Common provisions on European Regional Development Fund, European Social Fund Plus, Cohesion Fund, and European Maritime and Fisheries Fund and financial rules for those and for Asylum and Migration Fund, Internal Security Fund and Border Management and Visa Instrument 2021–2027

2018/0196(COD) - 28/05/2020 - Supplementary legislative basic document

PURPOSE: to lay down targeted amendments to the proposal for a Regulation laying down common provisions (CPR) relating to the European Structural and Investment Funds based on lessons learned in the context of the COVID-19 outbreak.

BACKGROUND: the Cohesion Policy instruments currently available under the 2014-2020 programmes have already been adapted in immediate response to the COVID19 pandemic:

- a first amendment to Regulation (EU) No 1303/2013 has been adopted to strengthen Member States' health systems through increased investment and to support economic operators and workers;

- a second amendment aims to provide Member States with exceptional flexibility for the management and modification of their programmes when necessary in order to respond to the crisis situation.

Furthermore, the Commission is proposing to harness the full power of the EU budget to mobilise investment and frontload financial support in the crucial first years of recovery. These proposals are based on two pillars. On the one hand, an emergency European Recovery Instrument which will temporarily boost the financial firepower of the EU budget by using the headroom in the EU budget to raise additional financing on the financial markets. On the other hand, a reinforced multiannual financial framework for 2021-2027.

The present proposal, on which the European Parliament is again consulted, falls under the second pillar mentioned above. Cohesion policy investments in the period 2021-2027 will need to play their long-term role as growth and convergence enhancing instruments from 2021 onwards, when the EU economy will be expectedly starting to bounce back from the severe recession.

Support should be targeted in particular at those regions most affected by the crisis and which are less equipped to bounce back. Furthermore, the sudden and unexpected development of the pandemic highlights the need for a more flexible and responsive cohesion policy.

CONTENT: the proposal makes limited improvements and adjustments to the proposal for a Common Provisions Regulation (CPR), based on lessons learned in the context of the COVID-19 outbreak and its effects. The proposed amendments aim to:

- give greater flexibility to Member States to allow them to transfer resources between the Funds at any time during the programming period;

- provide mechanisms that could be called upon quickly in the event of further shocks to the Union in the coming years. This would allow the Commission to adopt implementing acts establishing temporary measures concerning the use of the Funds in exceptional and unusual circumstances, allowing: (i) an increase of 10 percentage points in interim payments; (ii) the selection of operations already completed; (iii) the retroactive eligibility of operations; (iv) the extension of deadlines for the submission of documents and data;

- allowing more flexibility to allow for the phasing of operations, as the COVID-19 outbreak has compromised the ability of beneficiaries to carry out operations supported under the 2014-2020 programmes. In this respect, it is proposed to lower the threshold for phasing operations over two programming periods to EUR 5 million.