



OPINION

European Economic and Social Committee

Targeted changes of the European Neighbourhood Instrument

Specific provisions for the 2014-2020 cooperation programmes supported by the European Neighbourhood Instrument and under the European territorial cooperation goal, following programme implementation disruption
[COM (2022) 362 -2022-227-COD]

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Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	External Relations
Adopted at plenary	27/10/2022
Plenary session No	573
Outcome of vote (for/against/abstentions)	117/1/3

1. Conclusions and recommendations

- 1.1 The European Economic and Social Committee (EESC) supports the approach by the European Commission, Parliament and Council to do everything necessary for approving the foreseen regulation as soon as possible and urges getting it into force no later than in the beginning of November 2022.
- 1.2 As due to the need of a rapid approval it is likely that in a first step the regulation might be adopted without changes, the EESC suggests to consider a review in a second step with the below proposed improvements. The proposed changes should also enrich the debate and preparations of changes in the follow up regulations and programmes.
- 1.3 The EESC welcomes the fast action of the EU institutions and the needed flexibility in relation to running projects right after Russia's unprovoked and unjustified war against Ukraine. Fast action was the only way to stay in line with EU values and principles.
- 1.4 The EESC supports the aim to provide flexibility in amending the purpose of ongoing projects in order to reflect on the emerging needs by giving necessary flexibility to managing authorities and providing them with legal certainty that the projects are ran and pursued according to the rules and there will not be a lot of limitations as far as the audit is concerned. This is of special importance as the regulation will be applied retroactively from the beginning of the full scale war.
- 1.5 The EESC reminds of the new realities in the last months of the war against Ukraine. With Ukraine's EU candidate status and the growing need for reconstruction and preparation for the winter in Ukraine, even more flexibility in eligible activities and wider definition of cross-border/regional cooperation activities for ongoing and planned projects should be granted as foreseen in the proposed changes in the regulation (see suggestions beneath).
- 1.6 Considering the suspension of funding to authorities of the Russian Federation and Belarus and related suspension of cross-border cooperation with the Russian Federation and Belarus, the EESC advances the idea of doing everything possible for transferring funds initially intended for these cooperation programmes for cooperation with Ukraine.
- 1.7 With civil society in the frontline of the reconstruction of Ukraine and country's preparation for the EU accession, special attention should be given to allocating funds to the work of civil society organisations including re-granting of funds.

2. General comments

- 2.1 The EESC supports the objectives of the proposal and welcomes the intention to provide a flexible approach in the cooperation programmes under the European Neighbourhood Instrument (ENI) to reflect the needs emerging as a result Russia's unprovoked and unjustified military aggression against Ukraine and the resulting impact on the European Union (EU) and several of its eastern regions in particular and the extended impact of the COVID-19 pandemic on the EU.

- 2.2 The EESC recognises the immense efforts taken by the national governments, local authorities and civil society of the neighbouring EU member states, Moldova and Ukraine to accommodate the Ukrainian displaced persons fleeing in mass from the Russian invasion and welcomes the support of the tailor-made use of cross-border cooperation programmes to cover the respective humanitarian assistance needs.
- 2.3 The EESC recognises the particular challenges experienced by Ukrainian authorities on all levels, which have to deal simultaneously with ensuring military defence of the country and sustaining economy, as Ukraine suffers the large numbers of casualties, destruction of homes and infrastructure, displacement of a significant share of its population, disrupted production and transportation, unprecedented pressure on the budget and many other problems caused by the Russian aggression. The cross-border cooperation programmes with Ukraine should help lessen this burden, providing beneficiaries with opportunities to respond to the war-time needs.
- 2.4 The EESC welcomes the recent granting of the EU candidate status to Ukraine and Moldova and emphasises the need for the EU to provide comprehensive support to these countries in their EU integration reforms, which they implement while carrying the burden of the full-scale war in Ukraine. Cross-border cooperation programmes should, where relevant, streamline the strengthened EU integration objectives of Ukraine and Moldova into programme activities, including through passing of relevant reform experience of the neighbouring EU countries. This should incorporate the preparations at local and regional level and a strong role for civil society organisations including social partners.
- 2.5 Considering the suspension of funding to authorities of the Russian Federation and Belarus and related suspension of cross-border cooperation with the Russian Federation and Belarus, the EESC advances the idea of doing everything possible for transferring funds initially intended for these cooperation programmes for cooperation with Ukraine. Due to the great symbolism and increased needs, it is worth investing time and competence in finding and preparing legal ground for it. The strong emotional and value-based boundaries can be seen as a way of "neighbourhood" with Ukraine and via interpretation well suiting to the aims of the programme in the current extraordinary times.
- 2.6 The EESC emphasises the extraordinary financial burden carried by the neighbouring communities receiving numerous Ukrainian displaced persons and therefore welcomes the intention to remove the obligation of national co-financing for five ENI cross-border programmes with the Republic of Moldova and Ukraine.
- 2.7 The EESC stresses that the Russian aggression and the resulting influx of displaced persons have proven, once again, the key role of civil society and have significantly boosted civil society activism both in Ukraine and the neighbouring EU countries, with hundreds of nationwide but also grass-roots volunteer initiatives arising to provide food and shelter and ensure other humanitarian needs and, therefore, the support of civil society's work should be in particular focus of the cross-border programmes. The importance of organised civil society will prevail also during the reconstruction of Ukraine and its regions and the preparations of EU accession.

- 2.8 In the light of the ongoing energy crisis, the EESC reminds of the need to speed up transition to green energy and further strengthen energy efficiency. The cross-border cooperation programmes should provide an opportunity for their beneficiaries to mitigate the forthcoming challenges of the winter season, while allowing them to stay on the sustainability path.
- 2.9 The EESC regrets that no stakeholder consultations took place while drafting the proposed changes. If implemented properly, these do not lead to loss of time but in most cases improve the quality of the drafted decision.
- 2.10 Using the best practice from the European Code of Conduct on the partnership principle can contribute to the success of the projects implemented within the amended regulation.

3. Specific comments

- 3.1 The EESC stresses that the EU provides wide action aiming at supporting displaced persons from Ukraine e.g. via CARE, Fast-Care, changes in Cohesion policy etc. Double funding risks should be mitigated. The specificity of the European Neighbourhood Initiative should be kept to its main aim, which is the cooperation between the EU and Eastern partners. Expecting longer disruptions of the programmes involving Russia and Belarus and the growing need and interest in cooperation in Ukraine and Moldova, the legal base towards shifts and cooperation with these states should be prepared e.g. in Article 9, but also in Articles 5, 6, 8.
- 3.2 The EESC draws attention to the fact that, in addition to arrival of displaced persons, the Russian invasion in Ukraine has had other profound impact on the cooperation between the EU, Ukraine and its neighbouring countries. Due to the Russian naval blockade of Ukrainian sea ports and disruption of transport routes in eastern Ukraine, a large share of Ukrainian trade, including grains, has been redirected through the country's borders with the EU, thus creating significant pressure on cross-border infrastructure. Considering that Ukraine's export of grains and other products is of critical importance to prevent the global food crisis, the cross-border programmes should address the emerging logistic problems to ensure the maximum capacity of goods flow, including through improvement of cross-border management, construction of storage facilities close to border and other relevant measures. These projects might ask for bigger deadline flexibility than currently foreseen in Article 6 part 2.
- 3.3 The higher costs based on extraordinary inflation rates boosted by Russia's war should be eligible in all projects, not only those mentioned under Article 6 part 3.
- 3.4 The EESC supports the proposal to facilitate the management of the cross-border programmes, including changes in their programme activities, given the extraordinary circumstances. However, it emphasizes that there is a need for safeguards against the possible misuse of funds and suggests strengthening the involvement of civil society (including social partners) in decision-making and monitoring regarding cross-border programme activities. These aspects might be stressed in Article 7 and/or 15.

- 3.5 The unilateral suspension as foreseen in Article 10 part 2 should be accompanied by a justification referring to this regulation.
- 3.6 As indicated in 1.7 and 2.5, the EESC suggests allowing taking on board new partners from civil society (including re-granting possibilities) and from Ukraine where suspended partners were foreseen. Article 10 part 3 should be changed accordingly. In addition, the pro-democratic Belarusian or Russian diaspora might be considered as partners in exceptional cases.
- 3.7 Additional measures must be taken into account to prevent fraud or manage irregularities that may appear in the implementation process. Civil society and social partners should have a strengthened role also in relation of these processes and in the monitoring committees. (Article 14 part 3.)

Brussels, 27 October 2022

Christa Schweng

The president of the European Economic and Social Committee
