

Flexible Assistance to Territories (FAST-CARE)

2022/0208(COD) - 29/06/2022 - Legislative proposal

PURPOSE: to assist Member States in addressing the challenges created by the exceptionally high number of arrivals of people fleeing the military aggression of the Russian Federation against Ukraine and to support Member States' continued efforts to move towards a resilient recovery of the economy from the COVID-19 pandemic - FAST (Flexible Assistance for Territories) – CARE.

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 and on an equal footing with the Council.

BACKGROUND: Member States, and in particular the central and eastern regions of the European Union, have been hard hit by the consequences of Russia's military aggression against Ukraine, while Member States' economies are still recovering from the consequences of the COVID-19 pandemic. Alongside the continued influx of people fleeing Russian aggression, many Member States are also affected by labour shortages, supply chain difficulties and rising energy prices and costs.

In order to alleviate the increasing burden on national budgets, [Regulation \(EU\) 2022/562](#) of the European Parliament and of the Council (**CARE**) made a number of targeted amendments to Regulations (EU) No 1303/2013 8 and (EU) No 223/2014 of the European Parliament and of the Council in order to make it easier for Member States to use their remaining European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Fund for European Aid to the Most Deprived (FEAD) allocations under the 2014-2020 multiannual financial framework, as well as to use REACT-EU resources, to address the migratory challenges resulting from the military aggression by the Russian Federation as effectively and as rapidly as possible.

While the measures already adopted have played a major role in supporting Member States and regions addressing the immediate effects of the war, it is clear that the evolving situation calls for additional action. In particular, **increased flexibility** will help optimise the use of the remaining 2014-2020 resources and allow a smoother phasing of delayed projects between 2014-2020 and 2021-2027 programmes.

CONTENT: the proposal amends existing EU legislation and aims to **facilitate the use and increased flexibility in the implementation of cohesion policy resources** by Member States and regions in order to support measures to respond to the migration challenges resulting from Russia's military aggression under the 2014-2020 and 2021-2027 programmes.

The Commission proposes to amend Regulations (EU) No 1303/2013 and (EU) 2021/1060 in order to:

- **derogate from the location requirements** within a given Member State as people fleeing the war may move location more than once;
- introduce the possibility to declare expenditure for such operations which have already been physically completed or fully implemented, as the eligibility for operations to respond to the migratory challenges resulting from the Russian military aggression has been set at 24 February 2022;
- allow the application of up to **100% co-financing** for a separate priority axis which has been established to promote the socio-economic integration of third country nationals, including those dedicated to operations responding to the migratory challenges resulting from the military aggression by Russia;

- introduce additional flexibility between the Funds, allowing the use of Cohesion Fund resources for the period 2014-2020 for operations addressing the migratory challenges resulting from the Russian military aggression and within the scope and specific rules of the ERDF and ESF Funds, provided that a minimum financial allocation of 30% of the budget of the priority axis is granted to beneficiaries which are local authorities or civil society organisations active at local community level;
- increase the **unit cost** to support measures to respond to the migration challenges resulting from Russia's military aggression to EUR 100 per week for each week spent wholly or partly by the person in the Member State concerned, up to a maximum of 26 weeks from the date of the person's arrival in the Union;
- increase the flexibility for payments of the final balance for each priority by Fund and per category of regions in the final accounting year from 10% to 15%;
- allow for **transfers** in programmes of allocation between thematic objectives within the same priority and the same Fund and category of region without a decision of the Commission amending the programme;
- increase the **rate of pre-financing** for ERDF, ESF+ and Cohesion Fund programmes under the 'Investment for jobs and growth' objective to 0.5% in 2022 and 0.5% in 2023 of the total support from the Funds set in the decision approving the programme in all Member States;
- allow for a co-financing rate of up to 100% until 30 June 2024 for a separate priority established within a programme to support operations promoting the socio-economic integration of third country nationals. The total amount programmed under such priorities in any one Member State could not exceed 5% of that Member State's initial national allocation from the ERDF and ESF+ combined;
- deem eligible for support also under the 2021-2027 programmes operations with a total cost exceeding **EUR 1 000 000** that were selected for support from the 2014-2020 programmes and started before 29 June 2022, and allow for direct granting by the managing authority, provided that a limited number of key conditions are met.

BUDGETARY IMPLICATIONS: the proposal concerns cohesion policy programmes from both the 2014-2020 period and the 2021-2027 period and does not modify existing budgetary commitments.

For the 2021-2027 period, it increases the level of pre-financing for programmes receiving support from the ERDF, the ESF+ and the Cohesion Fund under the Investment for the growth and jobs goal in 2022 and 2023. This will result in a frontloading of payment appropriations to 2022 and 2023 and is budgetary neutral over the 2021-2027 period.

The additional pre-financing of EUR 1.74 billion for 2023 was not envisaged in the draft budget. The Commission will therefore consider proposing to cover the additional payment needs through an amending letter to the 2023 draft budget taking into account the revised Member States forecasts.