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Technical information	
Procedure reference	2020/0054(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
	Amending Regulation 2013/1301 2011/0275(COD) Amending Regulation 2013/1303 2011/0276(COD)
Legal basis	Treaty on the Functioning of the EU TFEU 322-p1; Treaty on the Functioning of the EU TFEU 177-p1; Rules of Procedure EP 163; Treaty on the Functioning of the EU TFEU 178-p1
Mandatory consultation of other institutions	European Economic and Social Committee European Committee of the Regions
Stage reached in procedure	Procedure completed
Committee dossier	REGI/9/02750

Documentation gateway					
Legislative proposal		COM(2020)0138	02/04/2020	EC	Summary
Text adopted by Parliament, 1st reading/single reading		T9-0050/2020	17/04/2020	EP	Summary
Draft final act		00007/2020/LEX	23/04/2020	CSL	

Final act
Regulation 2020/558 OJ L 130 24.04.2020, p. 0001

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

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.

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The European Parliament adopted a legislative resolution on the proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 and Regulation (EU) No 1301/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak.

The proposal aims to provide Member States with exceptional additional flexibility to enable them to respond to the COVID-19 pandemic by strengthening the possibility to mobilise all unused support from the Cohesion Policy Funds (European Regional Development Fund, European Social Fund and Cohesion Fund).

The European Parliament adopted its position at first reading under the ordinary legislative procedure by means of an urgent procedure. The purpose of the amending Regulation is to:

- provide Member States with the exceptional possibility to request, for cohesion policy programmes, a co-financing rate of 100 % to be applied for the accounting year 2020-2021, in accordance with budget appropriations and subject to available funding. Based on an assessment of the application of that exceptional cofinancing rate, the Commission could propose an extension of this measure;

- allow Member States to reallocate resources between funds, between regions and between priority areas of the funds in order to address their specific needs to mitigate the social and economic damage caused by the pandemic;

- simplify certain procedural requirements related to programme implementation and audits to allow Member States to focus on the necessary response to the COVID-19 outbreak and to reduce administrative burdens;

- allow farmers to benefit from loans or guarantees on favourable terms to cover their operating costs up to EUR 200 000 to help them obtain liquidity or compensation for losses incurred;

- extend the possibilities for supporting working capital under the European Agricultural Fund for Rural Development (EAFRD);

- authorise the granting of ERDF support to undertakings in difficulty in these specific circumstances, so as to ensure consistency between the approach taken under the temporary framework for State aid measures to support the economy in the current COVID-19 outbreak and de minimis aid, on the one hand, and the conditions for providing support to undertakings in difficulty under the ERDF, on the other.

The proposal is part of the Coronavirus Response Investment Initiative+ (CRII+) package, which also includes specific measures aimed at 1) mitigating the impact of the COVID-19 pandemic in the [fisheries and aquaculture sector](#) and 2) ensuring the continued operation of the [Fund for European Aid to the Most Deprived](#) (FEAD).