Background note for the CONT-LIBE joint public hearing with authorities of Member States on the

“Financial support for the treatment and accompanying of Ukrainian refugees”

The Committees on Budgetary Control (CONT) and on Civil Liberties, Justice and Home Affairs (LIBE) held a public hearing on 30 November 2022 that involved authorities of Member States hosting many Ukrainian refugees. The aim of the hearing was to have a first insight into how spending for the refugees is done in a correct and efficient way, and how fraud can be avoided. The debate covered issues such as the number of refugees received in different areas, their integration into society, capacity of facilities and the overall financial expenditure incurred so far. This briefing was to provide background information for Members of CONT and LIBE about what is known to date about the implementation of measures taken by the European Union (EU) to support Member States’ authorities in their efforts and about the nature of challenges authorities are facing on the ground.

The first part of the briefing looks into the influx of refugees into the territory of the EU, in terms of the number of people arriving, and challenges related to receiving and integrating them, in particular from the point of view of local and other national authorities. The second part of the briefing gives insight into the measures (legislative changes) taken at EU level to provide financial support to authorities in the Member States, especially in the area of cohesion and home affairs policies.

1. Introduction - Ukrainian refugees in the EU

Further to its impact on international trade, energy and supply-chains, the Russian military aggression against Ukraine has resulted in large scale movement of people: millions of Ukrainian citizens have moved as refugees to EU Member States and other countries. The effect has been felt in all Member States, and in particular in the central and eastern areas of the EU. This has created challenges for local, regional and national authorities, especially as Member States’ economies have not yet recovered from the impact of the COVID-19 pandemic.

Knowing the exact number of refugees remains challenging due to the magnitude and rapidity of the influx. On 15 November 2022, the Operational Data Portal of the United Nations High Commissioner for Refugees, known as the United Nations Refugee Agency (UNHCR) indicated that there are 7,841,358 refugees from Ukraine.
Ukraine recorded across Europe\(^1\). Refugees from Ukraine registered for Temporary Protection\(^2\) or similar national protection schemes in Europe amount for 4,725,612 persons.

### Table 1. Top ten EU Member States hosting Ukrainian Refugees

<table>
<thead>
<tr>
<th>Main Host Countries (only EU Member States)</th>
<th>Data Date (DD/MM/YYYY)</th>
<th>Refugees from Ukraine recorded in country</th>
<th>Refugees from Ukraine registered for Temporary Protection or similar national protection schemes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poland</td>
<td>15/11/2022</td>
<td>1,497,849</td>
<td>1,497,849</td>
</tr>
<tr>
<td>Germany</td>
<td>15/11/2022</td>
<td>1,019,789</td>
<td>1,019,789</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>15/11/2022</td>
<td>460,415</td>
<td>460,219</td>
</tr>
<tr>
<td>Italy</td>
<td>15/11/2022</td>
<td>173,231</td>
<td>164,171</td>
</tr>
<tr>
<td>Spain</td>
<td>14/11/2022</td>
<td>153,054</td>
<td>153,054</td>
</tr>
<tr>
<td>France</td>
<td>31/10/2022</td>
<td>118,994</td>
<td>118,994</td>
</tr>
<tr>
<td>Slovakia</td>
<td>15/11/2022</td>
<td>100,783</td>
<td>100,783</td>
</tr>
<tr>
<td>Romania</td>
<td>13/11/2022</td>
<td>90,106</td>
<td>85,456</td>
</tr>
<tr>
<td>Austria</td>
<td>15/11/2022</td>
<td>86,439</td>
<td>86,439</td>
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<tr>
<td>Netherlands</td>
<td>30/09/2022</td>
<td>79,250</td>
<td>79,250</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>15/11/2022</td>
<td>53,055</td>
<td>145,560</td>
</tr>
</tbody>
</table>

Source: the UNHCR Operational Data Portal accessed on 17 November 2022.

Poland, Germany and the Czech Republic account for almost 38% of recorded refugees and more than half of the Ukrainian refugees registered for Temporary Protection in Europe. According to the UNCHR Portal, third countries that have recorded significant numbers of Ukrainian refugees are Turkey (145,000 on 10/05/2022), United Kingdom (143,100 on 8/11/2022) and the Republic of Moldova (95,963 on 15/11/2022). The Russian Federation recorded 2,852,395 persons (3/10/2022). Based on the numbers provided by the UNHCR, one could conclude that most Ukrainians in search of refuge have moved to wealthier EU countries after the first border crossing. Germany, Italy, France and Spain proved to be favourable destination countries. However, the situation on the ground needs further analysis and seems more nuanced. According to a study commissioned by the Committee of the Regions (hereinafter “CoR study”\(^3\)): “While the vast majority of people fleeing Ukraine and crossing the borders of Hungary, Romania,...

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1 This number refers to the estimated number of individual refugees who have fled Ukraine since 24 February and are currently present in European countries including Belarus and the Russian Federation. The UNCHR Operational Data Portal bases statistics on the data provided by authorities. The UNCHR uses the term refugees generically for statistical purposes, referring to all refugees having left Ukraine due to the armed conflict.

2 For Ukrainian refugees, the Temporary Protection Directive \((\text{Council Directive 2001/55/EC of 20 July 2001 on minimum standards for giving temporary protection in the event of a mass influx of displaced persons and on measures promoting a balance of efforts between Member States in receiving such persons and bearing the consequences thereof})\) has been activated, with the aim to help refugees bypass asylum procedures, make it possible for them to stay for at least one year in the host country (prolonged automatically by two six-monthly periods, for a maximum of another year), travel freely within the EU's borders and have immediate right to employment and access to health-care, social welfare and education.

3 EU cities and regions welcoming Ukrainian refugees – mapping multilevel coordination, study for the European Committee of the regions, dr. Katalin Dobias and Filipa Homem (Milieu Law and Policy Consulting SRL).
and Slovakia are only staying in those Member States for a short period of time, those who cross the borders of Poland and Czechia predominantly arrive with a view to staying there until it is safe to return to Ukraine."

It is important to note that the Baltic states also account for significant numbers of Ukrainian refugees relative to their total population. The OECD’s International Migration Outlook 2022, highlights that relative to total population, Estonia and the Czech Republic have received more than 41 refugees per thousand inhabitants, with Poland (36 per thousand), Lithuania (23 per thousand) and Latvia (20 per thousand) not far behind. In this ranking, the second highest receiver in absolute terms - Germany - is seventh (12 per thousand).

In order to better tailor the protection responses to the refugees’ needs, a Protection Profiling and Monitoring exercise has been implemented by the UNHCR in cooperation with Ukraine’s neighbouring countries (with the exception of Russia) to make regular data collection and analysis possible. The results show that refugees fleeing from Ukraine are mostly women (86%), holding higher levels of education (46% with university degree or higher degrees and 29% with vocational training) and with diverse professional experiences, in particular in the fields of retail, education and healthcare sectors. The majority of respondents (78%) stated being separated from some of their immediate family members (due to martial law restricting free movement for men) and 63% of all respondents plan to stay in the host country (reasons listed are safety and family ties). Only 13% of respondents plan to return to Ukraine in the near future, but in most cases it is uncertain when they would do so. Amongst those who plan to move to another host country (10% of all respondents), Germany (27%), Canada (10%) and Norway (5%) are mentioned as preferred destinations, and the reasons vary from family ties (29%) and safety (23%) to expected employment opportunities (18%).

According to a briefing prepared for the Committee on Regional Development and to the CoR study, Ukrainian refugees typically have settled in the wealthier and bigger municipalities of the EU, for example in Poland, two-thirds of them live in the 12 largest metropolitan areas, in Romania the top five host counties are Bucharest, Constanta, Brasov, Galati, and Iasi - the majority of refugees staying in the country are in Bucharest, but the flow of people is concentrated in the border territory, thus the need for immediate services arises there. The top cities receiving Ukrainian refugees, according to the REGI briefing, are in Poland, with often a high percentage of refugees compared to their population. In Germany, however, the distribution between rural and urban areas is more even, less than half of Ukrainian refugees live in bigger cities. This is in line with the OECD’s analysis, i.e. that countries should consider ways of distributing refugees throughout their territory, to avoid overwhelming metropolitan areas.

1.1 Receiving refugees - challenges

The spontaneous and massive influx of Ukrainian refugees into the EU raises numerous challenges for local, regional and national authorities: they have to take care of the reception, settlement and then the integration of people and ensure coordination of efforts amongst themselves and with NGOs, private entities and citizens. The authors of the CoR study summarised the key challenges as shown in Figure 1 below (taken over from the study):

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5 The OECD analysis is based on the UNCHR data from mid-September and in case of the EU countries, the numbers are based on those who are registered under Temporary Protection.

6 Results are based on 31 145 interviews that were conducted between May and September 2022 at border points and transfer hubs (28%), receptions and transit centres (19%), collective sites (11%), and assistance points in major cities (33%). More than half of the interviews were conducted in Poland followed by Moldova, Romania, Slovakia, Belarus, Hungary and Bulgaria.


1.1.1 Housing

One of the major challenges for public authorities is to provide accommodation for refugees. According to an analysis published by the European Foundation for the Improvement of Living and Working Conditions (Eurofound)\(^9\), various measures are proposed in this respect: e.g. direct provision of housing by governmental or semi-governmental organisations, public funds for housing refugees in tourist accommodation, rental support for refugees, subsidies for private hosts providing accommodation free of charge. The role of cities and urban areas is crucial in this regard, as often after receiving initial assistance, refugees are moving to urban areas where accommodation options are mostly located.

The growing number of residents aggravates the already existing challenge of serious shortage of affordable housing in many host cities: the arrival of refugees has driven up prices and rent has become so expensive that even Ukrainians in employment will have to continue to rely on social housing. For instance, according to the REGI briefing, in Vilnius, flat prices increased by 23.8% as of January 2022 compared to the previous year and by 22% a year earlier. The CoR study describes that in Prague, the situation got to the point that the city opened makeshift camps in May 2022. In Poland, the housing market was already tight before the refugees’ arrival, and the situation is particularly difficult in cities such as Warsaw and Krakow\(^{10}\). Romania was found (in the same study) to be comparatively well prepared in terms of accommodation facilities available to refugees, the average occupancy rate of which was around 20% (with Brasov and Bucuresti counties standing at 48% and 60% respectively)\(^{11}\).

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\(^9\) Policies to support refugees from Ukraine, Author: Aumayr-Pintar, Christine ; Cantero Guerrero, Maria, 5 July 2022

\(^{10}\) Social and labour market policy response to the war in Ukraine - focus on Poland, briefing for internal use, Policy Department for Economic, Scientific and Quality of Life Policies, Author: Regina KONLE-SEIDL, Sara DANESI, and Aoife KENNEDY, May 2022.

\(^{11}\) Romania Situation Overview of Refugee Accommodation Centres - 9 June 2022, UNHCR Operational Data Portal.
Finally, the burden can be shared across authorities of different territorial levels. European regional authorities usually have competences in sectors of public service relevant for the reception and integration of refugees. As outlined in the paper of the Conference of Peripheral Maritime Regions (CPMR)\textsuperscript{12}, further to efforts by local authorities, a number of initiatives have also been launched by the regions to host the refugees. Such efforts include, but are not limited to, making inventories of available accommodation as well as managing offers from citizens through dedicated platforms.

1.1.2 Social welfare and medical assistance

Another challenge for the authorities is the provision of social protection and medical assistance (also for mental health protection and protection from gender-based violence)\textsuperscript{13}. The earlier mentioned CPMR paper outlines that many regional governments have public health among their competences and regional authorities often are responsible for guaranteeing access to primary healthcare for refugees. A priority on arrival of refugees is often to ensure that persons are up to date with vaccines. Psychological support is also provided by regional authorities which is crucial as many refugees have suffered trauma. When it comes to the medical assistance, the cases listed in the EU PolicyWatch database show that hosting countries have also adopted different policy approaches. Some countries have introduced provisions on access to emergency healthcare and essential treatment of illness for refugees upon their arrival, while other countries, e.g. Austria, Denmark, Estonia, Greece, Poland, Portugal, Romania and Slovakia have gone further by allowing them to access healthcare services similar to those of their citizens.

Overall, it has been a challenge to ensure equitable and fair healthcare and social services for both refugees and residents in the cities that have had an especially high influx of refugees compared to their overall population. Solutions to the overcrowding of services in these cities included e.g. encouraging refugees to move to smaller towns.

\textsuperscript{12} CPMR Regions’ Actions and Needs in Support of Ukraine, Author: Claire Stree, October 2022.

\textsuperscript{13} The implementation of the Temporary Protection Directive differs from country to country. In this context, three different approaches have been identified: (1) specific packages of social benefits and one-off payments for refugees; (2) allowances normally granted for applicants for international protection; (3) allowances equivalent to those available to permanent residents. Source: Consequences of the war in Ukraine for social and labour market policies, briefing for internal use, Policy Department for Economic, Scientific and Quality of Life Policies, Author: Regina KONLE-SEIDL, Sara DANESI, and Aoife KENNEDY, March 2022 (hereinafter "Internal briefing on consequences of the war")
1.1.3 Access to the labour market

In the short term, the Temporary Protection status in fact creates uncertainty with regard to the length of stay of the refugees in their place of residence, and it thus has an impact on their employability. In sectors such as construction or industry, entrepreneurs would be ready to employ refugee workers, because of the labour shortage, but many Ukrainians only intend to stay in the host country temporarily.

Taking into account the fact that a large number of refugees are willing to work during the period of their stay, this could be mutually beneficial as it will have also a positive impact on the host countries' labour markets. However, integration measures require resources and incentives for business, good coordination and long-term planning, all of which is often beyond the competences and financial capacity of local authorities.

1.1.4 Access to education

Host countries have already taken significant steps to integrate Ukrainian refugees into their school and higher education systems. According to the REGI briefing: “Due to refugees from Ukraine primarily being women and children, at the moment, the most important social service infrastructure in cities to focus on would be to ensure access to nurseries, kindergartens and schools, so to ensure smooth integration and that women can be active participants in the labour market.” Lack of capacity in the education system and the language barrier have emerged as cross-cutting challenges.

As a result of the uncertainties regarding the duration of stay of Ukrainian refugees in host countries, flexibility will be required on the part of education systems to provide refugees with opportunities to develop the skills needed to prepare them for professional careers after their repatriation to Ukraine. As pointed out in the OECD’s briefing on refugee students from Ukraine in host countries, this can create significant challenges for the authorities in terms of the capacity and availability of human and financial resources.

It is clear that relatively few EU countries and cities carry a big responsibility for hosting the refugees from Ukraine and that their local infrastructures are struggling to be able to provide refugees with adequate support. It will be a big challenge to maintain efforts in all crucial areas, especially when the level of solidarity and volunteerism drops, and it is likely that it will happen. In particular, municipalities that do not receive enough financial support from the central governments will have difficulties in financing humanitarian aid projects over the long term.

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14 See more in in the OECD’s brief entitled “The potential contribution of Ukrainian refugees to the labour force in European host countries”.

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Good practice

In Warsaw, the city authorities have set up a Service Point for Ukrainian Citizens, as part of the Labour Office. It assists refugees in registering for employment opportunities. In Warsaw, 36% of the 30,000 refugee women have already found a job.

Source: CoR study

Good practices

In Romania, pre-schoolers and pupils have access to the education system. They can enrol at county level and request psycho-pedagogical assistance and counselling as well. In higher education, “the Romanian institutions have been encouraged to increase tuition-free spots by up to 20% of budget enrolment capacity, while Ukrainian students can be granted transferable credits and be able to continue their studies in Romania.”

In Warsaw, more than 17,000 refugee children attend educational institutions of the city. The City of Warsaw has given two responses to the education challenge: kindergartens and schools were prepared for the reception of Ukrainian pupils (preparatory departments were established in 77 elementary schools and 14 secondary schools); and, at the same time, the places and equipment were provided for so that children can continue to follow the Ukrainian education programme remotely.

Source: CoR study and Internal briefing on consequences of the war
2. EU measures taken - cohesion policy and home affairs

The EU supports its Member States in the key areas of challenges described earlier, so that the needs of those fleeing the invasion of Ukraine can be met\(^{15}\). EU shared management funds, in particular in the areas of cohesion policy and home affairs are at the forefront of support to Member States and regions. These funds support actions in a complementary manner: the Asylum, Migration and Integration Fund (AMIF) supports measures generally implemented in the early stages of integration, and also horizontal measures enhancing capacities of Member States needed to pursue integration. Interventions with a longer-term impact are co-financed by the ESF+ and the ERDF. The different authorities responsible for the implementation of support measures are required to cooperate and coordinate with each other\(^{16}\).

### 2.1 Cohesion policy

Already before the Russian invasion of Ukraine, the cohesion policy framework allowed for co-financing a broad range of investments tackling migration related challenges. Nevertheless, to allow for more flexibility, the Commission acted rapidly and presented changes to the framework. The co-legislators acted without delay: three legislative amendments entered into force in recent months, their key aspects are described below.

**Cohesion’s Action for Refugees in Europe (CARE)**\(^{17}\)

The first amending regulation was proposed on the 8th March 2022 by the Commission. It entered into force the 9th April 2022, and amended the Common Provisions Regulation (CPR) and the Fund for European Aid to the Most Deprived (FEAD) regulation, both for the 2014-20 period. CARE provides for:

- redirecting of resources (ERDF, ESF, FEAD) still available from the 2014-20 period and REACT-EU (i.e. it does not require “fresh money”);
- using ERDF and ESF in an interchangeable manner to co-finance actions supporting Ukrainians fleeing the war;
- extension of 100% EU co-financing rate, applied in response to the pandemic, until 30 June 2022 for programmes supported by ERDF, ESF, Cohesion Fund or FEAD;
- simplification of provisions on reporting and on operational programme modifications.

> Actions can cover investments in the areas of social inclusion, health, education, employment, housing and childcare, including through investments in infrastructure, regeneration of deprived urban areas, actions to reduce spatial and educational isolation of migrants, and business start-ups. Member States may redirect remaining resources within their programmes to address such migration challenges. In addition, the Fund for European Aid to the Most Deprived (FEAD) can be used to provide food and basic material assistance to persons, including third-country nationals, affected by the Russian Federation’s military aggression."

Source: Recital 2, CARE regulation

Complementarity of cohesion policy assistance should be ensured with other funding sources, in particular with the AMIF (as also set out in Recital 5 of the CARE regulation).

\(^{15}\) See: [https://eu-solidarity-ukraine.ec.europa.eu/eu-countries-welcoming-those-fleeing-ukraine](https://eu-solidarity-ukraine.ec.europa.eu/eu-countries-welcoming-those-fleeing-ukraine)

\(^{16}\) Recital 15 of Regulation (EU) 2021/1147 of the European Parliament and of the Council of 7 July 2021 establishing the Asylum, Migration and Integration Fund

CARE +\(^{18}\)

To ease the burden on public budgets amidst recovery from the pandemic and help ensure that the recovery stays on a green, digital and resilient path, the second amending regulation was proposed on the 23rd March 2022 by the Commission. It entered into force the 14th April and (same as CARE) amended the CPR and FEAD regulations of the 2014-20 period. CARE+ provides for:

- increased pre-financing under REACT-EU (ERDF, ESF and FEAD programmes);
- a new simplified cost option (unit cost) that can accelerate disbursement of funds and should facilitate the financing of basic needs and support of persons granted temporary protection or other adequate protection under national law; the unit cost is set at EUR 40 per week, for a maximum of 13 weeks, for each full week or partial week that the person is in the Member State concerned. As laid down in Recital 6 of the CARE+ regulation, double financing of the same costs should be avoided and thus Member States should ensure that they have the necessary arrangements in place. The advantage of choosing this option is that controls and audits will not require individual invoices and receipts on each and every item of expenditure.

Flexible Assistance for Territories – (FAST-CARE)\(^{19}\)

Given the extended nature of the Russian aggression, the third amending regulation was proposed the 29th June by the Commission. It entered into force the 26 October 2022 and amended the CPRs of both the 2014-20 and of the 2021-27 programming periods. FAST-CARE provides for:

(CPR 2014-2020)

- extending the flexibility provided for ERDF and ESF to the Cohesion Fund, meaning that its resources can be used to support operations falling within the scope of the other two cohesion policy funds;
- possibility of up to 100% cofinancing rate for relevant priorities addressing migratory challenges and the socioeconomic integration of third country nationals;
- the increase of the amount for the unit cost to facilitate the financing of basic needs and the support of refugees, and prolongation of its use (extended to 100 euros per week per registered person for a maximum of 26 weeks);
- extending eligibility of operations addressing migratory challenges to prior amending operational programmes and geographically beyond the programme area (i.e. irrespective of where they are implemented in the given Member State)
- the eligibility of expenditure to apply retroactively for physically completed or fully implemented operations, also applying to the European Maritime and Fisheries Fund (EMFF),
- simplification of provisions regarding transfer of resources, amending programmes and of payment of the final balance (of ERDF, ESF, Cohesion Fund and EMFF programmes);
- ring-fencing minimum 30% of the financial allocation to a priority, set up to address migratory challenges, for local authorities and civil society organisations operating in local communities.

(CPR 2021-2027)

- increased prefinancing of the ERDF, ESF+ and Cohesion Fund programmes, additional to what has been provided for under CARE (+0,5% in 2022 and +0,5% in 2023);
- creating a new priority within a programme dedicated to supporting the socioeconomic integration of third country nationals to which Member States can allocate maximum 5% of their initial 2021-27 Cohesion policy allocation and use co-financing rate of up to 100% until 30 June 2024 (can be continued upon review); minimum 30% of the financial allocation to such a priority should be ring-fenced for local authorities and civil society organisations operating in local communities;
- more flexibility in phasing operations that started under the 2014-20 programmes over to 2021-27 programmes, to ensure continuity of delayed projects.

18 Regulation (EU) 2022/613 of the European Parliament and of the Council of 12 April 2022 amending Regulations (EU) No 1303/2013 and (EU) No 223/2014 as regards increased pre-financing from REACT-EU resources and the establishment of a unit cost
19 Regulation (EU) 2022/2039 of the European Parliament and of the Council of 19 October 2022 amending Regulations (EU) No 1303/2013 and (EU) 2021/1060 as regards additional flexibility to address the consequences of the military aggression of the Russian Federation FAST (Flexible Assistance for Territories) – CARE
2.2 Home affairs

Legislative action was also undertaken in the home affairs area (policy for migration, border management and security) that is funded from two instruments: AMIF and the Internal Security Fund (ISF), the latter consisting of two instruments: (1) financial support for external borders and visa and (2) financial support for police cooperation, preventing and combating crime, and crisis management.

The amending regulation was proposed on the 8th March 2022 by the Commission. It entered into force the 12th April and amended both the 2014-20 and the 2021-27 regulations governing the Asylum, Migration and Integration Fund (AMIF) as well as the regulation laying down general provisions for AMIF and ISF in the 2014-20 period. The amendment provides for:

- extending the implementation period of the Home Affairs Funds 2014-2020 (AMIF and the two instruments of ISF) by 1 year (and defining one final key date by which expenditure must be both incurred and disbursed);
- rapid revision of programmes under AMIF 2014-2020, if necessary, and more flexibility in using already earmarked resources;
- allowing “Member States and other public or private donors, during the 2021-2027 programming period, to make additional financial contributions to asylum and migration management, in the form of external assigned revenue. That external assigned revenue is to constitute a dedicated contribution from Member States and other public or private donors to finance specific items of expenditure under the Asylum, Migration and Integration Fund for 2021-2027, and will allow an added preparedness measure for funding asylum and migration activities in Member States during crises such as that arising from the invasion of Ukraine”.

The support provided under the AMIF 2014-20 and AMIF 2021-27 is to be complementary to other Union funds, in particular those under cohesion policy.

The AMIF Work programme 2021-22 was amended in August 2022, to allow for redeployment of resources to co-finance first reception and registration of refugees.

2.3 Implementation of EU measures

At the time of writing this briefing, there is only fragmented and mostly informal information available about the implementation of the described EU measures, as the first reporting cycles where information might be provided are due in 2023. The FAST-CARE amending regulation entered into force the 26 October 2022, reprogramming might be needed for the use of the new priority for supporting the socio-economic integration of third country nationals, thus it remains to be seen what choices Member States make, and based on the changed programmes what specific projects will be supported.

As regards reporting, the following needs to be noted: the amending regulations do not include specific targeted monitoring and reporting measures that would target the implementation of legislative changes
in relation to the war in Ukraine. The reason is that a balance was to be kept between speed of disbursing the funding versus administrative burden of reporting. Overall, the following rhythm should be expected when it comes to reporting:25

- for programmes modified in 2022, the 2023 annual implementation report (due 31/05/2023) should already include elements of progress;
- for the 2014-20 period, financial reporting 3 times a year should provide information on financial progress for dedicated REACT-EU / Care priorities;
- for the 2021-27 period, reporting will only begin in January 2023 with first information on indicator progress (reported twice a year) and financial progress (reported 5 times a year);
- it is possible that the first meaningful data is only reported early in 2024;
- REACT-EU financial data is already published and can be visualised on the Open Data Portal, but this information is not specific to the amending regulations discussed in this briefing.

The REACT-EU pre financing introduced under CARE+ has already been paid according to information available on the Inforegio website of DG REGIO. The amount of EUR 3.5 billion has been paid in advance payments to Member States, financed from external assigned revenue under NextGenerationEU.

Reporting on the use of these amounts will be made through the final implementation reports for ERDF and ESF, also addressing how these additional allocations contributed to economic recovery (laid down in recital 5 of CARE+). These final implementation reports are due in 2025.

<table>
<thead>
<tr>
<th>Table 2.</th>
<th>REACT-EU Pre-financing total (ERDF, ESF+, FEAD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>AT</td>
<td>74,232,355 €</td>
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<tr>
<td>BE</td>
<td>11,027,033 €</td>
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<td>BG</td>
<td>148,360,870 €</td>
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<td>CY</td>
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<td>283,823,849 €</td>
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<td>75,465,415 €</td>
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<td>EE</td>
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<tr>
<td>SK</td>
<td>209,431,700 €</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,511,210,256 €</td>
</tr>
</tbody>
</table>

Inforegio, accessed 9 November 2022

With regard to the other measures, in an analysis prepared by the Secretariat of the Committee on Budgets, the following summary information is provided about the expected budgetary implications of the amending regulations:

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25 This overview is based on informal exchanges with DG REGIO.
Financial support for the treatment and accompanying of Ukrainian refugees

(ERDF, ESF and FEAD 2014-20 period)
- additional flexibility is created to redeploy not yet used resources up to EUR 7 billion (including national co-financing), the exact amount redeployed depending on claims submitted by Member States;
- the extension of 100% EU co-financing for an additional year translates into a frontloading of EUR 10 billion additional liquidity (EUR 5 billion in 2022, EUR 1 billion in 2023 and the rest as of 2024 based on budgetary availabilities);

(React-EU 2014-20)
- EUR 9.5 billion available as it is not yet allocated to projects (financed under NGEU), the exact amount redeployed depending on claims submitted by Member States;

(AMIF 2014-20)
- The redeployment of resources via the amended work programme, together with a similar change to the Border Management and Visa Instrument amounts to EUR 400 million, to be committed under emergency assistance in 2022.

Some more evidence could be found in diverse other sources:

- In exchanges with the EP's Committee on Budgets, the Commission explains that they expect that FAST-CARE for the 2021-27 period programmes will lead to measures targeting mainly education, employment, and social inclusion and provision of food and basic material assistance. It is explained by the Commission in the Amending Letter No 1 to the Draft General Budget 2023\(^{26}\), that the increased prefinancing under FAST-CARE for 2023 requires an additional amount of EUR 1.74 billion in payment appropriations for sub-heading 2a (Economic, social and territorial cohesion);
- Based on information received from the Commission by the Committee on Budgets the ESF 2014-20 operational programmes already dedicated significant efforts to address the consequences of the war;
- According to information provided by the Commission in preparation of the inter-institutional meeting on payments on 12 October 2022, the updated forecasts submitted in July 2022 by Member States and the UK for the years 2022 and 2023 amount to EUR 54.8 billion, which is an increase by a mere EUR 700 million compared to the January 2022 forecasts, thus lower than what was effect expected due to the flexibilities and additional liquidity under CARE. The extension of the 100% EU co-financing amounts to EUR 6.6 billion, which is also lower than the expected EUR 10 billion. The Commission concluded that this points to a slow-down of implementation on the ground, based on which there seems to be no need for amending the 2022 cohesion policy budget.

Finally, some project examples:

- According to the CoR study, CARE has made funding available in the framework of the Regional Operational Programme for the Mazovian voivodeship (Warsaw is located there). A project of the Mazovian Regional Government has received PLN 13.5 million (EUR 2,835,000) in EU contribution, and will provide refugees (with a focus on dependent and elderly people) with psychological support, Polish language courses, help in finding jobs and accommodation.
- Under CARE, the possibility to reallocate resources allowed Bulgaria to bring together almost EUR 100 million for supporting Ukrainian refugees (EUR 26 million from REACT-EU, EUR 74.4 million from ESF and ERDF and EUR 5.5 million from national contribution).
- Through the opportunities offered by CARE, a project called "Przystań Centre for Social Integration in Lapy" (in Łapy, Podlaskie border region), initially set up to help unemployed Polish residents in finding work, has been extended to include a number of Ukrainian refugees. The project is financed

\(^{26}\) COM(2022) 670 final, 5.10.2022
by the European Social Fund (ESF+). Under the project each refugee is assigned a psychologist, social worker, tutor, and career counsellor, and it also covers basic needs such as clothes and food, as well as employment related support.

- The Polish ESF project Chance - New Opportunities for Adults received a supplementary PLN 13 million (EUR 2 700 000) in line with the CARE scheme, to extend its support to Ukrainian refugees. The project offers personalized activities to support new arrivals gaining - language - skills and knowledge to help navigate the labour market and integrate in society.

- The flexibility under CARE made it possible for the Italian region of Lazio to allocation EUR 10 million from ESF to a “CARE package”, which allowed for the funding of 34 selected projects that are fitted to the immediate and long-term needs of those fleeing from the conflict in Ukraine. Projects range from focussing on the medical needs of children to cultural support and language courses.

No details have been received on the Home Affairs Funds implementation at the time of writing of this briefing. It is known that the late adoption of the MFF Regulation and sectoral regulations has led to delayed submission of national programmes for the HOME funds and intense negotiations are ongoing to complete programming by the end of 2022. According to the Commission, the extension of the implementation period would release around EUR 420 million, a figure that was aired at the time of presenting the legislative proposal.