#### **Background**

15-04-2020 - 12:33 20200414BKG77007



# Making EU structural funds available and flexible to mitigate effect of COVID-19

Parliament and Council revise EU rules at unprecedented speed to give EU member states immediate access to EU funding to combat the pandemic and its consequences.

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### What is the Corona Response Investment Initiative?

On 13 March, the Commission proposed a first set of measures to tackle the effects of the COVID-19 crisis, under the framework of a "Corona Response Investment Initiative" (CRII). The legislative proposal amended the Common Provisions Regulation, the European Regional Development Fund and the European Maritime and Fisheries Fund regulations.

The Commission proposed channelling €37 billion from available EU funds as soon as possible to citizens, regions and countries hit the hardest by the Coronavirus pandemic. The funds will be directed towards healthcare systems, SMEs, labour markets and other vulnerable sectors of EU member states' economies.

More details on the measures, as well as an indicative breakdown by member state of investment volumes under the initiative, are available here.

The European Parliament approved the CRII measures almost unanimously, following an urgent procedure during the extraordinary plenary on 26 March. Following the Council adoption on 30 March, the final regulation was published in the Official Journal on 31 March and entered into force the day after.



# What action did the EP take after the first package of measures was adopted?

Following the swift adoption of the first CRII measures, the Parliament's Regional Development and Fisheries Committees were in constant contact with representatives of the Commission and Council. They considered that the measures already adopted were necessary and urgent, but not sufficient to fight the negative effects of COVID-19 and the associated socio-economic costs.

On 30 March, Regional Development Committee coordinators held an exchange of views via videoconference with the EU Commissioner for Cohesion and Reforms, Elisa Ferreira, during which further changes were proposed to make better use of the CRII.

The Fisheries Committee had several exchanges with Commissioner for Environment, Oceans and Fisheries, Virginijus Sinkevičius, to prepare new specific measures for the sector. Commissioner Sinkevičius presented the additional measures and answered MEPs' concerns during the Fisheries Committee meeting on 7 April.



### What are the new measures proposed under CRII+ for EU structural funds?

On 2 April, the Commission proposed a **new set of measures**, including the "Corona Response Investment Initiative Plus" (CRII+), which **introduced exceptional flexibility for the use of the European Structural and Investments Funds** in response to the COVID-19 outbreak.

Taking almost all proposals from Regional Development Committee MEPs on board, the new measures include:

- transfers which can now take place between the three cohesion policy funds (the European Regional Development Fund, European Social Fund and Cohesion Fund);
- transfers which can now take place between the different categories of regions;
- Exemption from the need to allocate money to **specific priorities** (thematic concentration requirements);
- member states can exceptionally and temporarily request 100% financing for cohesion policy programmes during the accounting year 2020-2021;
- Simplified procedures linked to programme implementation and audit.

New rules will also make it easier to use the money available in the European Agricultural Fund for Rural Development (EAFRD) to finance measures to help **EU farmers** deal with effects of the COVID-19 outbreak. They will:

- introduce up to €200,000 worth of loans or guarantees at very low interest rates or favourable payment schedules to farmers to cover their operational costs,
- allow unused rural development funds to be reallocated to fight the effects of the COVID-19 crisis in rural areas,
- cut red tape by postponing reporting obligations and making it easier to modify rural development programmes.

The measures will be implemented by amending the current Common Provisions Regulation and the European Regional Development Fund (ERDF) regulation.

A detailed Q&A on these new measures is available here and a factsheet on the consolidated CRII measures here. More information about support for the agri-food sector is available here.

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#### Are there any other measures under CRII+?

Yes, the Commission proposed, at the same time:

• Specific measures to mitigate the impact of the COVID-19 outbreak in the **sector sector** - handled by the EP's Fisheries Committee.

EC factsheet: Coronavirus response: Support to the fishery and aquaculture sectors

 A modification of the rules of the EU's Aid to the Most DeprivedAid to the Most Deprived (FEAD) to ensure that food aid and material assistance can continue to be delivered to people most in need - handled by the EP's Employment and Social Affairs Committee.

EC information page: Coronavirus: the FEAD to continue supporting people in need

# What additional measures provide support to EU fishers and aquaculture farmers?

The additional package of specific temporary measures - amending the European Maritime and Fisheries Fund (EMFF) and the common organisation of the markets in fishery and aquaculture products (CMO) regulations - includes:

- support for fishers in the sector that temporarily stop operating due to the health crisis.
- financial aid for aquaculture producers when production is suspended or reduced,
- support to producer organisations to temporarily store fishery and aquaculture products,
- more **flexible reallocation** of national operational funds.



# What are the special measures proposed to support the most deprived?

The proposed modification of the rules of the EU's Fund for European Aid to the Most Deprived (FEAD), to ensure that **food aid and material assistance** can continue to be delivered to people most in need, handled by the EP's Employment and Social Affairs Committee, include:

- vouchers that will be used to reduce the risk of contamination; those delivering the aid will be able to buy protective equipment;
- 100% financing (instead of 85% co-financing) to be applied during the period of the COVID-19 pandemic (i.e. accounting year 2020-2021);
- lighter monitoring and control requirements for authorities during the COVID-19 outbreak.

The proposed changes continue to allow each member state to adapt the measures to the needs of the people most in need. Each country has different programmes and priorities; for example Bulgaria supplies food through FEAD, whilst the Netherlands focuses on helping older people who are at risk of being socially excluded.



## What are the steps being taken by the European Parliament?

The new CRII+ measures have to be approved by both Parliament and Council.

On 7 April, the Regional Development Committee requested that the President of the European Parliament approves the new measures via "urgent procedure" (defined under Rule 163), without amendments.

Similar requests for adoption through urgent procedure were made by the Fisheries Committee and the Employment and Social Affairs Committee for the proposed measures under their responsibility.

The three CRII+ proposed measures are expected to be endorsed by MEPs during the 16-17 April plenary.

