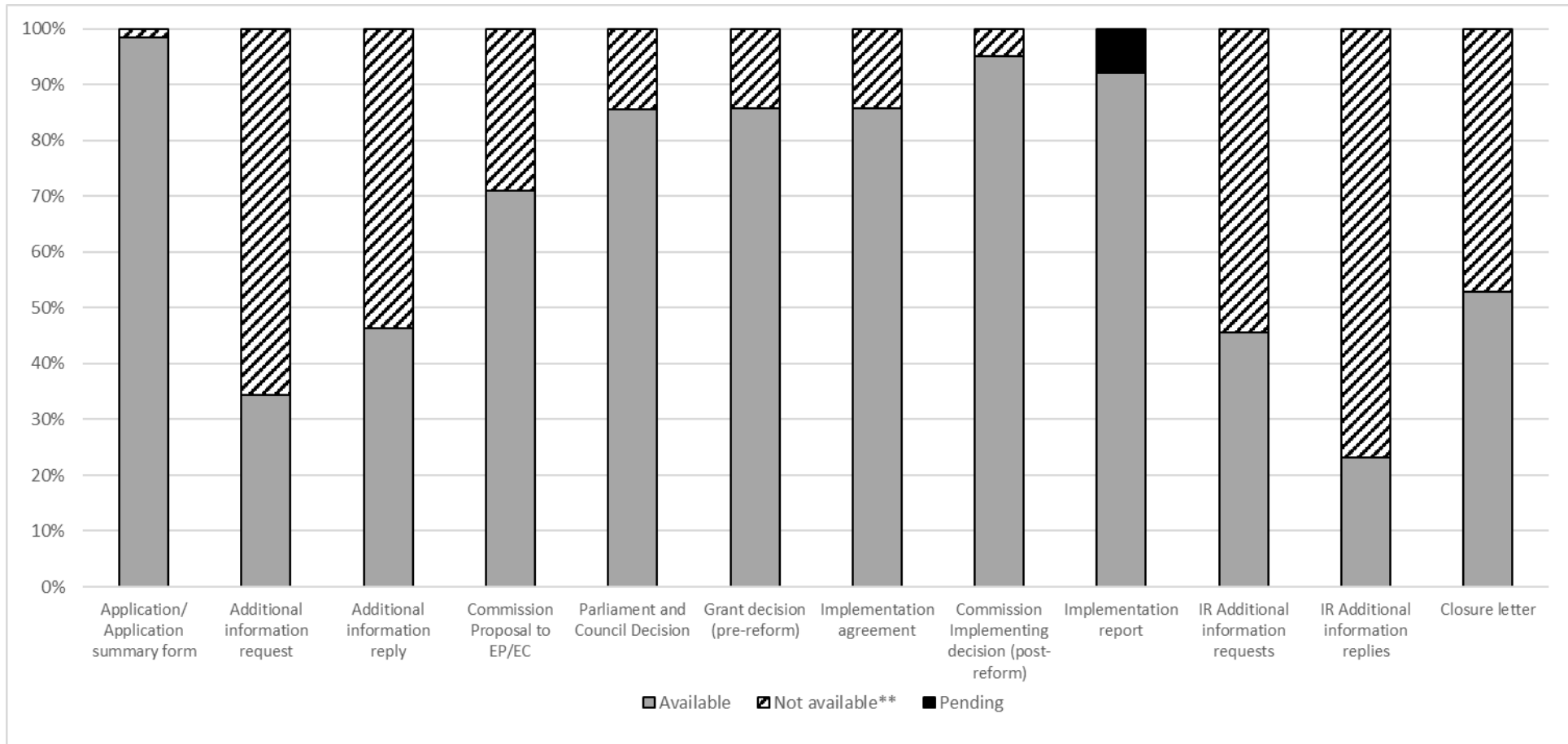
- It should be noted that information and data can be collected from more than one source. For example, if a request for additional information by the Commission is not available, the dates and information can often be found in the Closure Note to File and Annual Reports.
- The absence of a Closure Note to File (internal document) or Closure Letter is especially problematic as most information about the closure phase cannot be retrieved elsewhere.
- Even though the availability of Application and Implementation Report in general is high, the missing documents are crucial for information about the specific case.

Finally, from an evaluation perspective, as noted earlier, the qualitative information in the Implementation Reports is limited and uneven, making it hard to undertake systematic analysis. Some insights can be gleaned from specific instances, such as those highlighted in the previous part of this report, but in terms of lessons that might be learned they should be understood as being illustrative.

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<sup>101</sup> It is important to note that some of these exchanges included telephone conversations and emails for which there is no record.

**Figure 28: Availability of documentation (n=837)\***



Source: Research Team, based on information provided by the Commission

\*Note: Two Withdrawn cases are not included in the Commission Proposal; four pre-reform transition cases have post-reform decision documents; there is no documentation regarding IR updates after Case HR98

\*\* Note: Not available means that the document in question is not in the case files available to the research team. In certain cases, it will have been superseded.



## 6. IDENTIFICATION OF A SHORTLIST OF CASE STUDIES

The choice of case studies for Task 3 of the study was, as expected, both crucial and tricky. Decisions were taken at a Steering Group meeting held after the submission of a draft of the present report on the list of seven cases studies, slightly modifying the project specifications, as well as on the two case studies to be undertaken as pilots.

### 6.1 Criteria

Selecting EUSF interventions able to encompass a diversity of experience involved striking a balance among several considerations. A first set of criteria concerns the **nature of the disaster**. This entailed selecting from not just the different types of disaster (floods, storms, earthquakes, and so on), but also from those with different magnitudes of overall damage and, thus, scale of support from the EUSF.

Second, there were various administrative criteria to take into account, starting with the distinction between **interventions undertaken before and after the 2014 reform of the EUSF**. This posed the immediate problem that the choice in the latter group is quite limited, with nearly all those fully implemented being cases of flooding. A separate administrative criterion is the different classes of intervention because of the distinction between **major, regional, neighbouring region and outermost regions**. Then there is a divide between **cases occurring within Member States and those in candidate countries**.

Two further, pragmatic criteria are **the quality of information available** on the case, with a presumption that information gathering will be easier for more recent cases, and **the degree to which the case can shed light on the incidence of other EU policies in the locality**, especially ERDF and Cohesion Fund allocations. The evidence from Task 2.3 (Section 4) reveals noteworthy differences in the completeness of documentation.

### 6.2 Pilot case studies

Carrying out pilot exercises is a valuable means of testing the approach and the instruments developed for case studies, allowing refinements before proceeding to the rest of the case studies. For this reason, it was considered preferable to select cases with strong documentation and which are sufficiently representative of EUSF interventions. The research team therefore suggested that one pilot should be an example of a disaster caused by flooding (as the most frequent form of disaster), the second, a different cause; one should be regional, one 'major'; one a larger scale financial intervention, one smaller; and one pre-reform, one post-reform. For this reason, as signalled in the Methodology Report, the study team proposed to exclude flooding in Serbia as a pilot.

Following discussion of the draft of this report, the decision was to select as pilot case studies:

1. The earthquake in Emilia-Romagna, Italy in 2012 (classed as major and pre-reform) and
2. Flooding in Romania in 2014 (regional and post reform)

### **6.3 Remaining case studies**

For the remaining case studies the decision was to capture a range of types of disaster and to extend the coverage to reflect the first two sets of criteria set out above. Although the Terms of Reference stated that four of the seven should be post-reform, the number of fully implemented cases in this category is, at the time of writing, small and none has formally been closed. Moreover, there is little diversity among them in types of disaster. For these reasons, after discussion by the Steering Group, it was decided to alter the balance to have three further pre-reform case studies and two more post-reform. This is a change from the project specifications which asked for four post-reform and three pre-reform.

1. Flooding in Serbia in 2014 (classed as major and a candidate country)
2. Flooding in Portugal in 2010 (classed as major, but as it occurred in Madeira, also an outermost region);
3. Severe winter conditions in Bulgaria in 2015 (major)
4. Forest fires in Greece in 2007 (major)
5. Neighbouring country floods affecting Austria in 2013

The attributes of the short-listed cases are summarised in Table 16. It can be seen that the seven case studies selected cover the full range of scales of intervention, a variety of disaster types (both cause and EUSF category) and a mix of incidences of other EU policies.



**Table 16: Attributes of EUSF interventions proposed as case studies**

Case	Year	Type of disaster	EUSF aid granted*		EUSF type	MS or Candidate	Other EU policies		Proposed as	Comments
			Scale	€mill			ERDF	CF		
91 Italy	2012	Earthquake	VL	670.2	Major	MS	Y	N	Pilot	Full documentation
115 Romania	2014	Flooding	S	4.3	Regional	MS	Y	Y	Pilot	
112 Serbia	2014	Flooding	L	60.2	Major	Candidate	NA	NA	Case study	
50 Greece	2007	Forest fires	L	89.8	Major	MS	Y	Y	Case study	Distinctive case
72 Portugal	2010	Flooding	M	31.3	Outermost	MS	Y	Y	Case study	Full documentation
120 Bulgaria	2015	Severe winter	S	6.4	Major	MS	Y	Y	Case study	Distinctive case
102 Austria	2013	Flooding	M	21.7	Neighbouring	MS	N	N	Case study	

Note: \* Scale as follows: Tiny < €2 mill; Small €2 mill <€10 mill; Medium €10 mill < €30 mill; Large €30 mill < €150 mill; Very large > €150 mill

**ANNEX 1: EUSF APPROVED CASES**

Country	Case	Category	Type	Status	Application date (reception at COM)	Payment date (COM account debited)	Total aid (m€)
AT	1	Major	Flood	Closed	Accepted Retroactively	27/12/2002	134.0
DE	2	Major	Flood	Closed	Accepted Retroactively	27/12/2002	444.0
CZ	3	Major	Flood	Closed	Accepted Retroactively	27/12/2002	129.0
FR	4	Regional	Flood	Closed	Accepted Retroactively	27/12/2002	21.0
ES	5	Regional	Oil spill	Closed	13/01/2003	11/03/2004	8.6
IT	6	Regional	Earthquake	Closed	13/01/2003	11/03/2004	30.8
IT	7	Regional	Volcano	Closed	13/01/2003	11/03/2004	16.8
PT	10	Major	Forest fires	Closed	13/08/2003	02/12/2003	48.5
ES	12	Neighbouring	Forest fires	Closed	01/10/2003	06/09/2004	1.3
MT	13	Major	Flood	Closed	10/11/2003	12/11/2004	1.0
FR	15	Regional	Flood	Closed	26/01/2004	07/07/2004	19.6
SK	26	Major	Storm	Closed	24/01/2005	07/11/2005	5.7
SE	28	Major	Storm	Closed	10/03/2005	18/04/2006	81.7
EE	29	Major	Storm	Closed	14/03/2005	24/05/2006	1.3
LV	30	Major	Storm	Closed	10/03/2005	02/05/2006	9.5
LT	31	Neighbouring	Storm	Closed	16/03/2005	12/04/2006	0.4
RO	33	Major	Flood	Closed	22/06/2005	17/08/2006	18.8
BG	34	Major	Flood	Closed	13/07/2005	07/07/2006	9.7
BG	35	Major	Flood	Closed	24/08/2005	07/07/2006	10.6
RO	36	Major	Flood	Closed	09/09/2005	17/08/2006	52.4
AT	37	Regional	Flood	Closed	19/10/2005	24/10/2006	14.8
EL	39	Regional	Flood	Closed	22/05/2006	17/12/2007	9.3
HU	40	Major	Flood	Closed	09/06/2006	19/10/2007	15.1
DE	43	Major	Storm	Closed	29/03/2007	27/12/2007	166.9

<b>FR</b>	44	Outermost	Severe winter conditions	Closed	04/05/2007	28/12/2007	5.3
<b>UK</b>	46	Major	Flood	Closed	20/08/2007	21/10/2008	162.4
<b>FR</b>	49	Outermost	Storm	Closed	26/10/2007	19/12/2008	12.8
<b>EL</b>	50	Major	Forest fires	Closed	30/10/2007	29/09/2008	89.8
<b>SI</b>	60	Major	Flood	Closed	19/11/2007	12/12/2008	8.3
<b>CY</b>	61	Major	Drought	Closed	01/07/2008	09/10/2009	7.6
<b>RO</b>	62	Regional	Flood	Closed	01/10/2008	29/10/2009	11.8
<b>FR</b>	63	Major	Storm	Closed	02/04/2009	25/11/2009	109.4
<b>IT</b>	64	Major	Earthquake	Closed	08/06/2009	30/11/2009	493.8
<b>IE</b>	69	Regional	Flood	Closed	27/01/2010	22/12/2010	13.0
<b>PT</b>	72	Outermost	Flood	Closed	20/04/2010	05/04/2011	31.3
<b>FR</b>	73	Regional	Storm	Ongoing	07/05/2010	14/03/2011	35.6
<b>SK</b>	74	Major	Flood	Ongoing	16/07/2010	26/08/2011	20.4
<b>PL</b>	75	Major	Flood	Closed	23/07/2010	13/07/2011	105.6
<b>CZ</b>	76	Neighbouring	Flood	Closed	23/07/2010	15/09/2011	5.1
<b>HU</b>	77	Major	Flood	Ongoing	24/07/2010	12/09/2011	22.5
<b>HR</b>	78	Neighbouring	Flood	Closed	09/08/2010	19/08/2011	3.8
<b>RO</b>	80	Major	Flood	Closed	31/08/2010	28/07/2011	25.0
<b>CZ</b>	81	Regional	Flood	Closed	14/10/2010	22/12/2011	10.9
<b>HR</b>	83	Neighbouring	Flood	Closed	25/11/2010	01/12/2011	1.2
<b>SI</b>	84	Major	Flood	Closed	26/11/2010	08/12/2011	7.5
<b>IT</b>	86	Regional	Flood	Closed	07/01/2011	15/06/2012	16.9
<b>ES</b>	87	Regional	Earthquake	Closed	20/07/2011	20/07/2012	21.1
<b>IT</b>	89	Regional	Flood	Ongoing	22/12/2011	26/11/2012	18.1
<b>IT</b>	91	Major	Earthquake	Closed	27/07/2012	19/12/2012	670.2
<b>RO</b>	94	Major	Drought	Closed	02/11/2012	10/03/2014	2.5
<b>SI</b>	97	Major	Flood	Closed	02/01/2013	19/11/2013	14.1
<b>HR</b>	98	Neighbouring	Flood	Closed	03/01/2013	15/01/2014	0.3
<b>AT</b>	99	Neighbouring	Flood	Closed	11/01/2013	19/11/2013	0.2

<b>DE</b>	101	Major	Flood	Closed	24/07/2013	19/03/2014	360.5
<b>AT</b>	102	Neighbouring	Flood	Closed	06/08/2013	14/02/2014	21.7
<b>CZ</b>	103	Neighbouring	Flood	Ongoing	08/08/2013	19/03/2014	15.9
<b>IT</b>	105	Regional	Flood	Ongoing	24/01/2014	07/04/2015	16.3
<b>EL</b>	107	Regional	Earthquake	Ongoing	28/03/2014	08/04/2015	3.7
<b>SI</b>	108	Major	Severe winter conditions	Ongoing	04/04/2014	08/04/2015	18.4
<b>HR</b>	110	Major	Flood	Ongoing	09/04/2014	08/04/2015	8.6
<b>RO</b>	111	Neighbouring	Flood	Ongoing	09/07/2014	21/08/2015	4.2
<b>RS</b>	112	Major	Flood	Ongoing	30/07/2014	14/04/2015	60.2
<b>HR</b>	113	Major	Flood	Ongoing	31/07/2014	08/04/2015	9.0
<b>BG</b>	114	Major	Flood	Ongoing	25/08/2014	08/04/2015	10.5
<b>RO</b>	115	Regional	Flood	Ongoing	03/10/2014	21/08/2015	4.3
<b>BG</b>	116	Regional	Flood	Ongoing	23/10/2014	21/08/2015	2.0
<b>IT</b>	117	Regional	Flood	Ongoing	23/12/2014	02/10/2015	56.0
<b>EL</b>	118	Regional	Flood	Ongoing	23/04/2015	27/11/2015	9.9
<b>EL</b>	119	Regional	Flood	Ongoing	23/04/2015		
<b>BG</b>	120	Major	Severe winter conditions	Ongoing	24/04/2015	01/12/2015	6.4
<b>EL</b>	121	Regional	Earthquake	Ongoing	05/02/2016	15/11/2016	1.7
<b>UK</b>	122	Regional	Flood	Ongoing	26/02/2016	17/07/2017	60.3
<b>DE</b>	123	Regional	Flood	Ongoing	19/08/2016	29/03/2017	31.5
<b>CY</b>	124	Major	Drought	Ongoing	05/09/2016	16/05/2017	7.3
<b>PT</b>	125	Outermost	Forest fires	Ongoing	21/09/2016	16/05/2017	3.9
<b>IT</b>	126	Major	Earthquake	Ongoing	16/11/2016	06/11/2017	1,196.8

**Annex 2: Initial conclusions and recommendations, based on Task 2**

Stage	Conclusions	Recommendations
Application	<ul style="list-style-type: none"> <li>• Application deadlines are met, although updates are often needed, extending the application phase</li> <li>• The update process can be lengthy but this is improving in the post-reform period.</li> <li>• The submission of applications under the 'regional' heading has been facilitated by the 2014 reform.</li> </ul>	<ul style="list-style-type: none"> <li>• Beneficiaries should aim to develop a clear methodology and present robust data on damage estimation as this is the main reason for updates.</li> <li>• Beneficiaries should consider the number and capacity of bodies contributing to the application as coordination of inputs can be challenging.</li> <li>• Beneficiaries should establish close contact with the E1 Unit as soon as possible.</li> <li>• The Commission should continue to work on guidance for applicants.</li> <li>• The Commission should continue to work on the development of a standard methodology for damage estimation that applicants could use.</li> </ul>
Commission assessment	<ul style="list-style-type: none"> <li>• The duration of the assessment process has shortened somewhat in the post-reform period.</li> <li>• There have been several cases where the process has been very lengthy.</li> <li>• Key issues are the quality and accessibility of data provided (including translation) and the availability of Commission services to contribute in a timely way.</li> </ul>	<ul style="list-style-type: none"> <li>• The Commission should continue to emphasise to applicants that the submission of applications in translation speeds up assessment.</li> <li>• Inputs into the assessment from the different Commission services involved should be concise, to facilitate quick decision-making.</li> <li>• The flexibility of the EUSF budgetary ceiling should be maintained.</li> </ul>
EU decision	<ul style="list-style-type: none"> <li>• Merging the Grant Decision and Implementing Agreement has shortened the decision process.</li> <li>• The option of advanced payments has had a beneficial impact, though in some cases the level of funding involved has not justified additional administrative work.</li> <li>• Unpredictability in the occurrence of disasters underlines the importance of budgetary flexibility. Even so, resources are limited and would be stretched if several disasters occurred in a short period of time.</li> </ul>	<ul style="list-style-type: none"> <li>• The option of advance payments should be continued.</li> </ul>
Implementation	<ul style="list-style-type: none"> <li>• There is variation in the quality of Implementation Reports, in terms of accessibility, the level of data</li> </ul>	<ul style="list-style-type: none"> <li>• Commission guidance on Implementation Reports should require clarity and consistency in</li> </ul>

	<p>presented and the inclusion of content valuable for the visibility of the fund and for evaluation of achievements.</p> <ul style="list-style-type: none"> <li>• Most funds are directed to operations under 'A' and 'B' headings. There is often some fluctuation during implementation in the level of funding allocated.</li> <li>• The implementation deadline has in some cases put pressure on beneficiaries and the post-reform extension has been valued. Procurement issues have caused delays (especially for infrastructure) although special arrangements are often in place immediately after disasters.</li> <li>• EUSF is often used retroactively. This ensures the 'emergency' nature of support and eases pressure to meet the implementation deadline but it emphasise the need for visibility, stressing the input of EUSF even if projects are already well underway.</li> <li>• There are different approaches to project development. Cases with a small number of large initiatives, implemented by a few experienced bodies have benefited from administrative efficiency. The involvement of a large number of smaller actors in smaller initiatives has created implementation difficulties, although this should be balanced against capacity-building and added value that can take place.</li> </ul>	<p>the structure and content of Reports, and in the type of data included.</p> <ul style="list-style-type: none"> <li>• Beneficiaries should be encouraged to provide reflections on the achievements of the fund, arrangements for visibility and reflections on 'what worked'.</li> <li>• Beneficiaries should plan their approach to the selection of EUSF operations and initiatives well in advance of disbursement (i.e. as soon as the application is proposed by the Commission). In this they should consider: the use of retroactive funding; potential procurement issues (especially if infrastructure restoration is a priority); and, the number, size and implementing bodies selected for initiatives.</li> </ul>
<p>Closure</p>	<ul style="list-style-type: none"> <li>• The closure of EUSF has often been protracted and has included a number of extremely long cases.</li> <li>• The focus on disbursing and implementing EUSF quickly to respond to disasters is understandable but closure is a key procedures but also in the efficient allocation of remaining funds; in securing and raising visibility of achievements; and, in reviewing experience and 'lessons learned'.</li> <li>• The process is often extended by legal issues concerning financial control and audit, the rejection of statements of validity and recovery of EUSF funds.</li> </ul>	<ul style="list-style-type: none"> <li>• The Commission and beneficiaries should give more priority to the closure process, both in terms of completing technical procedures quickly and in using this stage to optimise the scope for efficient implementation, visibility and review of achievements.</li> <li>• The role of audit authorities in beneficiary States is crucial in providing assurance to the Commission. The use of authorities experienced in audit of EU funds and close coordination between implementing authorities and auditors is recommended.</li> <li>• The use of some simplification measures in the audit process could be considered (e.g. simplified cost options).</li> </ul>

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