

RESTORE – Regional Emergency Support to Reconstruction

2024/0275(COD) - 21/10/2024 - Legislative proposal

PURPOSE : to provide additional assistance and further flexibility to Member States affected by natural disasters.

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

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

BACKGROUND: the recent natural disasters in Central, Eastern and Southern Europe 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. Immediate measures will be needed to alleviate the social and economic consequences of such natural disasters.

In order to tackle the devastating effect of natural disasters on people's health, access to healthcare including for people who are not in imminent socio-economic vulnerability should also be allowed. Europe needs to be able to rapidly provide **additional, effective support through the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+)** to Member States, regions, local authorities and people severely affected by regional disasters, complementing the resources available from the European Union Solidarity Fund.

CONTENT: in order to provide additional assistance and further flexibility to Member States affected by natural disasters, the Commission proposes to amend Regulation (EU) 2021/1058 on the European Regional Development Fund and on the Cohesion Fund:

- introduce a **new specific objective** under Policy Objective 2 within the existing scope of the ERDF support in response to natural disasters that occur as from 1 January 2024. This would allow Member States to reprogramme under their 2021-2027 programmes under the Investments for Jobs and Growth goal amounts for the reconstruction following natural disasters as defined in Council Regulation (EC) No 1024/2002 establishing the European Union Solidarity Fund or recognised as such by a competent public authority of a Member State;
- allow for the application of a **Union financing rate of up to 100%** from the EU budget for a separate priority established within a programme to support operations linked to reconstruction and repair. Member States should also ensure that support from other national or Union instruments or private insurance schemes is taken into account so that overpayment is excluded;
- provide additional **pre-financing** for this separate priority by applying 30% to the allocation of the priority as set out in the decision approving the programme where the new dedicated priority is established. Where subsequently the allocation for the priority is increased as a result of further natural disasters, the additional pre-financing will only be paid on the amount by which the allocation to the priority is increased;
- allow Member States to select for support operations that have been physically completed or fully implemented before the application for the funding under the programme is duly submitted to the managing authority where they provide a response to a natural disaster occurring as of 1 January 2024;

- set out a deadline of **four months** after the first occurrence of damage as a result of a natural disaster or the entry into force of the amending Regulation where a disaster occurred before that date to submit corresponding programme amendments.

In order to ensure **further flexibility** for Member States in response to natural disasters that occur as from 1 January 2024 it is proposed to amend Regulation (EU) 2021/1057 to:

- provide flexibility for Member States in the implementation of the ESF+, including the additional pre-financing and the Union financing of up to 100%, to alleviate the socio-economic consequences of natural disasters and;

- provide immediate food and/or basic material assistance to people directly affected by natural disasters, as well as short-time work schemes for employees and self-employed without active measures and access to healthcare including for people who are not in imminent socio-economic vulnerability.

In order to safeguard the long-term strategic nature of cohesion policy investments, the total amount allocated to such dedicated priorities cannot exceed 10% of the total initial national allocation of the ERDF, the ESF+ and the Cohesion Fund taken together in a Member State for the 2021-2027 programming period. Member States should also ensure that support from other national or Union instruments or private insurance schemes is taken into account so that overpayment is excluded.

Budgetary implications

The proposal concerns cohesion policy programmes from the 2021-2027 programming period and does not modify existing budgetary commitments. It remains within the limits of the overall allocation for the period 2021-2027 and is therefore budgetarily neutral.

The proposal will result in additional pre-financing to be paid under the ERDF and ESF+ and will lead to frontloading of payment appropriations.

For 2025, the additional pre-financing was not envisaged in the draft budget. In order to address the urgent needs and provide swift support to the disaster-stricken Member States, the Commission proposed to cover the additional payment needs through an amending letter to the 2025 draft budget. The additional amount for 2025 is **EUR 3 billion** - for the ERDF and the ESF+ taken together - and corresponds to the 30% pre-financing to the estimated allocation (EUR 10 billion) of the dedicated priorities subsequent to the natural disasters having taken place as from 1 January 2024.