Basic information

2020/0043(COD)

COD - Ordinary legislative procedure (ex-codecision procedure) Regulation

Specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)

Amending Regulation 2013/1301 2011/0275(COD) Amending Regulation 2013/1303 2011/0276(COD) Amending Regulation 2014/508 2011/0380(COD)

Subject

3.15.17 European Maritime and Fisheries Fund (EMFF)

4.10.15 European Social Fund (ESF), Fund for European Aid to the Most Deprived (FEAD)

4.20 Public health

4.20.01 Medicine, diseases

4.20.06 Health services, medical institutions

4.70.01 Structural funds, investment funds in general, programmes

4.70.02 Cohesion policy, Cohesion Fund (CF)

4.70.07 European Regional Development Fund (ERDF)

Legislative priorities

The EU's response to the Covid-19 pandemic

Procedure completed

Key players

European Parliament	Committee responsible	Rapporteur	Appointed
	REGI Regional Development	OMARJEE Younous (GUE /NGL)	16/03/2020

Council of the European Union

European Economic and Social Committee

European Committee of the Regions

Kev events

Toy or state			
Date	Event	Reference	Summary
13/03/2020	Legislative proposal published	COM(2020)0113	Summary
26/03/2020	Decision by Parliament, 1st reading	T9-0042/2020	Summary
26/03/2020	Committee referral announced in Parliament, 1st reading		
27/03/2020	Act adopted by Council after Parliament's 1st reading		
30/03/2020	Final act signed		
31/03/2020	End of procedure in Parliament		

Technical information	
Procedure reference	2020/0043(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Amendments and repeals	Amending Regulation 2013/1301 2011/0275(COD) Amending Regulation 2013/1303 2011/0276(COD) Amending Regulation 2014/508 2011/0380(COD)
Legal basis	Rules of Procedure EP 170 Treaty on the Functioning of the EU TFEU 178-p1 Treaty on the Functioning of the EU TFEU 177-p1 Treaty on the Functioning of the EU TFEU 043-p2
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/9/02698

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0042/2020	26/03/2020	Summary

Council of the EU

Document type	Reference	Date	Summary
Draft final act	00005/2020/LEX	25/03/2020	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2020)0113	13/03/2020	Summary

Final act

Regulation 2020/0460 OJ L 099 31.03.2020, p. 0005-0008

Summary

Specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)

2020/0043(COD) - 26/03/2020 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 683 votes to 1, with 4 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013, Regulation (EU) No 1301/2013 and Regulation (EU) No 508/2014 as regards specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak [Coronavirus Response Investment Initiative].

The European Parliament adopted its position at first reading in accordance with the ordinary legislative procedure. As an agreement was reached between Parliament and Council, Parliament's position corresponds to the final legislative act.

The Coronavirus Investment Initiative aims to promote investment by mobilising the cash reserves available in the European Structural and Investment Funds - the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), and the European Fund for Maritime Affairs and Fisheries (EMFF) - in order to tackle this crisis without delay.

It is planned to mobilise EUR 37 billion from the European Structural and Investment Funds for the citizens, regions and countries most affected by the coronavirus pandemic. The funds shall be targeted at health systems, SMEs, the labour market and other vulnerable sectors of EU Member States' economies.

Almost EUR 8 billion of pre-financing from EU structural and investment funds was not used by Member States in 2019 and should have been repaid by the end of June 2020. Member States shall now be allowed to keep this money. The EUR 8 billion shall, in combination with co-financing from the EU budget of around EUR 29 billion, lead to an investment capacity of EUR 37 billion.

Specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)

2020/0043(COD) - 13/03/2020 - Legislative proposal

PURPOSE: to adopt a Coronavirus response investment initiative.

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: the COVID-19 epidemic crisis is hampering growth in the Member States, exacerbating the severe liquidity shortages resulting from the sharp and sudden increase in public investment needed in their health systems and other sectors of their economies. This creates an exceptional situation which needs to be addressed by specific measures.

The lack of public funds in Member States should not hamper investments under programmes supported by the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF), as well as the European Fund for Maritime Affairs and Fisheries (EFFAMP), which are necessary to combat the COVID-19 outbreak.

In order to release funds to fight the crisis, it is necessary to rapidly mobilise cash reserves from the European Structural and Investment Funds (ESF) - the money available to the EU under the Cohesion Fund. This would make financial means available to Member States' budgets without delay.

CONTENT: the Commission proposes a 'Coronavirus response investment initiative' to promote investment by mobilising the cash reserves available in the European Structural and Investment Funds to tackle this crisis without delay. Regulations (EU) No 1303/2013, (EU) No 1301/2013 and (EU) No 508/2014 would be amended accordingly.

The proposed investment initiative consists of the following elements:

Mobilisation of EUR 37 billion of European public investment

The investments shall be sizeable and shall rapidly reach more than EUR 37 billion. To achieve this, the Commission proposes to release about EUR 8 billion of investment liquidity.

In order to quickly direct these EUR 37 billion of European public investment to address the consequences of the coronavirus crisis, the Commission proposes to relinquish this year's obligation to request refunding of unspent pre-financing for the European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund (CF) and the European Maritime and Fisheries Fund (EMFF) until programme closure.

Member States should normally have reimbursed by the end of June 2020 a total of around EUR 8 billion of unused pre-financing received for 2019. They should now be allowed to keep this money. Taking into account the average co-financing rates among Member States, this EUR 8 billion would, in combination with co-financing from the EU budget of around EUR 29 billion, mobilise a total EU budget support of EUR 37 billion.

Flexibility in applying EU spending rules

In order to provide more flexibility in addressing the COVID-19 outbreak, it is proposed to give more flexibility to Member States in programme implementation of programmes and to provide for a simplified procedure not requiring a Commission decision in case of modifications to operational programmes.

In order to respond to the impact of the crisis:

- financial instruments financed by the Funds should also provide support in the form of working capital to SMEs if necessary as a temporary measure to provide an effective response to a public health crisis;
- the ERDF investment priority to strengthen research, technological development and innovation can cover investment in products and services necessary for fostering the crisis response capacities in health services;
- the EMFF to safeguard the income of aquaculture producers by contributing to an aquaculture stock insurance covering economic losses due to a public health crisis.

In order to provide an immediate response to the impact of the crisis, expenditure for operations for fostering crisis response capacities should be eligible as of 1 February 2020. A Task Force has been setup to coordinate work with Member States, identify their precise needs and assist them so as to ensure that the money starts flowing as soon as possible.

Financial impact

The proposed amendment does not entail any change in the annual ceilings of the 2014-2020 multiannual financial framework for commitments and payments. The annual breakdown of commitment appropriations for the ERDF, the ESF and the Cohesion Fund remains unchanged.

The proposal shall facilitate the acceleration of the programme implementation resulting in a frontloading of payment appropriations. The Commission shall carefully monitor the impact of the proposed modification on payment appropriations in 2020 taking into account both the implementation of the budget and revised Member States forecasts. The non-recovered amounts in 2020 shall be cleared at programme closure.

Specific measures to mobilise investments in the health care systems of the Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)

2020/0043(COD) - 31/03/2020 - Final act

PURPOSE: to adopt a 'Coronavirus Investment Initiative' to immediately address the effects of the COVID-19 pandemic.

LEGISLATIVE ACT: Regulation (EU) 2020/460 of the European Parliament and of the Council amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative).

CONTENT: the Regulation aims to amend the rules of the Structural and Investment Funds - European Regional Development Fund (ERDF), European Social Fund (ESF), Cohesion Fund (CF) and European Fund for Maritime Affairs and Fisheries (EFF) - to release funds to minimise the impact of the COVID-19 epidemic on the economy.

Mobilisation of EUR 37 billion of European public investment

The Coronavirus Investment Initiative shall provide Member States with access to EUR 37 billion from the Cohesion Funds to strengthen health systems and support small and medium-sized enterprises, short-time working schemes and community-based services.

Of this total, some EUR 8 billion shall come from unspent pre-financing in 2019 under the Structural Funds. This new measure shall allow Member States to spend unused funds to mitigate the effects of the pandemic instead of returning them to the EU budget. An additional EUR 29 billion shall be paid in advance for appropriations that would have been due in the course of the year.

In order to provide an immediate response to the impact of the public health crisis, expenditure on operations to boost crisis response capacities shall be eligible from 1 February 2020.

Flexibility in the application of EU spending rules

In addition, Member States shall have greater flexibility to make transfers between cohesion policy programmes in order to redirect resources where they are most needed. A Member State shall thus be able to transfer, during the programming period, an amount of up to 8% of the allocation on 1 February 2020 of a priority and not exceeding 4% of the programme budget to another priority of the same Fund supporting the same programme.

In order to respond to the impact of the crisis, the Regulation provide for the following:

- the financial instruments supported by the Funds shall provide temporary support to SMEs in the form of working capital when an effective response to a public health crisis is needed;
- the ERDF investment priority of strengthening research, technological development and innovation shall cover investment in products and services needed to boost crisis response capacities in public health services;
- the EMFF shall support mutual funds and farm insurance to safeguard the income of fishermen and fish farmers affected by a public health crisis.

With a view to rapidly releasing funds from the EU budget, the European Parliament and the Council adopted in parallel another regulation extending the scope of the EU Solidarity Fund.

ENTRY INTO FORCE: 1.4.2020.