

Specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak

2020/0054(COD) - 02/04/2020 - Legislative proposal

PURPOSE: to allow exceptional flexibility in the use of European structural and investment funds to respond to the Covid-19 pandemic.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure on an equal footing with the Council.

BACKGROUND: this initiative complements the Commission's proposal of 13 March 2020 for specific measures to mobilise investment in Member States' healthcare systems and other sectors of their economies in response to the COVID-19 pandemic ([Coronavirus Response Investment Initiative](#)), as well as all other measures to address the current unprecedented situation.

In view of the deep and worsening negative impact on EU economies and societies, the Commission considers it necessary to grant Member States exceptional additional flexibility to enable them to respond to this crisis by strengthening the possibility to mobilise all unused aid from the Funds.

The proposal follows extensive consultations with Member States and the European Parliament in recent weeks and takes into account the more than 200 questions of clarification and advice received from national authorities on their handling of crisis response measures through the Coronavirus Investment Initiative Task Force.

CONTENT: the proposal aims to introduce **extraordinary flexibility** to allow maximum mobilization of all unused aid from the European Structural and Investment Funds. This flexibility would be provided by:

- the possibility of temporarily granting, for the implementation of cohesion policy programmes for the financial year 2020-2021, a 100% co-financing rate from the EU budget;
- additional transfer possibilities between the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund, as well as between categories of regions;
- the introduction of some flexibility in terms of thematic concentration, to allow Member States to redirect resources to the areas most affected by the current crisis;
- the relaxation of certain obligations for Member States, where these entail an administrative burden that could delay the implementation of measures to combat the COVID-19 pandemic;
- the simplification of procedural requirements related to audits and financial instruments;
- the possibilities for the support for working capital through financial instruments should be extended to the EAFRD.

Lastly, it is proposed to amend [Regulation \(EU\) No 1301/2013](#) to allow for ERDF support to be provided for undertakings in difficulties in these specific circumstances, thus ensuring consistency with the approach taken under the Temporary Framework for State Aid Measures to support the economy in the current COVID-19 outbreak and with rules for the granting of de minimis aid.

These exceptional amendments are without prejudice to the rules that should apply in normal circumstances.