

Financial assistance to Member States and countries negotiating their accession to the Union seriously affected by a major public health emergency

2020/0044(COD) - 13/03/2020 - Legislative proposal

PURPOSE: to provide financial assistance to Member States and countries negotiating their accession to the Union seriously affected by a major public health emergency (COVID-19).

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: since the first cases of the COVID-19 contagion, the EU has been working tirelessly to support the Member States and their citizens in addressing the crisis. The ARGUS crisis coordination mechanism of the Commission has been activated and a coordinating response team at political level has been established, composed of the five commissioners responsible for the most affected policies.

The Commission considers it essential that the Union and its Member States act collectively to contain the spread of the virus and help patients, but also to counter the economic fallout. As part of this joint coordinated response, the EU Solidarity Fund ([EUSF](#)) can play an important role in showing EU solidarity to Member States in dealing with the emergency situation.

The EUSF was created in 2002 to support EU Member States and accession countries in situations of major disasters caused by natural events such as floods, storms, earthquakes, volcanic eruptions, forest fires or drought. The EUSF may award financial assistance to eligible States totalling up to EUR 500 million in 2011 prices per year.

However, the current EUSF is strictly limited to natural disasters causing physical damage and does not include major disasters due to biological hazards.

It is therefore necessary to lay down provisions enabling the Union to intervene in the event of a major public health emergency such as COVID-19.

CONTENT: the Commission proposes to include major public health crises in the emergencies that the EU Solidarity Fund finances with the aim of mobilising it if necessary for the most affected Member States.

Union assistance

The proposal aims to provide financial assistance to provide immediate support in response to a request from a Member State or a candidate country. Union assistance should be complementary to the efforts of the States concerned and be used to cover a share of the public expenditure committed to dealing with the most essential emergency operations resulting from the emergency situation.

The threshold for natural disasters was therefore set at direct damage exceeding 0.6% of gross national income (GNI) or EUR 3 billion (in 2011 prices), whereby the lower amount applies.

In the case of major health emergencies, the Commission proposes take the financial burden on Member States' budgets in order to face the additional needs.

Accordingly, it is proposed to maintain the principles on which access to the EUSF is based. Accordingly, the lower of 0.3% of GNI or EUR 1.5 billion in 2011 prices, i.e. half of that applicable to natural disasters, are defined as the minimum level of public expenditure related to the public financial burden inflicted on the eligible State for emergency response measures.

Financial impact

The proposal strengthens the existing provisions on the payment of advances by increasing the amounts of the advances. Specifically, the Commission proposes:

- to raise the level of advance payments for individual disasters of all categories to 25% of the expected EUSF contribution, limited to a maximum of EUR 100 million;
- to increase the total level of appropriations for EUSF advances in the annual budget from EUR 50 million to EUR 100 million. In order to ensure the timely availability of resources where necessary, the Commission shall propose to enter additional appropriations for a maximum of EUR 50 million in the budget for 2020.

The financial envelope foreseen for the Fund also follows the existing Solidarity Fund, with an annual amount of EUR 500 million (2011 prices). The ceiling of the maximum EUSF allocation for 2020 is respected (EUR 597.546 million, plus EUR 552.978 carried over from 2019).