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EXECUTIVE SUMMARY OF THE IMPACT ASSESSMENT

Accompanying document to the

Towards a stronger European disaster response: the role of civil protection and humanitarian assistance

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A. Introduction

The impact assessment report aims to provide the Commission with the information necessary in order to develop the Communication on EU Disaster Response Capacity planned for adoption in November 2010. In particular, the report is intended to inform the Commission of the viability of a range of policy options that may be further explored for developing EU's response to disasters inside and outside the EU.

The assessment carried out in the report is not intended to be exhaustive. On the contrary, the analysis undertaken is proportional to the ends sought. Given that the Communication will not propose solutions but merely present options for further developing EU Disaster Response Capacity, possibly flagging the preferred alternative, a full impact assessment does not appear necessary or required at this stage. When, and if, concrete legislative proposals are advanced, these will need to be accompanied by a more in-depth impact assessment of the chosen options.
The report focuses primarily on those elements of the Communication where specific impacts can be identified and which therefore require an impact assessment, i.e. the new policy options and different ways to organise and structure EU civil protection cooperation. It should be noted that the upcoming Communication will also deal with synergies with Humanitarian assistance but, given that the latter will only result in policy statements on the need to reinforce existing EU practice and policy, a specific impact assessment does not appear necessary for these issues.

B. Problem Definition and Objectives

i. Problem Definition

The value of the current EU Civil protection Mechanism is widely acknowledged. The system has functioned well in practice, carrying out its mandate in full and delivering results which have exceeded expectations. That being so, a series of external factors have raised concerns as to whether, and how, the system's current mandate should be extended in order to face future challenges in a cost effective way, simultaneously ensuring a more efficient, rapid and predictable coordination. The global financial situation and budgetary constraints, for example, underline the necessity for any action taken to be as cost effective as possible. Moreover at EU and at global level we are witnessing an increase in the frequency of natural and man-made (i.e. technological and environmental) disasters, which results in a greater number of EU civil protection operations in the framework of the Mechanism. The intensity and severity of disasters is also on the rise and seemingly influenced by factors such as climate change, terrorism, urbanisation and the intensification of industrial activity. To avoid a widening gap between needs and capacity it is essential that the EU maximises the effectiveness of its response, which, according to past experience, can be achieved with limited extra resources.

The key shortcoming inherent in the EU Civil Protection Mechanism is that, insofar as it has been set up to support and coordinate, and is therefore dependent upon, voluntary and *ad hoc* offers of assistance by Member States, it is not in a position to guarantee the availability of assistance in the event of a major disaster. The ad hoc nature of the current system necessarily implies that the EU civil protection Mechanism is of a reactive, rather than a proactive, nature. The impossibility of foreseeing exactly what, and how much, assistance will be offered for any given emergency means that the MIC is unable to develop contingency plans for

deployment which inevitably leads to a degree of improvisation in the immediate response phase, negatively affecting overall *effectiveness*. It also follows that decisions on the deployment of key assistance are sometimes delayed and that reaction times are dependent upon those of the Member States, which may or may not offer assistance in a timely manner. Options to make the system more predictable and capable of better coordinating Member States' assistance would certainly provide added value.

Over the years it has also become apparent that the system by which Member States offer in-kind assistance also leads to an element of fragmentation. Given that Member States propose assistance in response to a given emergency without necessarily taking the overall EU response effort into account, the offers received may lack *coherence*. In fact, it is not unlikely for the MIC to find that assistance provided by Member States caters abundantly for some of the needs of the State requesting assistance whilst overlooking others. A more robust system ensuring a coherent EU response and which maximises the synergies between the various actors involved would certainly ensure benefits in terms of consistency and cost-effectiveness.

ii. Objectives

The overall objective is to develop and reinforce the EU's capacity to respond to disasters by building on all available tools, capacities and expertise and maximising the synergies and complementarities between them. The options proposed aim to create a more solid and robust system capable of ensuring a better protection of people, the environment and property in the immediate aftermath of emergencies.

The developments stemming from the Treaty of Lisbon are also an important consideration in this context. Article 196 of the Treaty on the functioning of the European Union grants the Union an explicit legal basis in the field of civil protection for, *inter alia*, supporting and complementing Member States' action at national, regional and local level in responding to natural or man-made disasters within the Union. The solidarity clause enshrined in Article 222 TFEU, which establishes a legal obligation on Member States to assist each other and on the EU to mobilise all assets at its disposal in order to respond to an emergency, further underlines the need to strive towards a reinforced disaster response capacity.

The overall objective will be achieved by pursuing the following specific objectives:

- Improving the effectiveness of EU Disaster Response, including cost-effectiveness
- Strengthening the coherence of EU Disaster Response
- Increasing visibility

Such objectives do not require the creation of any new mechanisms but, rather, presuppose the need to develop and build upon instruments already in place. That being so, additional costs, if any, are likely to be realistic and not disproportionate to those incurred at present.

C. Subsidiarity

Disaster management is mainly a responsibility of the Member States. The Union's role in the field of civil protection is set out in Article 196(1) of the Treaty on the Functioning of the EU, according to which the Union shall, *inter alia*, support and complement Member States' action at national, regional and local level in responding

to natural or man- made disasters within the Union and promote consistency in international civil-protection work. It follows that Civil Protection response to disasters appears to be an area of supporting/complementary competence subject to the principle of subsidiarity.

In order to solve the problems presented in the impact assessment there is a necessity for EU-based action and coordination. Although the primary responsibility to respond to disasters lies with Member States, past practice under the Mechanism has shown there are real possibilities for national civil protection resources to be overwhelmed by the sheer scale of disasters. In such cases, assistance from other Member States is necessary. EU action in this field clearly involves managing situations with a strong trans-/multinational component, where there is a need for overall coordination and concerted action above national level.

Purely domestic action can not guarantee a coherent, efficient and effective EU response to disasters. Improving the predictability, efficiency and visibility of the EU Civil Protection Mechanism requires that action be taken at EU level, in compliance with the aims and legislative procedure enshrined in Article 196 TFEU. Such an interpretation is confirmed by the solidarity clause established by Article 222 TFEU.

In light of the above, one must conclude that the subsidiarity principle is respected since the policy objectives discussed can not be achieved by Member States acting alone but require the involvement of all Member States via action at EU level.

D. Options Identified and Options Assessed in Detail

i. Policy Options identified

The Commission has identified the following policy options:

- **Option 1: Discontinuing existing policies**

Discontinuing existing policies in the field of EU disaster response would imply dismantling the instruments currently in place, simultaneously terminating all connected activities. This option would also imply having to rethink the future approach to be adopted in this field.

- **Option 2: Maintaining the status quo**

Maintaining the status quo implies the continuation of current EU policies in the field of EU disaster response. The activities and instruments outlined in the impact assessment report would continue to exist. Financing would be guaranteed along the lines of the 2007-2013 financial perspectives.

- **Option 3: Developing an EU Disaster Response Capacity based on a voluntary pool of Member States' standby capacities (human resources and assets)**

Teams and assets would continue to remain under national command and control but with a stronger commitment from Member States to make them ready and available for immediate action in EU civil protection operations upon request from the MIC. The final decision on deployment would remain with the Member States, who may need the resources in order to respond to domestic emergencies. Moreover, it should be noted that standby capacities would not need to be held on reserve or sit idle in-between EU operations as Member States would have the right to employ them internally.

The deployment of Member States' standby capacities would form the nucleus of the EU civil protection response to disasters inside and outside the EU and would be complemented by additional Member State offers provided in the same way as civil protection assistance is currently organised. Moreover, additional efforts could also be made to ensure dual visibility (national and European) for civil protection assets deployed through the EU Civil Protection Mechanism, which was a shortcoming of the EU's effort in Haiti.
Military relief and transport assets, in particular strategic airlift capability, should be included in the pool of available capacities capable of being channelled via the MIC in accordance with the European Consensus on Humanitarian Aid and international (notably Oslo) guidelines.
The creation of a voluntary pool of Member State capacities would need to be bolstered by the development and continued commitment to joint training, exercises and work on lessons learnt. Moreover, there would also be a necessity to develop contingency plans and scenarios in order to make use of the pool's full potential. Reliance on such activities would be essential to guarantee the effectiveness and coherence of the system.

- **Option 4: Developing an EU Disaster Response Capacity with EU-level assets**

Complementary EU-funded assets could be developed for certain specific needs for which there are identified gaps in EU response and for which action at European level would be considered more cost-effective. Specific consideration should be given to assets performing horizontal tasks, such as assessment (rapid environmental impact assessment modules), logistics and coordination (in particular Technical Assistance and Support Teams (TAST) and telecommunications equipment). This approach could be further developed into an all-encompassing EU coordination centre in the field, also providing services for the UN. Similarly, the development of complementary EU-funded assets could be considered for specialised high value response assets where common resources and burden-sharing arrangements may result in efficiency gains and where national resources typically prove to be insufficient.
Although funded by the Union, EU level capacities would be entrusted to the interested Member States on a delegated management basis. Their availability would be guaranteed for EU operations but, when not in use, they would be accessible to managing Member States for national purposes. The size of the pool of EU level capacities could range from small, i.e. aimed at filling the most important gaps, to large, i.e. covering a substantial number of assets in key areas, thus allowing Member States to downscale national capabilities and simultaneously increasing the cost-effectiveness of EU response.

- **Option 5: The development of an EU Civil Protection Force**

The development of an independent European force with its own capabilities, means, strengths and coordination, coupled with preparedness organisation and a pooling of existing resources would certainly ensure the coherence and effectiveness of the EU’s response to disasters. A European force based on such principles would need to be mandated to have access to pre-identified resources of Member States and should also be able to acquire additional resources, regardless of whether any pre-identified gaps in EU response capacity actually exist. The latter would be entrusted to volunteering Member States to be managed on a delegated basis along the lines of the system explained in Option 4.

In order to develop a credible preparedness organisation, the European force would also require the setting up of an operational centre to draft scenarios and protocols and its own Training Institute for Civil Protection and Humanitarian aid to provide training for staff, for national and regional teams making up the European force, and for evaluation experts working for the EU.

ii. Policy Options analysed

Following a preliminary screening of the options, it was concluded that the social, economic and political drawbacks stemming from Options 1 and 5 were untenable. Moreover, given that Option 2 represents the continuation of existing EU policies and therefore mirrors the baseline scenario against which other options must be compared, the proportionate impact analysis focused on Options 3 and 4.

E. Main Economic, Social and Environmental Impacts of the Options Selected

It should be noted that all options will require a strengthening of the Monitoring and Information Centre of the European Commission in terms of coordination and analytical capacity. Such a development will occur regardless of the option pursued as it is envisaged that the ECHO and the MIC crisis rooms will, in the near future, be merged into a genuine response centre, operational on a 24 hour basis and responsible for the coordination of the EU's civilian disaster response.

- **Economic impacts**

i. Economic impacts of Option 3

A shift from the status quo to a voluntary pool model is unlikely to have significant impacts on capital costs. In fact, it is safe to assume that Member States will not be inclined to commit assets to the pool unless they are certain that they can still meet their own civil protection needs. It follows that the voluntary pool would represent only a small part of what already exists. Furthermore, if one considers that the terms regulating the commitment of assets would expressly allow them to be withdrawn in times of domestic need, it is clear that additional equipment costs would not need to be incurred by Member States.

Once fully developed and operational this type of arrangement may reduce the need for additional investments in new response capacities at Member State level. Whilst each Member State is responsible for ensuring that it is sufficiently equipped to respond to predictable or recurrent risks, it may be possible to secure economic gains by pooling and sharing additional reserve capacities, complementing each Member State's basic response assets. By keeping such reserve capacities at EU level and sharing the overall burden between Member States, economies of scale could be pursued and savings secured.

It can also be assumed that, as a general rule, Option 3 would not create additional deployment costs. Although the development of a voluntary pool would certainly guarantee availability in the immediate aftermath of a disaster, this should neither affect the cost of moving assets nor of operating them on site. To the contrary, there may even be opportunities, particularly with regards to transport, for assets to be deployed in a more cost efficient manner than would otherwise have been possible. The collective response facilitated by the pool arrangement and the associated pre-planning, would guarantee a more rapid identification of transport options and would

enable appropriately located assets to be collected and transported together, reducing journey times and costs. Moreover, allocation of assets amongst aircraft could be made more efficient, maximising the use of airlift capacity and reducing marginal costs.

On the contrary, Option 3 may have an impact on total annual operating costs if the annual deployment of Member States' capacities increased by reason of their inclusion in the pool. Such a development may also have important consequences for certain Member States in terms of staffing costs. On a more general level, certain Member States with particular organisational structures may incur costs in making the relevant organisational and legal transition from the status quo.

The negative impacts mentioned above are strongly influenced by the way in which assets are selected from the pool and the size of the pool itself. Demand related impacts on a given Member State could, for example, be mitigated via a rotating selection policy rather than selection by preference. In addition, a larger pool would be likely to result in a lower demand on the capacities "enlisted".

Impacts could be further alleviated by ensuring EU funding for certain predefined eligible costs. A new model of burden sharing would ensue, shifting a part of the costs from Member States to the Union. Not only would this allow Member States to cover some of the total annual costs deriving from involvement in the voluntary pool but it would also serve as an incentive for smaller Member States to increase their involvement in EU disaster response efforts. The increased EU response capacity deriving therefrom would further relieve pressure on those Member States carrying a heavier disaster response burden, and strengthen the EU's ability to respond to major emergencies outside the EU.

ii. Economic impacts of Option 4

The most important economic impact of this Option would be the avoidance of capital costs by Member States. The procurement of complementary EU funded assets and airlift capacity would in fact guarantee that Member States could call upon substantial collective capacities previously lacking at national level, without incurring additional investment costs. This guaranteed availability would be a major benefit going well beyond the ones which could ensue from the implementation of a voluntary pool of assets. In particular, one global investment at EU level to purchase complementary assets, which could then be shared and used by all Member States, is likely to involve a substantially lower investment for the EU as a whole than if each Member State acquired such capacities individually. Similarly, with regard to assets for which an increase in capacity is envisaged, this Option would provide vast benefits in terms of cost-effectiveness and efficiency, reducing the need for Member States to invest domestically.

Another major economic benefit of Option 4 is the potential for more cost-effective solutions. EU level assets which can be called upon by all Member States would considerably increase the cost-effectiveness of disaster response operations by reducing mobilisation costs (compared to the commercial leasing of such capacities) and enhancing rapidity and efficiency of response. Significant efficiency gains could also arise from joined-up transportation and logistics as well as other economies of scale.

Besides the above, the purchasing of additional EU assets to be operated by member States would also increase efficacy of deployment and cost-effectiveness at operational level much in the same way as outlined for Option 3. In addition, all standby/deployment costs of the complementary funded assets would be covered by the EU, thus guaranteeing the abovementioned "new model of burden-sharing" and allowing all costs to be shifted to the Union.

Insofar as costs are concerned, the development of EU-level capacities will require some form of tendering and management.

- **Social Impacts**

The options considered in the report did not trigger social impacts in the traditional sense of the word but had important societal impacts.
The possibility of reacting promptly and incisively via a pool of Member States (Option 3) or EU-level assets (Option 4) would undoubtedly reduce the number of casualties, alleviate suffering and minimise harm to individuals and communities as a whole. The positive impacts for societies affected by disasters would thus be undeniable.
Moreover, a more coherent and effective response would certainly increase people's belief in the EU's capacity to respond to disasters. The consequences of this would be twofold. Firstly, populations affected by disasters would be more willing to collaborate with the EU, potentially influencing the possibility of further cooperation with third countries. Secondly, increased belief in EU disaster response would help to win the support of EU citizens/polity.
It should be noted that the development of EU assets (Option 4) which would be entrusted to Member States on a delegated management basis would be the maximum expression of EU solidarity, in accordance with Article 222 TFEU and the desires and expectations of EU citizens.

- **Environmental Impacts**

Both the voluntary pool of standby assets (Option 3) and the EU-level assets (Option 4) would allow the EU to guarantee the availability of assistance in the immediate aftermath of any emergency. The increased coherence and effectiveness deriving from such developments would allow the EU to react more rapidly to emergencies, thus significantly reducing the negative impacts of disasters on the environment (e.g. an immediate and effective response to a forest fire incident can substantially reduce environmental damage).

F. Comparison of Options

The following criteria were used to compare the options:

- Effectiveness of the option in relation to the objectives;
- Cost-effectiveness of the option;
- Coherence of the option with overarching EU objectives, strategies and priorities.

Options were compared against the baseline scenario (status quo – Option 2). Charts and graphs were used to sum up and graphically represent conclusions.

Compared to the baseline, both Options 3 and 4 showed clear advantages, outweighing the disadvantages of the status quo with regard to all criteria. It was

concluded that these Options should therefore be preferred to the baseline scenario. In particular, the comparison highlighted the advantages of Option 3 with regard to its compatibility with the principles of subsidiarity and proportionality and the advantages of Option 4 in terms of effectiveness and (potentially) cost-effectiveness (especially with regard to EU-level capacities performing horizontal tasks and specific high-value assets). The advantages and disadvantages of the two options were balanced amongst themselves with the aim of designing a system that maximises effectiveness and coherence, simultaneously ensuring minimal negative impacts and costs.

In merging the two most attractive options, preference was given to Option 3 insofar as it demonstrated the highest degree of compatibility with the principles of subsidiarity and proportionality. However, certain elements of Option 4, which ensured significant economic gains for the EU as a whole, were also taken into account.

The relative strengths of the options considered pointed towards a hybrid system comprising the following elements:

- **A voluntary pool of Member States' assets committed to EU operations.** This should form the core of the system. The size and composition of the pool will be determined at a later stage;

- ***Complementary ad hoc offers of Member States*** along the lines of the current EU Civil Protection Mechanism;

- ***Supplementary EU-level assets*** where cost-efficiency outweighs the political disadvantage of not relying on Member States' assets.

This system could be further reinforced by continued support to humanitarian organisations that develop and manage the prepositioning of relief items for international humanitarian operations, and backed by military assets in specific cases.