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Delegations will find attached a copy of the above-mentioned opinion.

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OPINION

European Economic and Social Committee

Regional Emergency Support - RESTORE

Proposal for a Regulation of the European Parliament and of the Council RESTORE –
Regional Emergency Support to Reconstruction amending Regulation (EU) 2021/1058 and
Regulation (EU) 2021/1057
(COM(2024) 496 final – 2024/0275 (COD))

ECO/658

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Referral	Council of the European Union, 14/11/2024 European Parliament, 25/10/2024
Legal basis	Articles 164, 175(3), 178 and 304 of the Treaty on the Functioning of the European Union
Section responsible	Economic and Monetary Union and Economic and Social Cohesion
Adopted at plenary session	4/12/2024
Plenary session No	592
Outcome of vote (for/against/abstentions)	138/0/0

1. Conclusions and recommendations

- 1.1 The EESC expresses its clear solidarity and support to the people who were severely affected by the recent natural disasters in Central, Eastern and Southern Europe. When climate disasters hit EU regions, Europe is stronger when it stands together and united.
- 1.2 The EESC acknowledges that the consequences of climate change and resource scarcity are sadly already making themselves known. We are therefore having to adjust to a reality we have not experienced before. While the EU is rightly committed to avoiding a worsening of the situation, we are unprepared for unforeseen climate emergencies, energy crises and natural disasters.
- 1.3 The climate crisis is a systemic issue that transcends boundaries, meaning there is a need for systemic change to how our economy works and that it is crucial that governments commit to systemic solutions instead of just addressing the symptoms of the problem.
- 1.4 The EESC believes that immediate, simple and effective measures will be needed to alleviate the social, territorial and economic consequences of such natural disasters. The EU regions will need extensive reconstruction works to recover from these disasters.
- 1.5 The EESC welcomes the proposed flexibilities in the Commission's proposal to support affected countries, given the severe and lasting impact that natural disasters have on the social and economic fabric of EU regions.
- 1.6 The EESC express its support for cohesion policy as a long-term EU investment tool, while acknowledging that extreme natural disasters can jeopardise its long-term development.
- 1.7 The EESC stresses that the fundamental principle of cohesion policy, according to which no one and no region should be left behind, remains sound and valid, and that civil society partners are ready to continue working towards it by means of a solid EU investment policy.
- 1.8 In its recent resolution entitled *No one should be left behind! For an inclusive and participatory cohesion policy in support of social, economic and territorial cohesion*¹ the EESC loudly and clearly refers to a cohesion policy that is the EU's most important long-term investment policy for reducing regional, economic and territorial disparities.
- 1.9 The EESC is of the view that the EU needs a new, stable and solid funding mechanism which must be adaptive, flexible and ready to respond to new and emerging crises in the years and decades to come. It is crucial that the functioning of this mechanism, with its greater focus on swift and urgent responses, be coherent with the EU's overarching climate, environmental and energy policies, which in the long-run will reduce reliance on emergency responses and protect humanity as well as the natural world.

¹ EESC Resolution, [*No one should be left behind! For an inclusive and participatory cohesion policy in support of social, economic and territorial cohesion*](#).

- 1.10 The EESC urges the European Commission to work closely with the Member States, local authorities and civil society organisations to make the most effective and rapid use of the possibilities to support the regions affected. Civil society organisations, workers, SMEs and NGOs have been severely hurt by the natural disasters and a substantial share of the funds must be directed to them in order to recover from the severe damages.
- 1.11 The EESC calls on the Council and the European Parliament to swiftly approve the regulation so that it can be adopted as soon as possible. The scale of the challenge requires a collective and more coordinated response, especially with the cold season fast approaching.

2. General comments

2.1 Background and description of the proposal

- 2.1.1 The European Commission presented the proposal for Regional Emergency Support to Reconstruction (RESTORE) amending the ERDF (2021/1058) and ESF+ Regulations (2021/1057) in response to the floods in Central and Eastern Europe and the fires from storm Boris in Portugal in September 2021, which created serious needs for reconstruction and immediate support for those affected.
- 2.1.2 The Commission's proposal aims at liquidity and alleviating the financial burden on Member States affected by natural disasters, with the possibility of EU funding of the new specific priorities programmed in the ERDF and ESF+ up to 100%, an additional pre-financing of 30%, and with a maximum rate for the reprogramming of ERDF and ESF+ resources up to 10% of the total allocation of ERDF, ESF+ and Cohesion Fund together.
- 2.1.3 Additional flexibility is possible in the case of either major national or regional natural disasters, as defined in the EU Solidarity Fund (EUSF) Regulation, or even if they are below the thresholds of the EUSF Regulation, provided that they are recognised as such by the competent authorities of the Member States. Retrospective eligibility from 1 January 2024 onwards is provided for even for operations whose physical scope has been completed or which have been fully implemented.
- 2.1.4 In particular, in Regulation (EU) 2021/1058 on the ERDF, a new specific objective is introduced under Policy Objective 2 (greener, low-carbon Europe), while its scope of support remains unchanged, and without derogating from the applicable thematic concentration rules. In addition, in Regulation (EU) 2021/1057 on the ESF+, the Commission proposal provides for a number of temporary exceptions and flexibility to ensure that assistance reaches citizens via as few bureaucratic procedures as possible, without the need to introduce a specific priority.
- 2.1.5 The proposal entails short-term work programmes and materially supported assistance that will be enabled without the need for accompanying measures, providing citizens with direct support. For healthcare, the duration of coverage is up to 18 months from the date of the disaster, while for material assistance, the duration is up to six months, thus allowing for a faster response to

emergencies. The deadline for submitting programme amendments is set at four months after the natural disaster or the entry into force of the Restore Regulation.

2.1.6 The Restore proposal does not foresee support from the Cohesion Fund for the new specific objective, as its scope is limited by the Treaty to the transport and environment sectors. However, Member States may transfer resources from the Cohesion Fund to the ERDF within the limits laid down in the Common Provisions Regulation (in total up to 20% of the initial allocation).

2.1.7 The proposal does not entail any changes to the annual MFF ceilings for commitments and payments, while remaining within the limits of the current MFF and being budget neutral. The 30% pre-financing as well as the increased rate of up to 100% EU funding may lead to an early allocation of payment appropriations in 2025 and 2026, with subsequent payments to be made at a later stage as the overall financial framework remains unchanged. For 2025, the Commission proposed to cover the additional needs through a letter of amendment to the 2025 budget. In order to avoid double funding, costs covered by other national or EU instruments or by insurance companies should be deducted from payment applications.

2.2 General remarks

2.2.1 The EESC expresses its solidarity with those Member States affected by natural disasters, recognising that the effects of a crisis, such as a natural disaster, can have a significant impact on the development of a region.

2.2.2 The recent natural disasters in Central, Eastern and Southern Europe, but also in the city of Valencia, have had a devastating effect on the populations living in these regions. Extensive reconstruction works will be required in many cities, towns and villages to repair damaged infrastructure and equipment.

2.2.3 The EESC points out that immediate and effective measures must be taken to alleviate the burden on local, regional and national budgets and mitigate the risk of aggravated territorial disparities resulting from these disasters.

2.2.4 On several occasions, cohesion policy has been used to overcome the most immediate consequences of a crisis. For instance, it was present from day one of the crisis triggered by the pandemic. Cohesion policy was also a core instrument when the war in Ukraine started: it helped support border regions and refugees through the CARE Regulation. It was also tapped when electricity bills were surging and helped SMEs to cope.

2.2.5 However, the EESC points out the risk of turning cohesion policy into a crisis response instrument at the expense of its long-term objectives. The need to find the right balance between flexibility and ensuring the long-term and strategic nature of cohesion policy is crucial for the EU regions.

2.2.6 In our recent resolution *No one should be left behind! For an inclusive and participatory cohesion policy in support of social, economic and territorial cohesion*, we pointed out that we

are opposed to any move to reduce cohesion policy or transform it into an instrument for tackling emergencies.

2.2.7 It is the view of the EESC that the EU needs a new funding mechanism that can offer immediate and ambitious assistance to help the Member States in emergencies such as those indicated above. The EESC therefore has already proposed the creation of a new Climate Adjustment Fund. This funding should be redirected from existing EU funds, notably from the Cohesion Fund and the Recovery and Resilience Facility (RRF), but managed in a streamlined and coherent way through this new fund.

2.2.8 The EESC believes that NGOs and the social partners have a crucial role to play, both as implementing organisations and as valuable partners in monitoring the implementation of such programmes, and the EESC is open to facilitating a further conversation about such engagement for civil society organisations.

2.2.9 The EESC strongly requests that the Commission recognise the heavy burden that has fallen on local authorities and civil society organisations operating in local communities in addressing the challenges resulting from these natural disasters. In this context, the EESC asks that a provision of a minimum level of support within the relevant priorities be set aside for local authorities, social partners and civil society organisations to ensure that these types of beneficiaries receive an appropriate share of the resources given their active role in actions to repair the damages like the one that was provided for in the FAST CARE proposal.

2.3 Specific comments

2.3.1 The EESC suggests that the proposed flexibilities also cover natural disasters from the second half of 2023 rather than from 1 January 2024, stressing that the floods that hit Greece in September and Slovenia in August 2023 caused extensive damage requiring multi-year and complex restoration projects, which in some cases only start once the necessary studies have been completed. Many of these costs will occur at a later date, making equal treatment of Member States already affected crucial.

2.3.2 The EESC notes that the measures proposed are likely to go beyond the targeted support announced by the President of the European Commission and illustrate another example of using cohesion policy as a means of dealing with the consequences of crises, beyond the objective of the TFEU.

2.3.3 The EESC stresses the need for effective, efficient and more simplified complementarity of efforts in both crisis response and risk management and prevention, in view of the debate on the next MFF.

2.3.4 The EESC is sceptical about the fact that the proposal does not entail any changes to the annual MFF ceilings for commitments and payments, while remaining within the limits of the current MFF and being budget neutral.

- 2.3.5 The EESC expresses its concerns that the practice of providing EU funding up to 100% tends to be accepted as the norm in cohesion policy and that the European Commission has to find alternative and more stable solutions to tackle the consequences of the climate crisis in view of the new programming period.
- 2.3.6 The EESC is keen on also adding funding possibilities for preventive measures, in addition to the restoration measures, by extending Article 1(1)(a) of the proposal, stressing that prevention can prevent future restoration costs. Furthermore, the EESC requests more clarifications on how the new priorities contribute to climate objectives, as the reallocation of resources may affect compliance with relevant commitments made so far from the existing programming period 2021-2027.
- 2.3.7 The EESC agrees with the short-term work programmes and materially supported assistance that will be enabled without the need for accompanying measures, providing citizens with direct support, however, it asks for more clarification on the procedure that will be followed and how it will actually work for the Member States. The EESC requests more clarity on the exact mechanisms that must be triggered in order to mobilise the funds and the role of the European Commission on the control of the costs.
- 2.3.8 The EESC is of the view that there must be a definition of natural disasters so that all Member States can apply accordingly. It is important to have a clear view of the context and which measures will or will not be eligible.
- 2.3.9 The EESC asks for specific measures to be taken for the civil society organisations that were seriously damaged by the disasters and also requests that civil society have an active role in the process of the reconstruction and recovery.

Brussels, 4 December 2024.

The President of the European Economic and Social Committee
Oliver RÖPKE
