EUROPEAN UNION

THE EUROPEAN PARLIAMENT **THE COUNCIL**

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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject:	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2021/1057 and (EU) 2021/1058 as regards Regional Emergency Support to Reconstruction (RESTORE)

REGULATION (EU) 2024/…
OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of …

amending Regulations (EU) 2021/1057 and (EU) 2021/1058
as regards Regional Emergency Support to Reconstruction (RESTORE)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 164, Article 175(3) and Article 178, thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Having regard to the opinion of the European Economic and Social Committee[1],

Having regard to the opinion of the Committee of the Regions[2],

Acting in accordance with the ordinary legislative procedure[3],

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1 Opinion of 4 December 2024 (not yet published in the Official Journal).
2 Opinion of 21 November 2024 (not yet published in the Official Journal).
3 Position of the European Parliament of 17 December 2024 (not yet published in the Official Journal) and decision of the Council of …

Whereas:

(1) The recent floods and wildfires 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 are needed to alleviate the social and economic consequences of those natural disasters. In addition, people are in immediate need of basic material assistance. Moreover, support for job maintenance is needed to help employees and self-employed people to retain their jobs for a limited period of time where they are not able to access their usual place of employment due to the occurrence of a natural disaster. 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 possible. Evidence suggests that the occurrence of natural disasters is likely to increase in the future. Therefore, it is appropriate to create a temporary framework that provides for flexibility and financial support while preserving the long-term strategic nature of cohesion policy investments.

(2) In order to quickly alleviate the burden on the budgets of the Member States concerned and mitigate the risk of new territorial disparities, effective support from the European Social Fund Plus (ESF+) established by Regulation (EU) 2021/1057 of the European Parliament and of the Council[4], as well as from the European Regional Development Fund (ERDF) and the Cohesion Fund regulated by Regulation (EU) 2021/1058 of the European Parliament and of the Council[5], should be provided to Member States, regions, local authorities and people severely affected by such natural disasters, in addition to the resources available from the European Union Solidarity Fund (EUSF) established by Council Regulation (EC) No 2012/2002[6].

(3) In order to provide additional flexibility to Member States affected by natural disasters, a new specific objective under the Investment for jobs and growth goal should be provided to channel the financial support of the ERDF and the Cohesion Fund for reconstruction in response to such disasters.

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4 Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) and repealing Regulation (EU) No 1296/2013 (OJ L 231, 30.6.2021, p. 21, ELI: http://data.europa.eu/eli/reg/2021/1057/oj).

5 Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231, 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/oj).

6 Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3).

(4) Policy objective 2, which promotes a greener, low-carbon transitioning towards a net zero carbon economy and resilient Europe by promoting clean and fair energy transition, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility, as referred to in Article 5(1), point (b), of Regulation (EU) 2021/1060 of the European Parliament and of the Council[7], under which the new specific objective should be introduced, directly supports the objectives of the European Green Deal. The Commission Communication of 24 February 2021 entitled 'Forging a climate-resilient Europe - the new EU Strategy on Adaptation to Climate Change' aims to develop adaptation measures to manage risks associated with disasters resulting from climate change, such as floods, wildfire or droughts. The continuity and reinforcement of planned investments in disaster prevention and preparedness, as well as climate adaptation, should be ensured, in order to mitigate the impact of the increasingly frequent natural, including climate-induced, disasters. Reconstruction efforts should not come at the expense of investment in structural long term disaster prevention and preparedness. The application of climate proofing and the 'do no significant harm' principle should be ensured when investing in infrastructure to enhance the resilience of Union funded infrastructure in the face of future, more frequent and severe climate-induced disasters.

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[7] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (OJ L 231, 30.6.2021, p. 159, ELI: http://data.europa.eu/eli/reg/2021/1060/oj).

(5) In accordance with the scope of support from the ERDF as set out in Regulation (EU) 2021/1058, support for reconstruction in response to natural disasters under the new specific objective may cover the restoration of damaged or destroyed infrastructure, such as public infrastructure or investment in fixed capital for businesses and equipment, including at a different location or in a format that is not identical to the original, if necessary, in a resilient and sustainable manner. Furthermore, the restoration of natural areas, biodiversity and green infrastructure, including on Natura 2000 sites, may be supported. This may include relevant reforestation related measures. The Cohesion Fund may also provide support for the new specific objective insofar as it is in line with the scope of support from the Cohesion Fund set out in Regulation (EU) 2021/1058.

(6) In the context of reconstruction in response to natural disasters, operations based on the 'build back better' principle should be prioritised in the selection process. That principle entails the use of the recovery, rehabilitation and reconstruction phases after a disaster to increase the resilience of communities through integrating disaster risk reduction measures, as indicated in the United Nations Sendai Framework for Disaster Risk Reduction 2015-2030. At the same time, support to the selected operations should remain proportionate and present the best relationship between the amount of support and the objective of ensuring disaster resilience. Furthermore, if a Member State is eligible for support from the EUSF to finance essential emergency and recovery operations restoring infrastructure to its condition prior to the occurrence of the natural disaster, the support from the ERDF and the Cohesion Fund may be used in a complementary manner with the EUSF to improve the functionality of the infrastructure affected in order to enhance its capacity, sustainability and resilience to withstand future natural disasters. The purpose of the support from the ERDF and the Cohesion Fund is to increase resilience and risk preparedness.

(7) In order to exclude overpayment, Member States should ensure that support covered by the ESF+, the ERDF or the Cohesion Fund does not overlap with support received from another Union instrument, from a national instrument or from a private insurance scheme.

(8) In order to respond to the impact of natural disasters, Member States should be allowed, through dedicated priorities, to provide focused, fast and immediate help to alleviate the negative socio-economic consequences of such disasters. In addition, Member States should be able to support, either within or outside the dedicated priority, temporary measures for people directly affected by natural disasters in the form of food and/or basic material assistance without the obligation to provide accompanying measures. Member States should also, where strictly necessary and justified, provide for short-time work schemes to enable employees and self-employed persons affected by the consequences of natural disasters to retain their jobs without providing active measures, unless those measures are imposed by national law, as well as measures to ensure access to healthcare including for people who are not in imminent socio-economic vulnerability. Therefore, it is appropriate to provide for flexibilities for such temporary measures for a limited period of time under Regulation (EU) 2021/1057.

(9) The resources to support the response to natural disasters should be programmed under one or more dedicated priorities with a co-financing rate of up to 95 %. Member States are able to make use of the existing possibilities for transferring allocations between cohesion policy funds provided for in Regulation (EU) 2021/1060 in order to increase resources available under those dedicated priorities. They are also able to reallocate resources from any of the policy objectives while respecting applicable rules.

(10) The overall resources programmed under the dedicated priorities should be limited to a maximum of 10 % of the initial total national allocation of the Member State for the ESF+ and the ERDF. It should be possible to program those resources through more than one programme amendment and link them to more than one disaster. The principle that payments by the Commission are to be made in accordance with budget appropriations and subject to available funding should continue to apply.

(11) In order to provide immediate support for investments for reconstruction in response to natural disasters as well as to alleviate the negative socio-economic consequences of such natural disasters, an additional amount of exceptional pre-financing should be provided with respect to the dedicated priorities. The rules applicable to those amounts of exceptional pre-financing should be consistent with the rules applicable to pre-financing provided for in Regulation (EU) 2021/1060.

(12) In order to enable Member States to fully address the consequences of natural disasters that occur between 1 January 2024 and 31 December 2025, their managing authorities should be allowed to select for support operations that have been physically completed or fully implemented before the application for the funding under the programme is submitted to the managing authority, provided that the operation is in response to such a natural disaster.

(13) Since the objective of this Regulation, namely to alleviate, in light of the recent floods and wildfires in Central, Eastern and Southern Europe, the negative socio-economic consequences of natural disasters by amending Regulations (EU) 2021/1057 and (EU) 2021/1058, cannot be sufficiently achieved by the Member States but can rather be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary in order to achieve that objective.

(14) Regulations (EU) 2021/1057 and (EU) 2021/1058 should therefore be amended accordingly.

(15) In view of the devastating effects of recent natural disasters and the urgency to provide immediate support to Members States, it is considered necessary to use the exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the Treaty on European Union, to the Treaty on the Functioning of the European Union and to the Treaty establishing the European Atomic Energy Community.

(16) Given the urgency of the situation related to the natural disasters, it is appropriate that this Regulation enters into force on the day following that of its publication in the *Official Journal of the European Union*,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) 2021/1057

In Regulation (EU) 2021/1057, the following article is inserted:

‘*Article 12b*

Support for alleviating the negative socio-economic consequences of natural disasters

1. Member States may use the ESF+ to provide support to alleviate the negative socio-economic consequences of natural disasters that occur between 1 January 2024 and 31 December 2025. For the purpose of this Article, a natural disaster shall be understood to be a major natural disaster or a regional natural disaster as defined, respectively, in Article 2(2) and (3) of Council Regulation (EC) No 2012/2002*. This may include a natural disaster resulting in direct damage below the thresholds set in Article 2(2) and (3) of that Regulation, provided that it was recognised as a natural disaster by a competent public authority of the Member State. Where the natural disaster resulting in direct damage below the thresholds set in Article 2(2) and (3) of Regulation (EC) No 2012/2002 occurs after … [date of entry into force of this amending Regulation], it shall be understood to be a natural disaster provided that it is recognised as such by a competent public authority of the relevant Member State within 12 weeks of the date of the first occurrence of damage as a consequence of that natural disaster.

2. For the purposes of paragraph 1 of this Article, resources may be programmed under the dedicated priorities of the programmes concerned. For the entire programming period, the overall resources to those dedicated priorities allocated from the ESF+, as well as from the ERDF and the Cohesion Fund pursuant to Article 3(1b) of Regulation (EU) 2021/1058 shall be limited to a maximum of 10 % of the initial total national allocation of the ESF+ and the ERDF. The programme amendment concerned shall be submitted within six months of the date on which the natural disaster occurred or, where the natural disaster occurred before … [date of entry into force of this amending Regulation], by … [six months after the date of entry into force of this amending Regulation].

3. The dedicated priorities referred to in paragraph 2 of this Article may support any of the specific objectives set out in Article 4(1) of this Regulation.

4. Where strictly necessary as a temporary measure, short-time work schemes aiming to provide a response to the consequences of a natural disaster without the need to combine with active measures as well as access to healthcare including for people who are not in imminent socio-economic vulnerability may be eligible for financing for a maximum of 18 months from the date on which the natural disaster occurred.

5. By way of derogation from Article 19(4), Member States shall not be required to complement the delivery of food and/or basic material assistance by accompanying measures under the specific objective set out in Article 4(1), point (m), where such delivery is to respond to consequences of a natural disaster. Such delivery of food and/or basic material assistance without accompanying measures may be eligible for financing for a maximum of six months from the date on which the natural disaster occurred and in any event after 1 January 2024.

6. By way of derogation from Article 63(6) of Regulation (EU) 2021/1060, the managing authority concerned may select for support, under a dedicated priority, operations that have been physically completed or fully implemented before the submission of the application for funding to the managing authority, provided that the operation provides a response to a natural disaster which occurs between 1 January 2024 and 31 December 2025.

7. The Commission shall pay 25 % of the allocation to the dedicated priorities referred to in paragraph 2 of this Article, in accordance with the decision approving the programme amendment as exceptional pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060. That exceptional pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment, subject to the availability of funds. Where the allocation to those priorities is subsequently increased, an additional pre-financing amount shall be paid, corresponding to 25 % of the increase.

In accordance with Article 90(5), first subparagraph, of Regulation (EU) 2021/1060, the amount paid as exceptional pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

In accordance with Article 90(6) of Regulation (EU) 2021/1060, any interest generated by the exceptional pre-financing shall be used for the programme concerned in the same way as the ESF+ and shall be included in the accounts for the final accounting year.

In accordance with Article 97(1) of Regulation (EU) 2021/1060, the exceptional pre-financing shall not be suspended.

In accordance with Article 105(1) of Regulation (EU) 2021/1060, the pre-financing to be taken into account for the purposes of calculating amounts to be de-committed shall include the exceptional pre-financing paid.

8. By way of derogation from Article 112(3) of Regulation (EU) 2021/1060, the maximum co-financing rate for a dedicated priority established to support the alleviation of the negative socio-economic consequences of a natural disaster pursuant to paragraph 2 of this Article shall be 95 %.

Member States shall ensure that support from another Union instrument, from a national instrument or from a private insurance scheme received for operations selected in response to a natural disaster, is deducted from the expenditure included in the payment application submitted to the Commission.

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* Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3, ELI: http://data.europa.eu/eli/reg/2002/2012/oj).'.

Article 2

Amendments to Regulation (EU) 2021/1058

Regulation (EU) 2021/1058 is amended as follows:

1. Article 3 is amended as follows:

(a) in paragraph 1, point (b), the following point is added:

'(x) supporting investments aimed at reconstruction in response to a natural disaster that occurs between 1 January 2024 and 31 December 2025.';

(b) the following paragraph is inserted:

‘1b. For the purposes of paragraph 1, point (b)(x), of this Article, a natural disaster shall be understood to be a major natural disaster or a regional natural disaster as defined, respectively, in Article 2(2) and (3) of Council Regulation (EC) No 2012/2002*. This may include a natural disaster resulting in direct damage below the thresholds set in Article 2(2) and (3) of that Regulation, provided that it was recognised as a natural disaster by a competent public authority of the Member State.

Where the natural disaster resulting in direct damage below the thresholds set in Article 2(2) and (3) of Regulation (EC) No 2012/2002 occurs after … [date of entry into force of this amending Regulation], it shall be understood to be a natural disaster provided that it is recognised as such by a competent public authority of the relevant Member State within 12 weeks of the date of the first occurrence of damage as a consequence of that natural disaster.

The resources allocated under the specific objective referred to in paragraph 1, point (b)(x), of this Article shall be programmed under dedicated priorities of programmes under the Investment for jobs and growth goal corresponding to the respective policy objective. For the entire programming period, the resources allocated under that specific objective and the dedicated priorities established pursuant to Article 12b(2) of Regulation (EU) 2021/1057 shall be limited to a maximum of 10 % of the initial total national allocation of the ESF+ and the ERDF. The programme amendment concerned shall be submitted within six months of the date on which the damage as a consequence of the natural disaster first occurred or, where the natural disaster occurred before … [the date of entry into force of this amending Regulation], by … [six months after the date of the entry into force of this amending Regulation].

The Commission shall pay 25 % of the allocation to the priorities referred to in the third subparagraph of this paragraph in accordance with the decision approving the programme amendment as exceptional pre-financing in addition to the yearly pre-financing for the programme provided for in Article 90(1) and (2) of Regulation (EU) 2021/1060. That exceptional pre-financing shall be paid within 60 days of the adoption of the Commission decision approving the programme amendment, subject to the availability of funds. Where the allocation to those priorities is subsequently increased, an additional pre-financing amount shall be paid, corresponding to 25 % of the increase.

In accordance with Article 90(5), first subparagraph, of Regulation (EU) 2021/1060, the amount paid as exceptional pre-financing shall be cleared from the Commission accounts no later than with the final accounting year.

In accordance with Article 90(6) of Regulation (EU) 2021/1060, any interest generated by the exceptional pre-financing shall be used for the programme concerned in the same way as the ERDF or the Cohesion Fund and shall be included in the accounts for the final accounting year.

In accordance with Article 97(1) of Regulation (EU) 2021/1060, the exceptional pre-financing shall not be suspended.

In accordance with Article 105(1) of Regulation (EU) 2021/1060, the pre-financing to be taken into account for the purposes of calculating amounts to be de-committed shall include the exceptional pre-financing paid.

By way of derogation from Article 112(3) of Regulation (EU) 2021/1060, the maximum co-financing rate for a dedicated priority established to support the specific objective referred to in paragraph 1, point (b)(x), of this Article shall be 95 %.

Member States shall ensure that support from another Union instrument, from a national instrument or from a private insurance scheme received for operations selected under the specific objective referred to in paragraph 1, point (b)(x), of this Article is deducted from the expenditure included in the payment application submitted to the Commission.

By way of derogation from Article 63(6) of Regulation (EU) 2021/1060, the managing authority concerned may select for support, under a dedicated priority, operations that have been physically completed or fully implemented before the submission of the application for funding to the managing authority, provided that the operation provides a response to a natural disaster which occurs between 1 January 2024 and 31 December 2025.

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* Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund (OJ L 311, 14.11.2002, p. 3, ELI: http://data.europa.eu/eli/reg/2002/2012/oj).';

(c) paragraph 3 is replaced by the following:

'3. The Cohesion Fund shall support PO 2 and 3, including the specific objective set out in paragraph 1, point (b)(x), insofar as it is in line with the scope of support as set out in Article 6.';

2. in Table 1 of Annex I, the following row is added under policy objective 2:

‘

	(x) supporting investments aimed at reconstruction in response to a natural disaster that occurs between 1 January 2024 and 31 December 2025.	Any RCO listed for specific objectives under POs 1 to 4	Any RCR listed for specific objectives under POs 1 to 4

’.

Article 3

Entry into force

This Regulation shall enter into force on the day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at …,

For the European Parliament	*For the Council*
The President	*The President*