



22.11.2024

# BUDGETARY ASSESSMENT

of the Committee on Budgets

for the Committee on Employment and Social Affairs and the Committee on  
Regional Development

on the 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)0496 – C10-0147/2024 – 2024/0275(COD))

Rapporteur for budgetary assessment: Sandra Gómez López



## BUDGETARY ASSESSMENT

**for the Committee on Employment and Social Affairs and the Committee on Regional Development on the 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)0496 – C10-0147/2024 – 2024/0275(COD))**

The Committee on Budgets has carried out a budgetary assessment of the proposal under Rule 58 of the Rules of Procedure and has reached the following conclusions:

- having regard to Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union<sup>1</sup>,
  - having regard to Council Regulation (EU, Euratom) 2020/2093 of 17 December 2020 laying down the multiannual financial framework for the years 2021 to 2027<sup>2</sup> (MFF Regulation),
  - having regard to the Interinstitutional Agreement of 16 December 2020 between the European Parliament, the Council of the European Union and the European Commission on budgetary discipline, on cooperation in budgetary matters and on sound financial management, as well as on new own resources, including a roadmap towards the introduction of new own resources<sup>3</sup> (IIA),
  - having regard to Council Regulation (EC) No 2012/2002 of 11 November 2002 establishing the European Union Solidarity Fund<sup>4</sup>,
  - having regard to the European Parliament resolution of 8 October 2024 on the proposal for a decision of the European Parliament and of the Council on the mobilisation of the European Union Solidarity Fund to provide assistance to Italy, Slovenia, Austria, Greece and France relating to six natural disasters occurred in 2023<sup>5</sup>,
- A. whereas the proposal does not modify existing budgetary commitments and remains within the limits of the overall allocations for the period 2021-2027 and is therefore budgetary neutral;
- B. whereas the combined effect of 30 % pre-financing, 100 % co-financing and the eligibility for physically completed or fully implemented operations as of 1 January 2024 under the European Regional Development Fund (ERDF) and European Social Fund Plus (ESF+), while taking into account the cap for re-programming of 10 % of the total 2021-2027 allocation, leads to a partial frontloading of payment appropriations, followed by lower payments at a later stage:

	Year	Year	Year	Year	TOTAL
	2024	2025	2026	2027	MFF
					2021-
					2027

TOTAL operational appropriations	Commitments	(4)	0.000	0.000	0.000	0.000	<b>0.000</b>
	Payments	(5)	0.000	3 000.000	4 003.600	-7 003.600	<b>0.000</b>
TOTAL appropriations of an administrative nature financed from the envelope for specific programmes		(6)	0.000	0.000	0.000	0.000	<b>0.000</b>
<b>TOTAL appropriations under HEADING 2a</b> of the multiannual financial framework	Commitments	=4+6	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>
	Payments	=5+6	<b>0.000</b>	<b>3 000.000</b>	<b>4 003.600</b>	<b>-7 003.600</b>	<b>0.000</b>

- C. whereas the budgetary implications of the proposal have not been taken into account in the draft budget for 2025;
- D. whereas the amending letter to the 2025 budget includes an increase in payment appropriations in relation to natural disasters for an amount of EUR 3 000 million for the ERDF;
1. Recalls that Parliament has repeatedly called for more resources for the European Union Solidarity Fund (EUSF) in view of the increasing number and intensity of natural disasters, in particular linked to climate change, and the need to speed up procedures so that support reaches Member States and regions hit by natural disasters more quickly; notes that the RESTORE proposal provides additional assistance and further flexibility to Member States affected by natural disasters for their cohesion policy programmes 2021-2027 to respond to such disasters; regrets that cohesion policy is again being used as an emergency response tool and maintains that this approach risks undermining its longer-term policy and investment objectives and is a symptom of a lack of flexibility and crisis response capacity in the EU budget; acknowledges that the present proposal offers a pragmatic way forward for dealing with insufficient budgetary flexibility and crisis response capacity in the EU budget, in order to provide a rapid response to the needs of the affected populations; stresses the need for further flexibilities in the regulatory framework covering the Common Provisions Regulation (CPR), ERDF, Cohesion Fund (CF) and ESF+ in order to enable the Member States to help the affected regions more effectively;
  2. Notes that the Commission does not expect any implications for the budget for 2024;
  3. Notes further that for 2025 the Commission proposes additional payment appropriations for the ERDF of a total of EUR 3 000 million through the amending letter (AL); refers to the estimated payment needs in 2025 of an initial amount of EUR 3 000 million in the

<sup>1</sup> OJ L, 2024/2509, 26.9.2024, ELI: <http://data.europa.eu/eli/reg/2024/2509/oj>.

<sup>2</sup> OJ L 433 I, 22.12.2020, p. 11, ELI: <http://data.europa.eu/eli/reg/2020/2093/oj>.

<sup>3</sup> OJ L 433 I, 22.12.2020, p. 28, ELI: [http://data.europa.eu/eli/agree\\_interinst/2020/1222/oj](http://data.europa.eu/eli/agree_interinst/2020/1222/oj).

<sup>4</sup> OJ L 311, 14.11.2002, p. 3, ELI: <http://data.europa.eu/eli/reg/2002/2012/oj>.

<sup>5</sup> Texts adopted, P10\_TA(2024)0015.

RESTORE proposal, of which EUR 2 070 million for the ERDF and EUR 930 million for the ESF+; regrets the inconsistency in the figures between the AL and the Legislative Financial Statement and urges the Commission to provide consistent information and rectification, where necessary; notes also that payments in 2025 linked to this proposal do not take into account that, at this stage, the Commission is not in possession of estimates of the initial take-up by Member States or of the potential volumes of overall needs, including on pre-financing;

4. Expects the Commission to take into account in its draft budget for 2026 the updated payment needs for the ERDF and the ESF+ following the actual reprogramming by Member States and to keep Parliament informed in a timely manner about the evolution of RESTORE uptake in the Member States; calls on the Commission to assist Member States in the reprogramming of the available resources under the ERDF and ESF+ and to quickly assess modified programmes through simplified procedures in order to cover the most pressing needs in affected Member States;
5. Requests that the Commission provide traceable information in the form of timely reports, including information on transfers referred to in Article 26 of Regulation (EU) 2021/1060 to the ERDF and the ESF+ and on payment forecasts for 2021-2027 cohesion policy programmes to make the impact of RESTORE clearly identifiable for the budgetary authority;
6. Notes that the level of RAL (*reste à liquider*) for Heading 2a remained high at the end of 2023 with an amount of EUR 154 864 million; recalls that the amount equivalent to decommitments on the RAL made since 2021 cumulatively can be made available for the European Union Recovery Instrument (EURI); asks the Commission to provide further analysis of the impact of RESTORE on the EURI;
7. Notes that payments to 2021-2027 cohesion policy programmes were at a very low level in the first years of implementation, leading to an increase in payment needs in the later years; recalls that this actual payment cycle does not coincide with the more linear payment profile set out in the MFF Regulation and that this situation results in the risk of exceeding payment ceilings in the later years; considers that the frontloading of payments towards 2025 and 2026 could alleviate the pressure on payments; calls on the Commission to closely monitor the evolution of payments and to provide timely information to Parliament in this regard, and to propose any necessary remedial action to the budgetary authority if needed;
8. Notes that, according to the Commission, support under RESTORE is considered not to alter the contribution of the ERDF and the ESF+ to climate targets as set out in point 16 of the IIA; underlines, however, that reprogramming and inclusion of repair and reconstruction measures, particularly with ERDF support, could lead to resources being shifted from interventions with a higher coefficient for calculation of support to climate change objectives to those with lower actual coefficients, thus potentially reducing the expenditures supporting climate objectives; regrets that the Commission has not made an impact assessment of the proposal on the requirement for climate spending or climate-related classification of spending; welcomes the commitment on building back better as the best way to ensure the effectiveness of spending and adhering to the EU's climate objectives;

9. Fears that the accelerating frequency and intensity of natural disasters and a broad definition of ‘natural disaster’ could lead to more-than-estimated programme amendments, thus potentially triggering higher than estimated payment needs that have not yet been factored in for the coming years;
10. Highlights the importance of preventing double financing and calls on the Member States and the Commission to ensure that support under RESTORE is in addition to support under Union programmes, including the EUSF;
11. Concludes that the 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 is compatible with the elements referred to in Rule 58(3) of the Rules of Procedure.

**ANNEX: ENTITIES OR PERSONS  
FROM WHOM THE RAPPOREUR FOR BUDGETARY ASSESSMENT HAS  
RECEIVED INPUT**

The rapporteur for budgetary assessment declares under her exclusive responsibility that she did not receive input from any entity or person to be mentioned in this Annex pursuant to Article 8 of Annex I to the Rules of Procedure.

## PROCEDURE – COMMITTEE ASKED FOR BUDGETARY ASSESSMENT

<b>Title</b>	RESTORE – Regional Emergency Support to Reconstruction amending Regulation (EU) 2021/1058 and Regulation (EU) 2021/1057
<b>References</b>	COM(2024)0496 – C10-0147/2024 – 2024/0275(COD)
<b>Committee(s) responsible</b>	EMPL                      REGI
Date announced in plenary	BUDG 13.11.2024
<b>Rapporteur for budgetary assessment</b> Date appointed	Sandra Gómez López 12.11.2024
<b>Rule 59 – Joint committee procedure</b> Date announced in plenary	13.11.2024
<b>Discussed in committee</b>	21.11.2024
<b>Date adopted</b>	21.11.2024
<b>Result of final vote</b>	+:                      29 -:                      2 0:                      0
<b>Members present for the final vote</b>	Georgios Aftias, Isabel Benjumea Benjumea, Tomasz Buczek, Tamás Deutsch, Angéline Furet, Thomas Geisel, Jean-Marc Germain, Sandra Gómez López, Fabienne Keller, Janusz Lewandowski, Giuseppe Lupo, Ignazio Roberto Marino, Fernando Navarrete Rojas, Matjaž Nemeč, Danuše Nerudová, Ruggero Razza, Bogdan Rzońca, Hélder Sousa Silva, Nicolae Ștefănuță, Joachim Streit, Carla Tavares, Nils Ušakovs, Auke Zijlstra
<b>Substitutes present for the final vote</b>	Moritz Körner, Tiago Moreira de Sá
<b>Members under Rule 216(7) present for the final vote</b>	Christophe Bay, Udo Bullmann, Andrzej Buła, Gheorghe Falcă, Ștefan Mușoiu, Jan-Christoph Oetjen



**FINAL VOTE BY ROLL CALL  
IN COMMITTEE ASKED FOR BUDGETARY ASSESSMENT**

29	+
ECR	Ruggero Razza, Bogdan Rzońca
PPE	Georgios Aftias, Isabel Benjumea Benjumea, Andrzej Buła, Gheorghe Falcă, Janusz Lewandowski, Fernando Navarrete Rojas, Danuše Nerudová, Hélder Sousa Silva
PfE	Christophe Bay, Tomasz Buczek, Tamás Deutsch, Angéline Furet, Tiago Moreira de Sá
Renew	Fabienne Keller, Moritz Körner, Jan-Christoph Oetjen, Joachim Streit
S&D	Udo Bullmann, Jean-Marc Germain, Sandra Gómez López, Giuseppe Lupo, Ștefan Mușoiu, Matjaž Nemeč, Carla Tavares, Nils Ušakovs
Verts/ALE	Ignazio Roberto Marino, Nicolae Ștefănuță

2	-
NI	Thomas Geisel
PfE	Auke Zijlstra

0	0

Key to symbols:

+ : in favour

- : against

0 : abstention