



EUROPEAN SOLIDARITY FUND

#EUSolidarityFund

DETERMINATION OF AID AMOUNTS

The European Solidarity Fund (EUSF) provides assistance to EU member states and countries engaged in accession negotiations struck by natural disasters. Financial aid is awarded based on how wealthy the affected state or region is and the amount of total direct damage suffered.

In the first phase the European Commission verifies whether the direct damage exceeds a threshold specific to each country and region to decide whether the disaster qualifies as "major", "regional" or "neighbouring country" disaster.

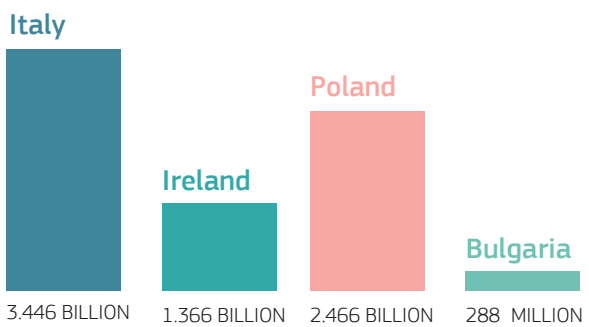
IN WHAT CASES DOES THE FUND ASSIST?

- ▶ **Major disasters:** damage exceeds 0.6% of GNI or €3 billion (2011 prices), whichever is the lowest
- ▶ **Regional disasters:** damage exceeds 1.5% of regional GDP, 1% for an Outermost region
- ▶ In the event that an eligible country is affected by the same major disaster as an eligible **neighbouring** country.

In the second phase a progressive system in two steps is applied to determine the aid amount. According to this a country receives a rate of aid of 2.5% for the part of total direct damage below the "major disaster" threshold and a rate of aid of 6% for the part of the damage exceeding the threshold. The two amounts are added up.

This method ensures that the relative capacity of a country 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.

Examples of major disaster thresholds (2018)



In the case of regional disasters and disasters in neighbouring countries only the 2.5 % of total direct damage in aid is awarded.

AVAILABLE BUDGET

Under the 2014-2020 budget framework the maximum annual allocation of the Solidarity Fund is €500 million in 2011 prices plus any amount not spent during the preceding year.

Any amount of financial aid proposed by the Commission according to the method described above needs to be approved by the European Parliament and the Council before it can be paid out.

The amount effectively mobilised varies from year to year depending on the occurrence of disasters

Max. annual allocation **€500 million**



€1.2 B*

2017



€33.1 M

2016



€82.8 M

2015



€126.7 M

2014



*In 2017 an amount exceeding the annual allocation was required to respond to the unprecedented, devastating earthquakes in Italy. It was taken from the large unspent 2016 allocation and by frontloading a part of the 2018 allocation.

EXAMPLES (FICTIVE, SIMPLIFIED)

(Million EUR)

Disaster		Direct damage	Major disaster threshold 2017	Total cost of eligible operations	2.5% of direct damage below threshold	6% of direct damage above threshold	Max. annual allocation 2018	Total amount of aid proposed
Major disaster	Poland	3500	2466	970	61.650	62.040	574.34	123.690
Regional disaster	Austria	850	2119	245	21.250	0	574.34	21.250
Major disaster	Italy	8730	3446	1876	86.150	317.04	574.34	403.190