



Plenary sitting

A9-0150/2020

9.9.2020

*****I**
REPORT

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)
(COM(2020)0451 – C9-0149/2020 – 2020/0101(COD))

Committee on Regional Development

Co-Rapporteurs: Andrey Novakov, Constanze Krehl

Rapporteur for opinion (*): Agnes Jongerius

(*): Associated committee – Rule 57 of the Rules of Procedure

Symbols for procedures

- * Consultation procedure
- *** Consent procedure
- ***I Ordinary legislative procedure (first reading)
- ***II Ordinary legislative procedure (second reading)
- ***III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

Amendments to a draft act

Amendments by Parliament set out in two columns

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

Amendments by Parliament in the form of a consolidated text

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or strikeout. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

CONTENTS

	Page
DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION	5
EXPLANATORY STATEMENT	39
OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS	41
OPINION OF THE COMMITTEE ON BUDGETS	60
PROCEDURE – COMMITTEE RESPONSIBLE	87
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	88

DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU) (COM(2020)0451 – C9-0149/2020 – 2020/0101(COD))

(Ordinary legislative procedure: first reading)

The European Parliament,

- having regard to the Commission proposal to Parliament and the Council (COM(2020)0451),
 - having regard to Article 294(2) and Articles 177 and 322(1)(a) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0149/2020),
 - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
 - having regard to the opinion of the Court of Auditors of 13 July 2020¹,
 - after consulting the European Economic and Social Committee,
 - after consulting the Committee of the Regions,
 - having regard to Rule 59 of its Rules of Procedure,
 - having regard to the opinions of the Committee on Employment and Social Affairs and the Committee on Budgets,
 - having regard to the report of the Committee on Regional Development (A9-0150/2020),
1. Adopts its position at first reading hereinafter set out;
 2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
 3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

¹ OJ C 272, 17.8.2020, p. 1.

Amendment 1

Proposal for a regulation Title 1

Text proposed by the Commission

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs **goal and the European territorial cooperation goal** to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment 2

Proposal for a regulation Recital 1

Text proposed by the Commission

(1) Member States have been affected by **the** crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed **with** specific measures.

Amendment

(1) Member States have been affected by **a social, economic and health** crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies, **exacerbating the situation of people at risk of poverty, deepening social cleavages and increasing unemployment rates. The closure of the internal borders also had a severe impact on economic cooperation in border areas, affecting the commuting of workers and the functioning of SMEs. In addition, there is a feasible concern that patients' access to health care services will be limited in the medium and longer term. It**

also needs to be considered that profound health inequalities across and within the Union exist, especially in border regions, thus deepening unmet medical needs and reducing the overall social cohesion in Member States. This has created an exceptional situation which needs to be addressed through specific, immediate and extraordinary measures that reach the real economy quickly to stimulate investment, economic growth and job creation and preservation of business fabric.

Amendment 3

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to respond to the impact of the crisis, Regulations (EU) No 1303/2013 and (EU) No 1301/2013 were amended on 30 March 2020 to allow more flexibility in the implementation of the operational programmes supported by the European Regional Development Fund ('ERDF'), the European Social Fund ('ESF') and the Cohesion Fund (the 'Funds') and by the European Maritime and Fisheries Fund ('EMFF'). However, as the serious negative effects on Union economies and societies worsened, both Regulations were amended again on 23 April 2020 to provide exceptional additional flexibility to enable the Member States to concentrate on the necessary response to the unprecedented crisis by enhancing the possibility to mobilise non-utilised support from the Funds and by simplifying procedural requirements linked to programme implementation and audits.

Amendment

(2) In order to respond to the impact of the crisis, Regulations (EU) No 1303/2013 and (EU) No 1301/2013 were amended on 30 March 2020 to allow more flexibility in the implementation of the operational programmes supported by the European Regional Development Fund ('ERDF'), the European Social Fund ('ESF') and the Cohesion Fund (the 'Funds') and by the European Maritime and Fisheries Fund ('EMFF'). However, as the serious negative effects on Union economies and societies worsened, both Regulations were amended again on 23 April 2020 to provide exceptional additional flexibility to enable the Member States to concentrate on the necessary response to the unprecedented crisis by enhancing the possibility to mobilise non-utilised support from the Funds and by simplifying procedural requirements linked to programme implementation and audits *so that final beneficiaries can access financing that has so far been inaccessible.*

Amendment 4

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) In order to redress huge shocks to the economy stemming from the exceptional restrictions put in place by Member States to contain the COVID-19 **spreading** and the risks of an asymmetric recovery stemming from the different national means available in different Member States **resulting** in serious impacts on the functioning of the Internal Market, the European Council endorsed on 23 April 2020 the “Roadmap for recovery” with a strong investment component, called for the establishment of the European Recovery Fund and mandated the Commission to analyse the needs so that the resources would be targeted towards the sectors and geographical parts of the Union most affected, while clarifying also the link with the Multiannual Financial Framework for 2021-2027.

Amendment

(3) In order to redress huge shocks to the economy **and avoid disastrous social and economic consequences for the Union** stemming from the exceptional restrictions put in place by Member States to contain the **spread of** COVID-19 and the risks of an asymmetric recovery stemming from the different national means available in different Member States **which resulted** in serious impacts on the functioning of the Internal Market, the European Council endorsed on 23 April 2020 the “Roadmap for recovery” with a strong investment component, called for the establishment of the European Recovery Fund and mandated the Commission to analyse the needs so that the resources would be targeted towards the sectors and geographical parts of the Union most affected, **as stated in the conclusions of the European Council on 21 July 2020**, while clarifying also the link with the Multiannual Financial Framework for 2021-2027.

Amendment 5

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. **Such additional resources should be used to ensure compliance with the time limits provided**

Amendment

(4) In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. Moreover, additional resources for economic, social and territorial cohesion should be made

for in Regulation [ERI]. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.

Amendment 6

Proposal for a regulation Recital 5

Text proposed by the Commission

(5) An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic *or* preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific

available through a revision of the multiannual financial framework for 2014-2020, ***making it possible to flexibly address needs emerging as a result of the COVID-19 crisis.***

Amendment

(5) An additional exceptional amount of EUR 58 272 800 000 (in current ***prices, EUR 54 806 498 104 in 2018*** prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal ***and the European territorial cooperation goal***, for the years 2020, 2021 and 2022 ***and where justified by a Member State, also for the years 2023 and 2024***, should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic ***and its socio-economic consequences, and*** preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022, ***and, where applicable, for 2023 and 2024***, stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. ***For budgetary commitments under both the Investment for growth and jobs and the European territorial cooperation goals***, the Commission should set out the ***annual*** breakdown of the remaining additional

vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.

resources for each Member State ***in implementing acts***, on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies, ***to ensure harmonious development in accordance with the objectives of economic, social and territorial cohesion***. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche, ***and where relevant, 2023 and 2024 tranches***, of the additional resources.

Amendment 7

Proposal for a regulation Recital 6

Text proposed by the Commission

(6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial

Amendment

(6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial

management and effective EU funding.

management and effective EU funding,
while the protection of final beneficiaries is crucial to foster crisis repair.

Amendment 8

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic ***or*** preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. ***It should be clarified that there is no need to respect the ESF minimum share for the additional resources.*** Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.

Amendment

(7) In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic ***and its socio-economic consequences and*** preparing a green, digital and resilient recovery of ***health systems and*** the economy, allocations should be established by the Commission at Member State level ***taking into account those regions most affected.*** Furthermore, the possibility for using any additional resources to support aid for the most deprived ***and Youth Employment Initiative*** should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. ***The operational strength of the ESF should be maintained.*** Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.

Amendment 9

Proposal for a regulation Recital 7 a (new)

(7a) As the COVID-19 pandemic has affected regions and municipalities in Member States differently, the involvement of regional and local actors from authorities, economic and social partners and civil society is important for the preparation, implementation, monitoring and evaluation of crisis repair supported by the REACT-EU. Partnership and multi-level governance in Member States should be strengthened and closely monitored by the Commission.

Amendment 10

Proposal for a regulation

Recital 9

Text proposed by the Commission

Amendment

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services, for providing support in the form of working capital or investment support to SMEs, in operations contributing to the transition towards a digital and green economy, infrastructure providing basic services to *citizens* or economic support measures for those regions *most* dependent on sectors most affected by the crisis. Technical assistance should also be supported. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, which should

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services, ***including cross-border health services and care homes, ensuring maximum complementarity with other Union instruments***, for providing support in the form of working capital or investment support to SMEs, ***particularly in the sectors most impacted by the COVID-19 pandemic and needing rapid revitalization, such as tourism and culture***, in operations contributing to the transition towards a digital and green economy, ***as well as providing support to social economy enterprises***, infrastructure providing ***non-discriminatory*** basic services to ***people living in rural, border, less developed, insular, mountainous,***

also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

sparingly populated and outermost regions, as well as areas affected by industrial transition and depopulation, or economic support measures for those regions dependent on sectors most affected by the crisis. ***Stronger health cooperation, coordination and resilience should be fostered by building and developing a network of centres of excellence across the Union, specialised in developing specific treatment for the evolving health needs. Other investments with a proven high job creation potential, such as urban renewal, should also be supported.*** Furthermore, technical assistance should also be supported ***in all stages***. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, which should also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5); Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5); Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

Amendment 11

Proposal for a regulation Recital 10

Text proposed by the Commission

(10) For the ESF, Member States should primarily use the additional resources to support job maintenance, including through short-time work schemes and support to self-employed, job creation, in particular for people in vulnerable situations, support to youth employment measures, education and training, skills development and to enhance access to social services of general interest, including for children. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time.

Amendment

(10) For the ESF, Member States should primarily use the additional resources to support ***the modernisation of the labour market, health and social systems***, job maintenance, ***including in rural, border, less developed, insular, mountainous, sparsely populated and outermost regions, as well as areas affected by industrial transition and depopulation***, including through short-time work schemes and support to self-employed, ***entrepreneurs, freelancers, artists and creative workers***, job creation, in particular for people ***in vulnerable situations, social inclusion and poverty eradication***, support to youth employment measures, ***inclusive*** education and training, ***including lifelong learning, online education***, skills development, ***reskilling and upskilling, in particular for disadvantaged groups and carriers*** and to enhance ***equal and universal*** access to ***healthcare and*** social services of general interest, including for children, ***elderly, persons with disabilities, women bearing the brunt of the ensuing economic crisis, minorities and the homeless***. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time. ***Those short-time work schemes should aim at maintaining the same level of working and employment conditions and rights and the ESF additional resources allocated to them should be used exclusively for financing the partial unemployment benefits and not***

for any other company purposes or expenditures and should not subvert collective bargaining, workers' participation or codetermination in company decision-making processes in accordance with national law and practice.

Amendment 12

Proposal for a regulation Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) As the temporary closing of borders between Member States has led to significant challenges for cross-border communities and businesses, the economies of border regions Member States should use up to 5% of the additional resources to support cross-border projects, by using existing Interreg projects or creating new ones.

Amendment 13

Proposal for a regulation Recital 11

Text proposed by the Commission

Amendment

(11) In order to ensure that Member States have sufficient financial means to swiftly implement crisis repair actions in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy, it is necessary to provide a higher level of initial pre-financing payment for the quick implementation of actions supported by the additional resources. The initial pre-financing to be paid should ensure that Member States have the means to arrange for advance payments to beneficiaries where necessary and to reimburse

(11) In order to ensure that Member States have sufficient financial means to swiftly implement crisis repair actions in the context of the COVID-19 pandemic and *its socio-economic consequences and* preparing a green, digital and resilient recovery of *health systems and* the economy, it is necessary to provide a higher level of initial pre-financing payment *or, where applicable, annual pre-financing*, for the quick implementation of actions supported by the additional resources. The initial pre-financing to be paid should ensure that Member States

beneficiaries quickly following the submission of payment claims.

have the means to arrange for advance payments to beneficiaries where necessary and to reimburse beneficiaries quickly following the submission of payment claims.

Amendment 14

Proposal for a regulation Recital 12 a (new)

Text proposed by the Commission

Amendment

(12a) The additional resources should be used in line with the sustainable development and “Do no harm” principles, taking into account the UN Sustainable Development Goals and the Paris Climate Agreement. Furthermore, equality between men and women, gender mainstreaming and the integration of gender perspective should be taken into account and promoted throughout the implementation of operational programmes.

Amendment 15

Proposal for a regulation Recital 13

Text proposed by the Commission

Amendment

(13) With a view to alleviating the burden on public budgets regarding crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy, Member States should be given the exceptional possibility to request a co-financing rate of up to 100 % to be applied to the separate priority axes of operational programmes providing support from the additional resources.

(13) With a view to alleviating the burden on public budgets regarding crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of ***health systems*** and the economy, Member States should be given the exceptional possibility to request a co-financing rate of up to 100 % to be applied to the separate priority axes of operational programmes providing support from the additional resources.

Amendment 16

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are **encouraged** to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and **its socio-economic consequences and** preparing a green, digital and resilient recovery of the **health systems and** economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024, **or by 31 December 2026 where additional resources are made available for budgetary commitment in 2023 and 2024**, to assess the effectiveness, **inclusiveness**, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are **required** to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients

of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment 17

Proposal for a regulation

Recital 15

Text proposed by the Commission

(15) With a view to allow the targeting of these additional resources to the geographic areas ***where they are most needed***, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional needs ***and*** development levels in order to ensure ***that*** focus ***is maintained*** on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU. Member States should also involve local and regional authorities, as well as relevant bodies representing civil society, in accordance with the partnership ***principles***.

Amendment

(15) With a view to allow the targeting of these additional resources to the geographic areas ***that were most affected, including border regions***, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional ***investment*** needs ***resulting from the impact of the COVID-19 pandemic, as well as*** development levels in order to ensure ***a balanced*** focus ***both*** on less developed regions ***and deprived communities***, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU ***and on the regions and cities most affected by the pandemic***. Member States should also involve local and regional authorities, as well as relevant bodies representing civil society, in ***particular the third sector, in*** accordance with the partnership ***principle***.

Amendment 18

Proposal for a regulation

Recital 15 a (new)

Text proposed by the Commission

Amendment

(15a) Except for those cases where derogations are provided for by this Regulation, expenditure under REACT-EU should be subject to the same obligations and safeguards as all cohesion funding. This includes respect for fundamental rights and compliance with the Charter of Fundamental Rights of the European Union as well as effective anti-fraud measures implemented with the support of existing anti-fraud agencies at Member State and Union level, such as OLAF and, where relevant, the EPPO.

Amendment 19

Proposal for a regulation Recital 19

Text proposed by the Commission

Amendment

(19) In view of the COVID-19 pandemic and the urgency to address the associated public health crisis, 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.

deleted

Amendment 20

Proposal for a regulation Article 1 – paragraph 1 – point 1 Regulation (EU) No 1303/2013 Article 91 – paragraph 1 a

Text proposed by the Commission

1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR **5 000 000 000 in current** prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;

Amendment

1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR **4 805 843 906 in 2018** prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92a – subparagraph 1

Text proposed by the Commission

Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR **53 272 800 000 in current** prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).

Amendment

Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR **50 000 654 198 in 2018** prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92a – subparagraph 2

Text proposed by the Commission

These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

Amendment

These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. ***Based on the statistics and future developments related to recovery from the economic crisis provoked by COVID-19, a decision to prolong the flexibility measures under REACT-EU to the years 2023 and 2024***

may be taken through a delegated act.

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – title

Text proposed by the Commission

Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment

Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal **and the European territorial cooperation goal** to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and **its social consequences and** preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 1

Text proposed by the Commission

1. The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs goal **to** provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph **10** of this Article.

Amendment

1. **At least 95% of** the additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs goal. **A minimum of 3 % and up to 5 % of those resources shall be made available under the European territorial cooperation goal. In both cases, the additional resources shall** provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the

operations implementing the thematic objective in paragraph 9 of this Article.

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – indent 1

Text proposed by the Commission

— 2020: EUR 5 000 000 000;

Amendment

— 2020: EUR 5 000 000 000 *in current prices (EUR 4 805 843 906 in 2018 prices)*;

Amendment 26

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – indent 2

Text proposed by the Commission

— 2021: EUR 42 434 400 000;

Amendment

— 2021: EUR 42 434 400 000 *in current prices (EUR 39 987 184 320 in 2018 prices)*;

Amendment 27

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – indent 3

Text proposed by the Commission

— 2022: EUR 10 820 400 000.

Amendment

— 2022: EUR 10 820 400 000 *in current prices (EUR 9 996 674 058 in 2018 prices)*.

Amendment 28

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – subparagraph 3

Text proposed by the Commission

The additional *resources for 2021 and 2022 shall be made available from the additional* resources as set out in Article 92a. The additional resources set out in Article 92a shall *also* support administrative expenditure up to EUR 18 000 000 in current prices.

Amendment

Under both the Investment for growth and jobs goal and the European territorial cooperation goal, the additional resources as set out in Article 92a shall be made available for 2021 and 2022. By way of revision of this Regulation through a delegated act and based on a reasoned request of a Member State, the additional resources may also be made available for budgetary commitment in 2023 and 2024. The additional resources set out in Article 92a shall be supplemented by support for administrative expenditure of up to EUR 18 000 000 in current prices (EUR 16 795 821 in 2018 prices).

Amendment 29

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 3

Text proposed by the Commission

3. 0.35% of the additional resources shall be allocated to technical assistance at the initiative of the Commission.

Amendment

3. 0.35% of the additional resources shall be allocated to technical assistance at the initiative of the Commission *with a special focus on Member States hit harder by the COVID-19 pandemic and Member States with lower absorption and implementation rates.*

Amendment 30

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 4

Text proposed by the Commission

4. The Commission shall adopt a decision, by means of implementing acts, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021.

Amendment

4. ***With regard to both the Investment for growth and jobs goal and the European territorial cooperation goal***, the Commission shall adopt a decision by means of implementing acts setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021. ***Where applicable, it shall also be revised in 2022 in relation to budgetary commitments in 2023 and 2024, based on the latest statistical data available. The revisions shall ensure that operational programmes are not negatively impacted.***

(Annex VII a shall be updated to cover the breakdown for the European Territorial Cooperation goal)

Amendment 31

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 6

Text proposed by the Commission

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.

Amendment

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes, ***involving local and regional authorities, as well as relevant bodies representing civil society and social partners, in accordance with the partnership principle.***

Amendment 32

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 7

Text proposed by the Commission

By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') before or at the same time as the allocation to the ERDF and the ESF.

Amendment

By way of derogation from Article 92(7), a share of ***at least 3% of*** the additional resources ***shall*** may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD'), ***in order to address the situation of those who have been hit to an unprecedented degree by the COVID-19 crisis. A share of the additional resources may also be used to increase the support for the Youth Employment Initiative,*** before or at the same time as the allocation to the ERDF and the ESF.

Amendment 33

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 7 a (new)

Text proposed by the Commission

Amendment

The additional allocation for the outermost regions shall be added to the allocation that every outermost region will receive through the distribution of the national budget as calculated in line with paragraphs 1 and 2 of Annex I.

Amendment 34

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 8

Text proposed by the Commission

Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).

Amendment

Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1), **as long as the ESF share does not decrease below 23,1 %.**

Amendment 35

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU^o No 1303/2013

Article 92b – paragraph 5 – subparagraph 13

Text proposed by the Commission

The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred.

Amendment

The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred **and with the provisions of this Regulation.**

Amendment 36

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 6

Text proposed by the Commission

6. Up to 4% of the total additional resources under the ERDF and the ESF may be allocated to technical assistance under any existing operational programme supported from the ERDF or the ESF or the new operational programme referred to in paragraph **11**.

Amendment

6. Up to 4% of the total additional resources under the ERDF and the ESF may be allocated to technical assistance **at the initiative of the Member States, in all stages**, under any existing operational programme supported from the ERDF or the ESF or the new operational programme referred to in paragraph **10**.

Amendment 37

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 7 – subparagraph 1

Text proposed by the Commission

By way of derogation from Article 81(1) and Article 134(1), the initial pre-financing to be paid following the Commission decision adopting an operational programme or approving the amendment to an operational programme for the allocation of the additional resources shall be 50% of the additional resources allocated to programmes for the year 2020 under the new thematic objective referred to in paragraph **10** of this Article.

Amendment

By way of derogation from Article 81(1) and Article 134(1), the initial pre-financing to be paid following the Commission decision adopting an operational programme or approving the amendment to an operational programme for the allocation of the additional resources shall be 50% of the additional resources allocated to programmes for the year 2020 under the new thematic objective referred to in paragraph **9** of this Article.

Amendment 38

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 7 – subparagraph 2

Text proposed by the Commission

For the purpose of applying Article 134(2) *for* the annual pre-financing *in* the years 2021, 2022 **and 2023**, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.

Amendment

By way of derogation from Article 134(2), the annual pre-financing *for* the years 2021, 2022, **and, based on a reasoned request from a Member State, for 2023 and 2024, may consist of up to 50 % of the additional resources allocated to programmes under the new thematic objective referred to in paragraph 9. For the purposes of calculating the annual pre-financing for 2021, 2022, 2023 and, where applicable, for 2024,** the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.

Amendment 39

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 1

Text proposed by the Commission

The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph **10** to support operations fostering crisis repair in the context of the COVID-19 pandemic **or** preparing a green, digital and resilient recovery of the economy.

Amendment

The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph **9** to support operations fostering crisis repair in the context of the COVID-19 pandemic, preparing a green, digital and resilient recovery of the economy, **by focusing for example on the revitalization of health and the competitiveness of hard-hit economic sectors.**

Amendment 40

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 2

Text proposed by the Commission

Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph **11**. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, subject to paragraph 4 **above**.

Amendment

Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph **10**. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, **or 31 December 2024 where the derogation referred to in paragraph 2 applies**, subject to paragraph 4 **of this Article**.

Amendment 41

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 3

Text proposed by the Commission

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to **citizens**, and economic measures in the regions which are **most** dependent on sectors most affected by the crisis.

Amendment

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health **and social infrastructure, health systems and services for all, including cross-border ones, as well as care homes (including elderly day-care residences)**, to provide support in the form of working capital or investment **and advisory** support to SMEs **and social economy enterprises**, investments contributing to the transition towards a digital, and green economy, **including adaptation to teleworking conditions**, investments in infrastructure providing **non-discriminatory** basic services to **people living in rural, border, less developed, insular, mountainous, sparsely populated and outermost regions, as well as areas affected by industrial transition and depopulation**, and economic measures in the regions which are dependent on sectors most affected by the crisis **such as tourism and culture. Other investments with a high job creation potential, such as urban renewal, may also be supported.**

Amendment 42

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 4

Text proposed by the Commission

For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes **and** support **to** self-employed, even when that support is not

Amendment

For the ESF, the additional resources shall primarily be used to support **the labour market, social economy, health and social systems**, job maintenance, including through short-time work schemes **aiming**

combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall **also** support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.

at maintaining the same level of working and employment conditions and rights, including protection against dismissal and reduction in wages. In the case of those short-timework schemes, the ESF additional resources shall be used exclusively for financing the partial unemployment benefits and not for any other company purposes or expenditure. The support shall cover entrepreneurs and the self-employed, including freelancers, artists and other creative workers, even when that support is not combined with active labour market measures, unless the latter are imposed by national law, as well as social inclusion, antidiscrimination and poverty eradication measures, with a particular focus on child poverty. The additional resources shall support **quality** job creation, in particular for people in vulnerable situations, **including the long-term unemployed and those far from the labour market, as well as those living in rural, insular, mountainous, sparsely populated, and outermost regions as well as areas affected by industrial transition and depopulation. Furthermore, the resources shall also cover** youth employment measures, **inclusive lifelong** education and training, **online education**, skills development, **individualised reskilling and upskilling**, in particular **for disadvantaged groups**, to support the twin green and digital transitions, and to enhance **equal and universal** access to **affordable, sustainable and high-quality** social services of general interest, including for children, **the elderly and persons with disabilities.**

Amendment 43

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 9 – subparagraph 1

Text proposed by the Commission

With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, complementing the thematic objectives set out in Article 9.

Amendment

With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD **or for the Youth Employment Initiative** referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, complementing the thematic objectives set out in Article 9.

Amendment 44

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) 1303/2013

Article 92b – paragraph 9 – subparagraph 5

Text proposed by the Commission

The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the performance reserve and with no breakdown per category of regions.

Amendment

The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022, **2023 and 2024**, without identifying amounts for the performance reserve and with no breakdown per category of regions.

Amendment 45

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 9 – subparagraph 6

Text proposed by the Commission

By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in

Amendment

By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in

particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. They shall be accompanied by the revised programme.

particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy **as well as of health systems**. They shall be accompanied by the revised programme.

Amendment 46

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 3

Text proposed by the Commission

Where such a new operational programme is established, only authorities designated under on-going operational programmes supported by the ERDF, the ESF and the Cohesion Fund may be identified by the Member States for the purposes of point (a) of Article 96(5).

Amendment

Where such a new operational programme is established, only authorities designated under on-going operational programmes supported by the ERDF, the ESF and the Cohesion Fund may be identified by the Member States for the purposes of point(a) of Article 96(5), **following the consultation with regional and local authorities**.

Amendment 47

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 4 a (new)

Text proposed by the Commission

Amendment

By way of derogation from Article 29(3) and (4) and Article 30(2), the Commission shall approve any new dedicated operational programme or any amendment to an existing programme within 10 working days of its submission by a Member State.

Amendment 48

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 1303/2013
Article 92b – paragraph 10 a (new)

Text proposed by the Commission

Amendment

10a. *By way of derogation from Article 65(2), expenditure shall be eligible for a contribution if it has been incurred by a beneficiary and paid between the date of submission of the programme to the Commission and 31 December 2024.*

Amendment 49

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 1303/2013
Article 92b – paragraph 10 b (new)

Text proposed by the Commission

Amendment

10b. *By way of derogation from Article 65(4), in the case of costs reimbursed pursuant to points (b) and (c) of the first subparagraph of Article 67(1), the actions constituting the basis for reimbursement shall be carried out between 1 February 2020 and 31 December 2024.*

Amendment 50

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 1303/2013
Article 92b – paragraph 10 c (new)

Text proposed by the Commission

Amendment

10c. *By way of derogation from Article 65(9), expenditure for operations supported under the thematic objective set out in paragraph 9 shall be eligible as of 1 February 2020.*

Amendment 51

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 d (new)

Text proposed by the Commission

Amendment

10d. By way of derogation from Article 136(2), that part of commitments still open on 31 December 2023 or on 31 December 2024, as the case may be, shall be decommitted if any of the documents required under Article 141(1) has not been submitted to the Commission by the deadline set out in Article 141(1).

Amendment 52

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 e (new)

Text proposed by the Commission

Amendment

10e. By way of derogation from Article 141(1), in addition to the documents referred to in Article 138, for the final accounting year from 1 July 2024 to 30 June 2025, Member States shall submit a final implementation report for the operational programme.

Amendment 53

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 – subparagraph 1

Text proposed by the Commission

Amendment

By way of derogation from the first and

By way of derogation from the first and

second subparagraphs of Article 120(3), a co-financing rate of up to 100% may be applied to the priority axis or axes supported by the additional resources programmed under the thematic objective referred to in paragraph **10** of this Article.

second subparagraphs of Article 120(3), a co-financing rate of up to 100% may be applied to the priority axis or axes supported by the additional resources programmed under the thematic objective referred to in paragraph **9** of this Article.
To that end, they are required to make use of programme-specific indicators made available by the Commission.

Amendment 54

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 – subparagraph 2

Text proposed by the Commission

By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph **10** of this Article.

Amendment

By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by ***31 December 2024, or by 31 December 2026, where the derogation referred to in subparagraph 3 of paragraph 2 of this Article applies***, at least one evaluation on ***the use*** of the additional resources is carried out to assess their effectiveness, efficiency, impact and, ***where appropriate, inclusiveness and non-discrimination, including from a gender perspective and*** how they contributed to the thematic objective referred to in paragraph **9** of this Article.

Amendment 55

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 12 – point d

Text proposed by the Commission

(d) the derogation provided in the second sub-paragraph of Article 65(10) setting the eligibility date of 1 February

Amendment

deleted

2020 for operations for fostering crisis response capacities in the context of the COVID-19 outbreak;

Amendment 56

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 12 – point e

Text proposed by the Commission

Amendment

(e) the derogation provided in Article 25a(7) for the selection of operations fostering crisis response capacities in the context of the COVID-19 outbreak as referred to in the second sub-paragraph of Article 65(10); **deleted**

Amendment 57

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 12 – point f a (new)

Text proposed by the Commission

Amendment

(fa) requirements as set out in Article 12(4) of Regulation (EU) No 1299/2013 for beneficiaries to cooperate in at least three out of four dimensions. By way of derogation, Interreg partners shall cooperate in at least one dimension when implementing projects funded by the additional resources;

Amendment 58

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 13 – subparagraph 1

Text proposed by the Commission

While carrying out their responsibilities linked to information, communication and visibility in accordance with Article 115(1) and (3) and with Annex XII, Member States and managing authorities shall ensure that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment

While carrying ***out their*** responsibilities linked to information, communication and visibility in accordance with Article 115(1) and (3) and with Annex XII, Member States and managing authorities shall ensure that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources. ***The reference to additional resources under REACT-EU shall be made by way of a hashtag or other exploratory tools, in order to make clear to citizens that the project in question is funded as part of the Union's response to the COVID-19 pandemic and to ensure full transparency.***

Amendment 59

**Proposal for a regulation
Article 1 a (new)**

Text proposed by the Commission

Amendment

Article 1 a

The Commission shall provide the European Parliament and the Council with an evaluation report on REACT-EU by 31 March 2025, covering budgetary commitments for the years 2020, 2021 and 2022. That report shall include information on the achievement of the objectives of REACT-EU, the efficiency of the use of its resources, the types of actions financed, the beneficiaries and final recipients of the financial allocations and its European added value in aiding the economic recovery.

The Commission shall provide the European Parliament and the Council with a supplementary evaluation report by 31 March 2027, covering any budgetary

commitments for the years 2023 and 2024 under the derogation referred to in Article 92b(2) of Regulation (EU) No 1303/2013.

Amendment 60

Proposal for a regulation

Annex I – paragraph 1

Regulation (EU) No 1303/2013

Annex VIIa – paragraph 2 – subparagraph 1

Text proposed by the Commission

The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to **2022** higher than

Amendment

The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to **2024** higher than

EXPLANATORY STATEMENT

A. Background to REACT-EU

REACT-EU is a proposal made by the European Commission to address the economic fallout of the Covid-19 pandemic. The closure or slowdown of economic activity across the Union has caused considerable economic and social damage, and REACT-EU is to be one tool to help resolve that. It follows two earlier proposals relating to cohesion policy, the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Initiative Plus (CRII+), which both modified the rules for regional spending in order to facilitate recovery.

B. Scope of the proposal

The REACT-EU proposal seeks to amend the Common Provisions Regulation for the 2014-2020 cohesion funds. It provides for an additional budget in two parts, for 2020 and for 2021-2022, and also sets out a number of derogations from the normal rules for cohesion spending, which specifically relate to the additional budget for the economic and social recovery. REACT-EU will not apply to the United Kingdom (even for the financial year 2020), as the Withdrawal Agreement provides that budgetary increases do not bind the United Kingdom during the transition period.

C. Budgetary aspects

The proposal makes an additional EUR 5 billion available during the financial year 2020, which will be included in the budget. It also provides for an additional EUR 42 billion in 2021 and EUR 11 billion in 2022, which will be “outside” the budget, as they will constitute external assigned resources. The co-rapporteurs propose that the additional resources should also be available for budgetary commitment in 2023 and/or 2024 where required.

D. The problem of external assigned resources

External assigned resources are a specific class of EU resources which are “bracketed out” of the general budget, as they are resources which can only be spent on for a specific purpose. Generally, this applies to revenues from repaid grants and other reimbursements, which can only be used for their original purpose, and to payments from third countries for specific programmes, which can naturally only be used for the programmes indicated by the country in question. When used in other areas, external assigned resources can raise issues of democratic accountability, as this is money which is not subject to the same democratic oversight as the rest of the budget, and constitutes an exception to the principle of budgetary universality (and, arguably, sincerity).

E. Breakdown of resources

The proposal provides for a breakdown of resources by Member State, rather than by region as is customary in the area of cohesion policy. However, the Commission justifies this by the special nature of funding to address the economic and social consequences of Covid-19. The breakdown by Member State is to take place in accordance with the rules laid down in the new Annex VIIa, and applied in a Commission implementing act.

F. New thematic objective

REACT-EU creates a new, single thematic objective which will apply to the additional funding, entitled “Fostering crisis repair in the context of the Covid-19 pandemic and preparing a green, digital and resilient recovery of the economy”. This thematic objective will apply to both the ERDF and the ESF, in the context of existing operational programmes or specific new programmes, at the choice of the Member States. The co-rapporteurs propose that this new thematic objective should apply not only to the Investment for growth and jobs goal, but also to the European territorial cooperation goal (i.e. Interreg), as border regions have been particularly affected by the crisis.

G. Flexibilisation of cohesion spending

For the additional funding under REACT-EU, the new Article 92b provides for a number of derogations which make programming and implementation more flexible. For example, transfers between the ERDF and ESF, and towards the FEAD, are made possible, with only the rules of the receiving fund being applicable.

H. Pre-financing rate

The additional resources will give rise to a particularly high pre-financing rate of 50%.

I. Co-financing rate

The REACT-EU proposal provides for a co-financing rate of up to 100% for spending related to the economic recovery.

J. Other derogations

Furthermore, implementation of the additional funding will not be subject to the usual rules on thematic concentration, ex-ante conditionalities, the performance reserve, or certain deadlines.

K. Communication

Projects funded under REACT-EU will have to publicly acknowledge that funding, in line with the usual rules for cohesion projects.

L. Conclusion

Your co-rapporteurs have considered this proposal very carefully, and propose that it should be adopted, subject to the modifications outlined in this report. However, it should be stressed that the various derogations and flexible rules it contains must remain temporary in nature, and that cohesion policy must return to its usual rules and controls from 2023 or 2025. This particularly applies to the massive use of external assigned revenues, which can be tolerated exceptionally, but cannot become a permanent phenomenon, as that use risks undermining democratic decision-making on the EU budget.

1.9.2020

OPINION OF THE COMMITTEE ON EMPLOYMENT AND SOCIAL AFFAIRS

for the Committee on Regional Development

Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)
(COM(2020)0451 – C9-0149/2020 – 2020/0101(COD))

Rapporteur for opinion (*): Agnes Jongerius

(*) Associated committee – Rule 57 of the Rules of Procedure

SHORT JUSTIFICATION

The COVID-19 pandemic is resulting in a crisis affecting all citizens in Europe, in different proportions however. The risk of deepened social cleavages, higher unemployment rates and increased inequalities, in addition to stagnating economic growth is real. For this reason, the social dimension are key for proper recovery.

The resources and measures to overcome the crisis and to prepare for a green, digital, social and resilient economic recovery need to be deployed for quality job creation, and not any kind of employment. The citizens of Europe must be able to count on real and sustainable employment opportunities.

Social partners should be fully involved in the implementation of the crisis measures, to make sure they are suiting peoples' needs.

Social inclusion and reducing poverty are an end in itself. In addition, they are a means to enhance the recovery and improve the functioning of the European economy, as more people will have real opportunities to thrive. For this reason, it is justified and necessary to invest in these objectives as well.

Temporary measures are exceptionally financed through ESF, in particular for short-time work schemes and support to self-employed, and this should not become a regular function. Such support has to be carefully considered in order not to put other vulnerable groups at risk during crises by re-allocating funds, should prevent abuse by entities receiving financial support and ensure participatory control involving the European Parliament and relevant

stakeholders.

AMENDMENTS

The Committee on Employment and Social Affairs calls on the Committee on Regional Development, as the committee responsible, to take into account the following amendments:

Amendment 1 Proposal for a regulation Title 1

Text proposed by the Commission

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 1303/2013
as regards exceptional additional resources
and implementing arrangements under the
Investment for growth and jobs goal to
provide assistance for fostering crisis repair
in the context of the COVID-19 pandemic
and preparing a green, digital and resilient
recovery of the economy (REACT-EU)

Amendment

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
amending Regulation (EU) No 1303/2013
as regards exceptional additional resources
and implementing arrangements under the
Investment for growth and jobs goal to
provide assistance for fostering crisis repair
in the context of the COVID-19 pandemic
and preparing a green, digital, **social** and
resilient recovery of the economy,
employment and society (REACT-EU)

*(This amendment (i.e. the addition of the
word "social" and "employment and
society" to the words "in the context of the
COVID-19 pandemic and preparing a
green, digital and resilient recovery of the
economy") applies throughout the text.
Adopting it will necessitate corresponding
changes throughout.)*

Amendment 2

Proposal for a regulation Recital 1

Text proposed by the Commission

(1) Member States have been affected
by the crisis due to the consequences of the
COVID-19 pandemic in an unprecedented
manner. The crisis **hampers** growth in

Amendment

(1) Member States have been affected
by the crisis due to the consequences of the
COVID-19 pandemic in an unprecedented
manner. The crisis **has exacerbated the**

Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.

situation of people experiencing or at risk of poverty, deepened social cleavages, increased job losses, unemployment rates and inequalities, especially in disadvantaged groups, and has hampered growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.

Amendment 3

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) In order to redress huge shocks to the economy stemming from the exceptional restrictions put in place by Member States to contain the COVID-19 spreading and the risks of an asymmetric recovery stemming from the different national means available in different Member States resulting in serious impacts on the functioning of the Internal Market, the European Council endorsed on 23 April 2020 the “Roadmap for recovery” with a strong investment component, called for the establishment of the European Recovery Fund and mandated the Commission to analyse the needs so that the resources would be targeted towards the sectors and geographical parts of the Union most affected, while clarifying also the link with the Multiannual Financial Framework for 2021-2027.

Amendment

(3) In order to redress huge shocks to the economy ***and society*** stemming from the exceptional restrictions put in place by Member States to contain the COVID-19 spreading and the risks of an asymmetric recovery stemming from the different national means available in different Member States resulting in serious impacts on the functioning of the Internal Market, the European Council endorsed on 23 April 2020 the “Roadmap for recovery” with a strong investment component, called for the establishment of the European Recovery Fund and mandated the Commission to analyse the needs so that the resources would be targeted towards the sectors and geographical parts of the Union most affected, while clarifying also the link with the Multiannual Financial Framework for 2021-2027.

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.

Amendment

(5) An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital, **social** and resilient recovery of the economy, **employment and society** with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and **statistical data, including equality data, on** the extent of the effect of the current crisis on their economies and societies, **with special focus on the most deprived, such as homeless people and people living in segregated institutions, who are traditionally not reached by Member State statistical offices; to this end, relevant and comparable data should be collected with the involvement of non-governmental organisations (NGOs) working in the field of poverty and social exclusion**. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and

societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical *and equality* data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.

Amendment 5

Proposal for a regulation Recital 7

Text proposed by the Commission

(7) In order to allow *maximum* flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing *maximum* flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. ***It should be clarified that there is no need to respect the ESF minimum share for the additional resources.*** Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.

Amendment 6

Proposal for a regulation

Amendment

(7) In order to allow *sufficient* flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital, *social* and resilient recovery of the economy, *employment and society*, allocations should be established by the Commission at Member State level. Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing *sufficient* flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.

Recital 9

Text proposed by the Commission

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services, for providing support in the form of working capital or investment support to SMEs, in operations contributing to the transition towards a digital and green economy, infrastructure providing basic services to *citizens* or economic support measures for those regions most dependent on sectors most affected by the crisis. Technical assistance should also be supported. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, which should also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5);

Amendment

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services *for all*, for providing support in the form of working capital or investment support to SMEs, *especially micro- and small enterprises*, in operations contributing to the transition towards a digital and green economy, infrastructure providing *non-discriminatory* basic services to *people, including in rural areas*, or economic support measures for those regions most dependent on sectors most affected by the crisis *as well as helping the most deprived*. Technical assistance should also be supported. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital, *social* and resilient recovery of the economy, *employment and society*”, which should also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5);

Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

Amendment 7

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) For the ESF, Member States should primarily use the additional resources to support job maintenance, including through short-time work schemes and support to self-employed, job creation, in particular for people in vulnerable situations, support to youth employment measures, education and training, skills development and to enhance access to social services of general interest, including for children. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time.

Amendment

(10) For the ESF, Member States should primarily use the additional resources to support ***social inclusion and poverty eradication, with a particular focus on child poverty***, job maintenance, including through short-time work schemes ***that provide a living income above the poverty threshold*** and support to self-employed, job creation, in particular for people in vulnerable situations, support to youth employment measures, ***inclusive*** education and training, skills development, ***in particular for disadvantaged groups and carers***, and to enhance ***equal and universal*** access to ***inclusive, accessible and high-quality services, including healthcare and*** social services of general interest, including for children, ***the elderly and persons with disabilities***. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time ***and should be conditional on maintaining the same level of working and employment conditions and rights***,

including protection against dismissals and reductions in wages, no bonuses to managers or dividends to shareholders. As public means are being used to uphold employment levels, recipients of Union support should not be based in a jurisdiction referred to in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes^{1a}, and should not subvert collective bargaining, workers' participation or codetermination in company decision-making processes in accordance with national law and practice.

^{1a} OJ C 64, 27.2.2020, p. 8.

Amendment 8

Proposal for a regulation Recital 12

Text proposed by the Commission

(12) Member States should have the flexibility to allocate the additional resources to new dedicated operational programmes or new priority axes within existing programmes. In order to allow quick implementation, only already designated authorities of existing operational programmes supported by the ERDF, the ESF, or the Cohesion Fund are allowed to be identified for new dedicated operational programmes. An ex ante evaluation by the Member States should not be required and the elements required for the submission of the operational programme to the Commission's approval should be limited.

Amendment

(12) Member States should have the flexibility to allocate the additional resources to new dedicated operational programmes or new priority axes within existing programmes. In order to allow quick implementation, only already designated authorities of existing operational programmes supported by the ERDF, the ESF, or the Cohesion Fund are allowed to be identified for new dedicated operational programmes. An ex ante evaluation by the Member States should not be required and the elements required for the submission of the operational programme to the Commission's approval should be limited. ***However, REACT-EU should not support any action that contributes to segregation or to social exclusion or provides an income below the Member States' poverty threshold. The gender aspects should be taken into account in all programmes implemented,***

throughout their preparation, implementation, monitoring and evaluation. Moreover, in accordance with Article 21 of the Charter of Fundamental Rights of the European Union, any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age or sexual orientation is prohibited in the implementation of REACT-EU.

Amendment 9

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use of the

Amendment

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the ***inclusiveness***, effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use

programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment 10

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) With a view to allow the targeting of these additional resources to the geographic areas where they are most needed, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional needs *and* development levels in order to ensure that focus is maintained on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU. Member States should also involve local and regional authorities, as well as relevant bodies representing civil society, in accordance with the partnership principles.

of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment

(15) With a view to allow the targeting of these additional resources to the geographic areas where they are most needed, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional needs ***resulting from the impact of the COVID-19 pandemic, as well as*** development levels in order to ensure that focus is maintained on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU. Member States should also involve local and regional authorities, ***and social partners*** as well as relevant bodies representing civil society, ***including NGOs and bodies working in the field of poverty, social inclusion, gender equality and non-discrimination***, in accordance with the partnership principles.

Amendment 11

Proposal for a regulation Recital 18

Text proposed by the Commission

(18) Given the urgency of the situation related to the COVID-19 pandemic, this Regulation should into force on the day following that of its publication in the Official Journal of the European Union.

Amendment

(18) Given the urgency of the situation related to the COVID-19 pandemic, this Regulation should **enter** into force on the day following that of its publication in the Official Journal of the European Union.

Amendment 12

Proposal for a regulation Recital 19

Text proposed by the Commission

(19) In view of the COVID-19 pandemic and the urgency to address the associated public health crisis, 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.

Amendment

deleted

Amendment 13

Proposal for a regulation Article 1 – paragraph 1 – point 2 Regulation (EU) No 1303/2013 Article 92b – paragraph 5 – subparagraph 5

Text proposed by the Commission

By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted ***in***

Amendment

By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted ***at 31***

accordance with the rules to be followed for the closure of the programmes.

December 2024.

Amendment 14

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 6

Text proposed by the Commission

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.

Amendment

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes. ***The ESF share shall not be decreased below the current legal obligation of 23,1 %.***

Amendment 15

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 7

Text proposed by the Commission

By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') before or at the same time as the allocation to the ERDF and the ESF.

Amendment

By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') ***and Youth Employment Initiative (YEI)*** before or at the same time as the allocation to the ERDF and the ESF. ***That share shall amount to at least 3 % of the additional resources in order to ensure a minimum amount for the support to the most deprived who have been disproportionately hit in an unprecedented way by the COVID-19 crisis.***

Amendment 16

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 8

Text proposed by the Commission

Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).

Amendment

Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1) **as long as the ESF share does not decrease below 23,1 %.**

Amendment 17

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 11

Text proposed by the Commission

The requirements laid down in Article 92(4) shall not apply to the initial allocation or their subsequent transfers.

Amendment

deleted

Amendment 18

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 3

Text proposed by the Commission

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing

Amendment

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services **for all**, to provide support in the form of working capital or investment support to SMEs, investments

to the transition towards a digital and green economy, investments in infrastructure providing basic services to *citizens*, and economic measures in the regions which are most dependent on sectors most affected by the crisis.

contributing to the transition towards a digital and green economy, investments in infrastructure providing *non-discriminatory* basic services to *people*, and economic measures in the regions which are most dependent on sectors most affected by the crisis.

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 4

Text proposed by the Commission

For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the *twin* green and digital transitions, and to enhance access to social services of general interest, including for children.

Amendment

For the ESF, the additional resources shall primarily be used to support *social inclusion and poverty eradication, with a particular focus on child poverty*, job maintenance, including through short-time work schemes *that provide for an income above the Member States' poverty threshold* and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support *quality* job creation, in particular for people in vulnerable situations, youth employment measures, *inclusive lifelong* education, *individualised reskilling* and training, skills development, in particular *for disadvantaged groups and carers*, to support the *just* green and digital transitions, *as well as the transition to sustainable employment*, and to enhance *equal and universal* access to *inclusive, accessible and high-quality services including healthcare and* social services of general interest, including for children, *the elderly and persons with disabilities*. *Union support to those short-time work schemes shall be limited in time and shall be conditional on maintaining the same level of working and employment conditions and rights, including*

protection against dismissal and reductions in wages. Recipients of Union support shall not pay bonuses to managers or dividends to shareholders, shall not be based in a jurisdiction referred to in Annex I to the Council conclusions on the revised EU list of non-cooperative jurisdictions for tax purposes^{1a}, and shall not subvert collective bargaining, workers' participation or codetermination in company decision making processes in accordance with national law and practice.

^{1a} OJ C 64, 27.2.2020, p. 8.

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 9 – subparagraph 1

Text proposed by the Commission

With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, complementing the thematic objectives set out in Article 9.

Amendment

With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD **and the YEI** referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital, **social** and resilient recovery of the economy, **employment and society**”, complementing the thematic objectives set out in Article 9.

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 1

Text proposed by the Commission

By way of derogation from Article 26(4), a new dedicated operational programme may be drawn up by Member States under the new thematic objective referred to in paragraph **10**. No ex ante evaluation as set out in Article 55 shall be required.

Amendment

By way of derogation from Article 26(4), a new dedicated operational programme may be drawn up by Member States under the new thematic objective referred to in paragraph **9**. No ex ante evaluation as set out in Article 55 shall be required.

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 4

Text proposed by the Commission

The elements set out in point (b)(v) and (vii) of the first subparagraph of paragraph 2, **in paragraph 4**, in point (b) and (c) of paragraph 6 **and in paragraph 7** of Article 96 shall not be required for such new operational programme. The elements set out in Article 96(3) shall only be required where corresponding support is provided.

Amendment

The elements set out in point (b)(v) and (vii) of the first subparagraph of paragraph 2 **and** in point (b) and (c) of paragraph 6 of Article 96 shall not be required for such new operational programme. The elements set out in Article 96(3) shall only be required where corresponding support is provided.

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 – subparagraph 2

Text proposed by the Commission

By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.

Amendment

By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their **inclusiveness**, effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 a (new)

Text proposed by the Commission

Amendment

11a. All programmes implemented under REACT-EU shall ensure gender equality and equal opportunities for all, without discrimination.

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 12 – subparagraph 1 – point d

Text proposed by the Commission

Amendment

(d) the derogation provided in the second sub-paragraph of Article 65(10) setting the eligibility date of 1 February 2020 for operations for fostering crisis response capacities in the context of the COVID-19 outbreak;

deleted

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)
References	COM(2020)0451 – C9-0149/2020 – 2020/0101(COD)
Committee responsible Date announced in plenary	REGI 17.6.2020
Opinion by Date announced in plenary	EMPL 17.6.2020
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Rapporteur Date appointed	Agnes Jongerius 26.6.2020
Discussed in committee	16.7.2020
Date adopted	1.9.2020
Result of final vote	+: 47 –: 1 0: 5
Members present for the final vote	Atidzhe Alieva-Veli, Abir Al-Sahlani, Marc Angel, Dominique Bilde, Vilija Blinkevičiūtė, Milan Brglez, Sylvie Brunet, David Casa, Leila Chaïbi, Margarita de la Pisa Carrión, Klára Dobrev, Jarosław Duda, Estrella Durá Ferrandis, Lucia Ďuriš Nicholsonová, Rosa Estaràs Ferragut, Nicolaus Fest, Loucas Furlas, Helène Fritzon, Helmut Geuking, Elisabetta Gualmini, Alicia Homs Ginel, France Jamet, Agnes Jongerius, Radan Kanev, Ádám Kósa, Stelios Kympouropoulos, Katrin Langensiepen, Miriam Lexmann, Elena Lizzi, Radka Maxová, Sandra Pereira, Kira Marie Peter-Hansen, Dragoş Pîslaru, Manuel Pizarro, Dennis Radtke, Elżbieta Rafalska, Daniela Rondinelli, Mounir Satouri, Monica Semedo, Beata Szydło, Eugen Tomac, Romana Tomc, Yana Toom, Marie-Pierre Vedrenne, Nikolaj Villumsen, Marianne Vind, Maria Walsh, Stefania Zambelli, Tatjana Ždanoka, Tomáš Zdechovský
Substitutes present for the final vote	Gheorghe Falcă, Jeroen Lenaers, Eugenia Rodríguez Palop

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

47	+
ECR	Lucia Ďuriš Nicholsonová, Helmut Geuking, Margarita de la Pisa Carrión, Elżbieta Rafalska, Beata Szydło
GUE/NGL	Leila Chaibi, Sandra Pereira, Eugenia Rodríguez Palop, Nikolaj Villumsen
NI	Daniela Rondinelli
PPE	David Casa, Jarosław Duda, Rosa Estaràs Ferragut, Gheorghe Falcă, Loucas Fourlas, Radan Kanev, Ādám Kósa, Stelios Kypourouopoulos, Jeroen Lenaers, Miriam Lexmann, Dennis Radtke, Eugen Tomac, Romana Tomc, Maria Walsh, Tomáš Zdechovský
Renew	Abir Al-Sahlani, Atidzhe Alieva-Veli, Sylvie Brunet, Dragoş Pîslaru, Monica Semedo, Yana Toom, Marie-Pierre Vedrenne
S&D	Marc Angel, Vilija Blinkevičiūtė, Milan Brglez, Klára Dobrev, Estrella Durá Ferrandis, Helène Fritzon, Elisabetta Gualmini, Alicia Homs Ginell, Agnes Jongerius, Manuel Pizarro, Marianne Vind
Verts/ALE	Katrin Langensiepen, Kira Marie Peter-Hansen, Mounir Satouri, Tatjana Ždanoka

1	-
ID	Nicolaus Fest

5	0
ID	Dominique Bilde, France Jamet, Elena Lizzi, Stefania Zambelli
Renew	Radka Maxová

Key to symbols:

+ : in favour

- : against

0 : abstention

3.9.2020

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Regional Development

on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU) (COM(2020)0451 – C9-0149/2020 – 2020/0101(COD))

Rapporteur for opinion: Karlo Ressler

SHORT JUSTIFICATION

Your rapporteur overall estimates that the proposal builds up logically on two earlier proposals relating to cohesion policy, the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Initiative Plus (CRII+), which were recently adopted by the co-legislators. He therefore welcomes the proposal to amend Regulation (EU) No 1303/2013 (the Common Provisions Regulation) in order to ensure that exceptional additional resources will continue to be available for Member States from the Structural Funds in order to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic for the geographical areas of Europe whose economy and jobs have been harder hit and for preparing a green, digital and resilient recovery of the economy.

He proposes several amendments to increase the flexibility for Member States, for example in using the funds beyond 2022 or in allowing for a fast implementation of any programme.

He welcomes that Member States will have the possibility to break down the additional resources between the ERDF and the ESF through the programming of resources without any limitations. They will also have the possibility to use a part of these additional resources for the FEAD. The additional resources will be allocated to one or more dedicated separate priority axes within an existing programme or programmes through a request for amendment of the programme or programmes concerned or to a new dedicated programme through the preparation and submission of a new operational programme.

He agrees that the additional resources may only be used to support operations fostering crisis repair in the context of the COVID-19 pandemic, or preparing a green, digital and resilient recovery of the economy through investments in operations contributing to the transition towards a digital and green economy under a new thematic objective complementing the

thematic objectives set out in Article 9, and technical assistance.

In order to compensate for these proposed flexibilities, he proposes to strengthen the quality of reporting which should allow proper and constant controls on regularity and impact. The achievement of the objectives of REACT-EU, the efficiency of the use of its resources, the types of actions financed, the beneficiaries and final recipients of the financial allocations and its European added value in aiding the economic recovery should be made clear so as to provide useful input for future cohesion policy planning. This should be equally important irrespectively if the financial allocations are stemming from the classic EU budget or from Next generation EU as external assigned revenues.

AMENDMENTS

The Committee on Budgets calls on the Committee on Regional Development, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) Member States have been affected by *the* crisis due to the consequences of the COVID-19 *pandemic* in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.

Amendment

(1) Member States have been affected by *a pandemic and a social and economic* crisis due to the consequences of COVID-19 in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies *and to mitigate the effects of the social crisis*. This has created an exceptional situation which needs to be addressed with specific measures *to support a long-lasting recovery and creation of good quality sustainable jobs*.

Amendment 2

Proposal for a regulation

Recital 2

Text proposed by the Commission

Amendment

(2) In order to respond to the impact of the crisis, Regulations (EU) No 1303/2013 and (EU) No 1301/2013 were amended on 30 March 2020 to allow more flexibility in the implementation of the operational programmes supported by the European Regional Development Fund ('ERDF'), the European Social Fund ('ESF') and the Cohesion Fund (the 'Funds') and by the European Maritime and Fisheries Fund ('EMFF'). However, as the serious negative effects on Union economies and societies worsened, both Regulations were amended again on 23 April 2020 to provide exceptional additional flexibility to enable the Member States to concentrate on the necessary response to the unprecedented crisis by enhancing the possibility to mobilise non-utilised support from the Funds and by simplifying procedural requirements linked to programme implementation and audits.

(2) In order to respond to the impact of the crisis, Regulations (EU) No 1303/2013 and (EU) No 1301/2013 were amended on 30 March 2020 to allow more flexibility in the implementation of the operational programmes supported by the European Regional Development Fund ('ERDF'), the European Social Fund ('ESF') and the Cohesion Fund (the 'Funds') and by the European Maritime and Fisheries Fund ('EMFF'). However, as the serious negative effects on Union economies and societies worsened, both Regulations were amended again on 23 April 2020 to provide exceptional additional flexibility to enable the Member States to concentrate on the necessary response to the unprecedented crisis by enhancing the possibility to mobilise non-utilised support from the Funds and by simplifying procedural requirements linked to programme implementation and audits. ***That flexibility is temporary in nature and linked to responding only to COVID-19.***

Amendment 3

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. ***Such additional resources should be used to ensure compliance with the time limits provided for in Regulation [ERI].*** Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-

Amendment

(4) In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.

2020.

Amendment 4

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method

Amendment

(5) An additional exceptional amount of EUR 58 272 800 000 (in current prices) **EUR 54 806 498 104 (in 2018 prices)** for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 **and, where justified by a Member State, also for the years 2023 and 2024,** should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital, **social** and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase **of EUR 5 billion in commitment appropriations** in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 **and, where applicable, for 2023 and 2024,** stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State **in a delegated act** on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific

using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.

vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche, **and where relevant, 2023 and 2024 tranches**, of the additional resources.

(The addition of the word "social" to the words "in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy" applies throughout the text, including in the title. Adopting it will necessitate corresponding changes throughout).

Amendment 5

Proposal for a regulation

Recital 6

Text proposed by the Commission

(6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding.

Amendment

(6) Horizontal financial rules adopted by the European Parliament and the Council on the basis of Article 322 of the Treaty on the Functioning of the European Union apply to this Regulation. These rules are laid down in the Financial Regulation and determine in particular the procedure for establishing and implementing the budget through grants, procurement, prizes, indirect implementation, and provide for checks on the responsibility of financial actors. Rules adopted on the basis of Article 322 TFEU also concern the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States, as the respect for the rule of law is an essential precondition for sound financial management and effective EU funding. ***Furthermore, the flexibility in the expenditure of the allocations under REACT-EU requires a specific control***

that goes beyond self-assessment by Member States and needs instead to be subjected to oversight by the Commission, OLAF, EPPO and the Court of Auditors.

Amendment 6

Proposal for a regulation Recital 9

Text proposed by the Commission

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services, for providing support in the form of working capital or investment support to SMEs, in operations contributing to the transition towards a digital and green economy, infrastructure providing basic services to citizens or economic support measures for those regions most dependent on sectors most affected by the crisis. Technical assistance should ***also be supported***. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, which should also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of

Amendment

(9) In order to complement the actions already available under the scope of support of the ERDF, as extended by Regulations (EU) 2020/460 and (EU) 2020/558 of the European Parliament and of the Council⁵, Member States should continue to be allowed to use the additional resources primarily for investments in products and services for health services, for providing support in the form of working capital or investment support to SMEs, in operations contributing to the transition towards a digital and green economy, infrastructure providing basic services to citizens, ***development of social infrastructure*** or economic support measures for those regions most dependent on sectors most affected by the crisis. Technical ***and administrative*** assistance ***in the implementation process*** should ***be systematically provided to all Member States in need***. It is appropriate that the additional resources are focused exclusively under the new thematic objective “Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy”, which should also constitute a single investment priority, to allow for simplified programming and implementation of the additional resources.

⁵ Regulation (EU) 2020/460 of the European Parliament and of the Council of

30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5); Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative) (OJ L99, 31.3.2020, p. 5); Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak, (OJ L 130, 23.4.2020, p. 1).

Amendment 7

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) For the ESF, Member States should primarily use the additional resources to support job maintenance, including through short-time work schemes and support to self-employed, job creation, in particular for people in vulnerable situations, support to youth employment measures, education and training, skills development and to enhance access to social services of general interest, **including** for children. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time.

Amendment

(10) For the ESF, Member States should primarily use the additional resources to support job maintenance, **including in insular, remote, rural and sparsely populated areas**, including through short-time work schemes and support to self-employed, job creation, in particular for people in vulnerable situations, support to youth employment measures, **social inclusion**, education and training, skills development and to **eradicate poverty including child poverty** and enhance access to **universal, inclusive, accessible, affordable and high-quality services, including healthcare** and social services of general interest, **with a particular focus on building resilience in the care and childcare sectors and to enhance access for vulnerable groups** and for children. It should be clarified that in the present exceptional circumstances support to short-time work schemes for employees and the

self-employed in the context of the COVID-19 pandemic can be provided even when that support is not combined with active labour market measures, unless the latter are imposed by national law. Union support to those short-time work schemes should be limited in time.

Amendment 8

Proposal for a regulation

Recital 10 a (new)

Text proposed by the Commission

Amendment

(10a) As the temporary closing of borders between Member States has led to significant challenges for cross-border communities, Member States should use at least 7 % of the additional resources to support cross-border projects, by using existing or creating new Interreg cooperation projects.

Amendment 9

Proposal for a regulation

Recital 11

Text proposed by the Commission

Amendment

(11) In order to ensure that Member States have sufficient financial means to swiftly implement crisis repair actions in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy, it is necessary to provide a higher level of initial pre-financing payment for the quick implementation of actions supported by the additional resources. The initial pre-financing to be paid should ensure that Member States have the means to arrange for advance payments to beneficiaries where necessary and to reimburse beneficiaries quickly following the

(11) In order to ensure that Member States have sufficient financial means to swiftly implement crisis repair actions in the context of the COVID-19 pandemic ***and its social consequences*** and preparing a green, digital and resilient recovery of the economy, it is necessary to provide a higher level of initial pre-financing payment ***or, where applicable, annual pre-financing***, for the quick implementation of actions supported by the additional resources. The initial pre-financing to be paid should ensure that Member States have the means to arrange for advance payments to beneficiaries where necessary and to reimburse beneficiaries quickly

submission of payment claims.

following the submission of payment claims.

Amendment 10

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Member States should have the flexibility to allocate the additional resources to new dedicated operational programmes or new priority axes within existing programmes. In order to allow quick implementation, only already designated authorities of existing operational programmes supported by the ERDF, the ESF, or the Cohesion Fund are allowed to be identified for new dedicated operational programmes. An ex ante evaluation by the Member States should not be required and the elements required for the submission of the operational programme to the Commission's approval should be limited.

Amendment

(12) Member States should have the flexibility to allocate the additional resources to new dedicated operational programmes or new priority axes within existing programmes ***following consultation with regional and local authorities***. In order to allow quick implementation, only already designated authorities of existing operational programmes supported by the ERDF, the ESF, or the Cohesion Fund are allowed to be identified for new dedicated operational programmes. An ex ante evaluation by the Member States should not be required and the elements required for the submission of the operational programme to the Commission's approval should be limited ***to allow for a swift approval of programmes and a maximum reduction in the start-up time***.

Amendment 11

Proposal for a regulation

Recital 14

Text proposed by the Commission

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the

Amendment

(14) In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the

need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is *nevertheless* necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States **are encouraged to make use of** the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

need to comply with ex ante conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is ***therefore justified that evaluations during a programme are strengthened in order to ensure that Union money is spent efficiently and in support of the objectives laid down, namely crisis repair actions in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. The Commission should carry out an evaluation by 31 December 2023 and again by 31 December 2025 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. It is necessary that Member States carry out at least one evaluation by 31 December 2024, or by 31 December 2026 where additional resources are made available for budgetary commitment in 2023 and 2024, to assess the effectiveness, efficiency, inclusiveness and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. The report should detail support received by sector and region and the final beneficial owners and amount of support received.*** To facilitate the availability of comparable information at Union level, Member States **shall** use the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries,

beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment 12

Proposal for a regulation Recital 15

Text proposed by the Commission

(15) With a view to allow the targeting of these additional resources to the geographic areas where they are most needed, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional needs and development levels in order to ensure that focus is maintained on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU. Member States should also involve local and regional authorities, as well as relevant bodies representing civil society, in accordance with the partnership principles.

Amendment

(15) With a view to allow the targeting of these additional resources to the geographic areas where they are most needed, as an exceptional measure and without prejudice to the general rules for allocating Structural Funds resources, the additional resources allocated to the ERDF and the ESF are not to be broken down per category of region. However, Member States are expected to take into account the different regional needs ***resulting from the impact of the COVID-19 pandemic, as well as*** development levels in order to ensure ***a balanced*** focus on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 173 TFEU. Member States should also involve local and regional authorities, as well as relevant bodies representing ***social partners and civil society including non-governmental organisations and bodies responsible for promoting social inclusion, gender equality and non-discrimination***, in accordance with the partnership principles. ***In its assessment of the REACT-EU implementation, the Commission should evaluate the level of coordination between national authorities and local and regional authorities in defining the scope and the amount of assistance requested under REACT-EU.***

Amendment 13

Proposal for a regulation Recital 19

Text proposed by the Commission

Amendment

(19) In view of the COVID-19 pandemic and the urgency to address the associated public health crisis, 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.

deleted

Justification

This proposal is urgent, but there is still time to give the national parliaments the usual eight-week deadline.

Amendment 14

Proposal for a regulation

Article 1 – paragraph 1 – point -1 (new)

Regulation (EU) No 1303/2013

Article 4 – paragraph 2 – subparagraph 1 a (new)

Text proposed by the Commission

Amendment

-1. In Article 4(2), the following subparagraph is added:

“The respect for the rule of law is an essential precondition for Union funding. Rules adopted on the basis of Article 322 TFEU concerning the protection of the Union's budget in case of generalised deficiencies as regards the rule of law in the Member States shall apply.”

Amendment 15

Proposal for a regulation
Article 1 – paragraph 1 – point 1
Regulation (EU) No 1303/2013
Article 91 – paragraph 1a

Text proposed by the Commission

1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR **5 000 000 000 in current** prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;

Amendment

1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR **4 805 843 906 in 2018** prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;

Amendment 16

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 1303/2013
Article 92a – paragraph 1

Text proposed by the Commission

Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR **53 272 800 000 in current** prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).

Amendment

Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR **50 000 654 198 in 2018** prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).

Amendment 17

Proposal for a regulation
Article 1 – paragraph 1 – point 2
Regulation (EU) No 1303/2013
Article 92a – paragraph 2

Text proposed by the Commission

These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.

Amendment

These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. ***The Commission is empowered to adopt delegated acts in accordance with Article***

149 to amend this Regulation, based on the statistical data gathered and future developments related to recovery from the economic crisis provoked by COVID-19, in order to prolong the flexibility measures under REACT-EU to the years 2023 and 2024.

Amendment 18

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – Title

Text proposed by the Commission

Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment

Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and ***its consequences and*** preparing a green, digital and resilient recovery of the economy (REACT-EU)

Amendment 19

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 1

Text proposed by the Commission

1. The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs goal ***to*** provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic

Amendment

1. The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs goal, ***and at least 5 % of those resources shall be made available under the European territorial cooperation goal. In both of those cases, the additional resources shall*** provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU).

objective in paragraph **10** of this Article.

The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph **9** of this Article.

Amendment 20

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – subparagraph 1 – indent 1

Text proposed by the Commission

— 2020: EUR 5 000 000 000 ;

Amendment

— 2020: EUR 5 000 000 000 *in current prices (EUR 4 805 843 906 in 2018 prices)*;

Amendment 21

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – subparagraph 1 – indent 2

Text proposed by the Commission

— 2021: EUR 42 434 400 000;

Amendment

— 2021: EUR 42 434 400 000 *in current prices (EUR 39 987 184 320 in 2018 prices)*;

Amendment 22

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – subparagraph 1 – indent 3

Text proposed by the Commission

— 2022: EUR 10 820 400 000.

Amendment

— 2022: EUR 10 820 400 000 *in current prices (EUR 9 996 674 058 in 2018 prices)*.

Amendment 23

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 2 – subparagraph 3

Text proposed by the Commission

The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in current prices.

Amendment

The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. ***By way of revision of this Regulation by delegated act, and based on a reasoned request of a Member State, the additional resources may also be made available for budgetary commitment in 2023 and 2024.*** The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in current prices (***EUR 16 795 821 in 2018 prices***).

Amendment 24

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 3

Text proposed by the Commission

3. 0.35% of the additional resources shall be allocated to technical assistance at the initiative of the Commission.

Amendment

3. ***A minimum of*** 0.35% of the additional resources shall be allocated to technical assistance at the initiative of the Commission, ***with a special focus on Member States hit harder by the COVID-19 pandemic and Member States with lower absorption and implementation rates.***

Amendment 25

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 4

Text proposed by the Commission

4. The Commission shall adopt a **decision, by means of implementing acts**, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That **decision** shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021.

Amendment

4. The Commission shall **be empowered to adopt a delegated act in accordance with Article 149** setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That **delegated act** shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021. **Where applicable, it shall also be revised in 2022 in relation to budgetary commitments in 2023 and 2024, based on the latest statistical data available, whilst ensuring that operational programmes are not negatively impacted.**

Amendment 26

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 5 – subparagraph 6

Text proposed by the Commission

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.

Amendment

Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes, **involving local and regional authorities, as well as relevant bodies representing civil society, in accordance with the partnership principle. At least 5 % of the additional resources shall be used for cross-border projects. The ESF share shall not be decreased below the current legal obligation of 23, 1 %. It shall take into**

account the cumulative number of COVID-19 infections on NUTS level 3 and concentrate the additional resources on those NUTS level 3 areas with the highest numbers.

Amendment 27

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 7 – subparagraph 2

Text proposed by the Commission

For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022 and 2023, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.

Amendment

For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022 and 2023 ***and, where applicable, 2024***, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.

Amendment 28

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 7 – subparagraph 2 a (new)

Text proposed by the Commission

Amendment

By way of derogation from the second subparagraph, and based on a reasoned request of a Member State, the annual pre-financing for the years 2022 to 2023 or, where applicable, to 2024, may consist of up to 50 % of the additional resources allocated to programmes under the new thematic objective referred to in paragraph 9.

Amendment 29

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 2

Text proposed by the Commission

Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph **11**. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, subject to paragraph 4 above.

Amendment

Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph **10**. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, **or 31 December 2024 where the derogation referred to in the third subparagraph of paragraph 2 of this Article applies**, subject to paragraph 4 above.

Amendment 30

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 3

Text proposed by the Commission

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis.

Amendment

For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, **including in insular, remote, rural and sparsely populated areas**, and economic measures in the regions which are most dependent on sectors most affected by the crisis.

Amendment 31

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 8 – subparagraph 4

Text proposed by the Commission

For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.

Amendment

For the ESF, the additional resources shall primarily be used to support job maintenance, ***including in insular, remote, rural and sparsely populated areas***, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children. ***In that context, in some cases, repairing and building of critical infrastructure, such as hospitals and roads, operate as a means to accelerate economic recovery and enhance the utility of investments in cohesion policy and shall therefore not be neglected.***

Amendment 32

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 9 – subparagraph 5

Text proposed by the Commission

The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the

Amendment

The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022, ***2023 and 2024***, without identifying

performance reserve and with no breakdown per category of regions.

amounts for the performance reserve and with no breakdown per category of regions.

Amendment 33

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 3

Text proposed by the Commission

Where such a new operational programme is established, only authorities designated under on-going operational programmes supported by the ERDF, the ESF and the Cohesion Fund may be identified by the Member States for the purposes of point (a) of Article 96(5).

Amendment

Where such a new operational programme is established, only authorities designated under on-going operational programmes supported by the ERDF, the ESF and the Cohesion Fund may be identified by the Member States for the purposes of point (a) of Article 96(5) ***following consultation with regional and local authorities.***

Amendment 34

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 10 – subparagraph 4 a (new)

Text proposed by the Commission

Amendment

By way of derogation from Article 29(3) and (4) and Article 30(2), the Commission shall approve any new dedicated operational programme or any amendment to an existing programme within 10 working days of its submission by a Member State.

Amendment 35

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 – subparagraph 2

Text proposed by the Commission

By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph **10** of this Article.

Amendment

The Commission shall carry out an evaluation as provided in Article 56(4). By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024, ***or by 31 December 2026 where the derogation referred to in third subparagraph of paragraph 2 of this Article applies,*** at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph **9** of this Article.

Amendment 36

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 11 a (new)

Text proposed by the Commission

Amendment

11a. All programmes implemented under REACT-EU shall ensure gender equality throughout their preparation, implementation, monitoring and evaluation. They shall also ensure equal opportunities for all, without discrimination based on sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion, membership of a national minority, property, birth, disability, age, sexual orientation, thereby enhancing social inclusion and reducing inequalities.

Amendment 37

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 13 – subparagraph 1

Text proposed by the Commission

While carrying out their responsibilities linked to information, communication and visibility in accordance with Article 115(1) and (3) and with Annex XII, Member States and managing authorities shall ensure that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment

While carrying out their responsibilities linked to information, communication and visibility in accordance with Article 115(1) and (3) and with Annex XII, **the Commission**, Member States and managing authorities shall ensure that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.

Amendment 38

Proposal for a regulation

Article 1 – paragraph 1 – point 2

Regulation (EU) No 1303/2013

Article 92b – paragraph 13 a (new)

Text proposed by the Commission

Amendment

13a. By the end of 2022 at the latest, the Commission shall present to the European Parliament and the Council a review of the implementation of the additional resources referred to in paragraph 2. That compulsory review shall, as appropriate, be accompanied by a legislative proposal for the revision of this Regulation to ensure the full use of these additional resources.

Amendment 39

Proposal for a regulation Article 1 a (new)

Text proposed by the Commission

Amendment

Article 1a

Members States shall track the types of financed measures and the beneficiaries and final recipients of the allocations and shall inform Commission accordingly without creating a disproportionate administrative burden.

The Commission shall provide the European Parliament and the Council with an evaluation report on REACT-EU by 31 December 2023 at the latest, covering budgetary commitments for the years 2020, 2021 and 2022. That report shall include information on the achievement of the objectives of REACT-EU, the efficiency of the use of its resources, the types of actions financed, the beneficiaries and final recipients of the financial allocations and its European added value in aiding the economic recovery.

The Commission shall provide the European Parliament and the Council with a supplementary evaluation report by 31 December 2025, covering budgetary commitments for the years 2023 and 2024 under the derogation referred to in the third subparagraph of Article 92b(2) of Regulation (EU) No 1303/2013.

Justification

Although REACT-EU is technically merely an amendment to the Common Provisions Regulation for 2014-2020, it provides considerable new funding whilst reducing administrative burdens and therefore also controls on spending. It is therefore appropriate that the Commission should evaluate the impact of those measures, so as to provide useful input for future cohesion policy planning.

Amendment 40

Proposal for a regulation
Annex I – paragraph 1
Regulation (EU) No 1303/2013
Annex VIIa – paragraph 2 – subparagraph 1

Text proposed by the Commission

2. The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to **2022** higher than

Amendment

2. The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to **2024** higher than

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	Amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)
References	COM(2020)0451 – C9-0149/2020 – 2020/0101(COD)
Committee responsible Date announced in plenary	REGI 17.6.2020
Opinion by Date announced in plenary	BUDG 17.6.2020
Rapporteur Date appointed	Karlo Ressler 23.6.2020
Discussed in committee	13.7.2020
Date adopted	1.9.2020
Result of final vote	+: 31 –: 1 0: 8
Members present for the final vote	Rasmus Andresen, Clotilde Armand, Robert Biedroń, Anna Bonfrisco, Olivier Chastel, Lefteris Christoforou, David Cormand, Paolo De Castro, José Manuel Fernandes, Eider Gardiazabal Rubial, Alexandra Geese, Valentino Grant, Elisabetta Gualmini, Francisco Guerreiro, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Mislav Kolakušić, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Hélène Laporte, Pierre Larrourou, Janusz Lewandowski, Margarida Marques, Siegfried Mureşan, Victor Negrescu, Andrey Novakov, Jan Olbrycht, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Nicolae Ştefănuţă, Nils Torvalds, Nils Ušakovs, Johan Van Overtveldt, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Petros Kokkalis

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

31	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca, Johan Van Oortveldt
GUE/NGL	Petros Kokkalis, Dimitrios Papadimoulis
PPE	Lefteris Christoforou, José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Janusz Lewandowski, Siegfried Mureşan, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Rainer Wieland, Angelika Winzig
RENEW	Clotilde Armand, Olivier Chastel, Valérie Hayer, Moritz Körner, Nicolae Ştefănuţă, Nils Torvalds
S&D	Robert Biedroń, Paolo De Castro, Eider Gardiazabal Rubial, Elisabetta Gualmini, Eero Heinäluoma, Pierre Larrourou, Margarida Marques, Victor Negrescu, Nils Ušakovs

1	-
ID	Joachim Kuhs

8	0
ID	Anna Bonfrisco, Valentino Grant, H�el�ene Laporte
NI	Mislav Kolakušić
VERTS/ALE	Rasmus Andresen, David Cormand, Alexandra Geese, Francisco Guerreiro

Key to symbols:

+ : in favour

- : against

0 : abstention

PROCEDURE – COMMITTEE RESPONSIBLE

Title	Amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)			
References	COM(2020)0451 – C9-0149/2020 – 2020/0101(COD)			
Date submitted to Parliament	28.5.2020			
Committee responsible Date announced in plenary	REGI 17.6.2020			
Committees asked for opinions Date announced in plenary	BUDG 17.6.2020	CONT 17.6.2020	EMPL 17.6.2020	ENVI 17.6.2020
	ITRE 17.6.2020	TRAN 17.6.2020	CULT 17.6.2020	LIBE 23.7.2020
Not delivering opinions Date of decision	CONT 6.7.2020	ENVI 10.6.2020	ITRE 25.6.2020	TRAN 23.6.2020
	CULT 22.6.2020	LIBE 7.9.2020		
Associated committees Date announced in plenary	EMPL 23.7.2020			
Rapporteurs Date appointed	Andrey Novakov 23.7.2020	Constanze Krehl 23.7.2020		
Discussed in committee	16.7.2020			
Date adopted	7.9.2020			
Result of final vote	+ : 37 - : 0 0 : 4			
Members present for the final vote	François Alfonsi, Mathilde Androuët, Pascal Arimont, Adrian-Dragoş Benea, Isabel Benjumea Benjumea, Tom Berendsen, Erik Bergkvist, Stéphane Bijoux, Franc Bogovič, Andrea Cozzolino, Corina Creţu, Rosa D'Amato, Tamás Deutsch, Christian Doleschal, Francesca Donato, Raffaele Fitto, Chiara Gemma, Cristian Ghinea, Mircea-Gheorghe Hava, Manolis Kefalogiannis, Ondřej Knotek, Constanze Krehl, Elżbieta Kruk, Cristina Maestre Martín De Almagro, Pedro Marques, Martina Michels, Andżelika Anna Mozdżanowska, Niklas Nienaß, Andrey Novakov, Younous Omarjee, Alessandro Panza, Tsvetelina Penkova, Caroline Roose, André Rougé, Vincenzo Sofo, Susana Solís Pérez, Irène Tolleret			
Substitutes present for the final vote	Katalin Cseh, Lena Düpont, Alexandra Geese, Hannes Heide			
Date tabled	9.9.2020			

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

37	+
ECR	Raffaele Fitto, Elzbieta Kruk, Andželika Anna Mozdżanowska
GUE/NGL	Martina Michels, Younous Omarjee
ID	Mathilde Androuët, Francesca Donato, Alessandro Panza, André Rougé, Vincenzo Sofo
NI	Rosa D'Amato, Chiara Gemma
PPE	Pascal Arimont, Isabel Benjumea Benjumea, Tom Berendsen, Franc Bogovič, Tamás Deutsch, Christian Doleschal, Lena Düpont, Mircea-Gheorghe Hava, Manolis Kefalogiannis, Andrey Novakov
Renew	Stéphane Bijoux, Katalin Cseh, Cristian Ghinea, Ondřej Knotek, Susana Solís Pérez, Irène Tolleret
S&D	Adrian-Dragoş Benea, Erik Bergkvist, Andrea Cozzolino, Corina Creţu, Hannes Heide, Constanze Krehl, Cristina Maestre Martín De Almagro, Pedro Marques, Tsvetelina Penkova

0	-

4	0
Verts/ALE	François Alfonsi, Alexandra Geese, Niklas Nienaß, Caroline Roose

Key to symbols:

+ : in favour

- : against

0 : abstention