

Specific provisions for the 2014-2020 cooperation programmes supported by the European Neighbourhood Instrument and under the European territorial cooperation goal, following programme implementation disruption

2022/0227(COD) - 22/07/2022 - Legislative proposal

PURPOSE: to lay down specific provisions for the implementation of cooperation programmes affected by Russia's military aggression against Ukraine.

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: as a result of the military aggression by Russia as well as by the involvement of Belarus in that aggression, the implementation of thirteen cross-border and two transnational cooperation programmes between nine Member States and Ukraine and the Republic of Moldova on the one hand, and Russia and Belarus on the other, are considerably disrupted for different reasons.

Regarding the programmes with Ukraine, the disruption consists of the impact of the Russian invasion on the implementation of programmes and projects by actors in Ukraine. With regard to the programmes involving Russia and Belarus, the disruption is due to the necessary suspension of the Financing Agreements between the EU and Russia and Belarus in early March as a result of the Russian invasion of Ukraine.

Moreover, the EU, and several of its eastern regions in particular, are continuing to deal with a **significant flow of displaced persons from Ukraine**. It is therefore logical and necessary to extend the range of flexible measures already introduced for cohesion policy programmes, including for cross-border cooperation programmes between Member States, to the programmes cooperating directly with Ukraine and the Republic of Moldova to enable them to address this extraordinary situation.

Lastly, the impacts of the **COVID-19 pandemic** persist in all Member States, requiring prolonged public support for the recovery of the most impacted territorial areas and economic sectors.

Consequently, support from the Funds should be mobilised speedily to alleviate the burden on national budgets.

CONTENT: this proposal provides for **targeted changes to the 2014-2020 legal framework for cooperation programmes under the European Neighbourhood Instrument (ENI)**. It aims to:

- facilitate the use of ENI and cohesion policy resources by Member States and regions to **support measures to address migratory challenges** as a result of the military aggression by Russia;
- allow for a **derogation from the normal co-financing rules currently applicable** in order to allow for the necessary flexibility to mobilise existing investment resources to address the direct and indirect effects

stemming from the Russian invasion of Ukraine and the unprecedented public health crisis in the context of the COVID19 pandemic and facilitate legal certainty for other aspects which programme authorities have to face.

The proposal will facilitate an acceleration of programme implementation and alleviate the burden on beneficiaries and national budgets in the countries most impacted by the war (Ukraine, the Republic of Moldova and the Member States participating in cross-border cooperation with them).

The proposed exceptional targeted changes aim to:

- apply **100% co-financing** to ENI-CBC programmes for the accounting years starting on 1 July 2021, 1 July 2022 and 1 July 2023 respectively, so that national co-financing is no longer required;
- establish **retroactive eligibility** to the start of the Russian invasion (24 February 2022) for projects addressing migratory challenges under ENI-CBC programmes;
- set out appropriate actions by programme managing authorities to accelerate the necessary changes to projects already approved and halfway through their implementation, including large infrastructure projects;
- reduce certain regulatory obligations, in particular as regards on-the-spot checks, in order to provide greater flexibility for the verifications to be carried out by the managing authority;
- derogate, exceptionally, from the requirement for all projects to have at least one beneficiary from a partner country and for all activities to have a genuine cross-border or transnational impact;
- provide for the necessary adaptations to allow flexibility for lead beneficiaries in their regulatory obligations towards the programme authorities on behalf of the whole project partnership;
- simplify the confirmation procedure for directly awarded projects in order to speed up the selection and award of new projects;
- simplify financial transfers and allow direct transfers without payments passing via lead beneficiaries;
- provide for the possibility of changing the method of conversion into euro as chosen at the beginning of the implementation of the programme by introducing the option to be able to choose again the point in time of the conversion;
- amend the relevant provisions of the Cohesion Policy to allow **two transnational cooperation programmes** supported by the ENI and the European Regional Development Fund (ERDF) to operate normally, namely the Baltic Sea Region Programme with the participation of Russia and the Danube Programme with the participation of Ukraine and the Republic of Moldova.