

COVID-19 – Council gives go-ahead to support from EU budget

Today, EU ambassadors agreed the Council's position on two legislative proposals which will free up funds to tackle the effects of the COVID-19 outbreak. Given the urgency of the situation, both proposals were approved without amendments.

The so-called Coronavirus Response Investment Initiative will make available €37 billion of Cohesion funds to member states to address the consequences of the crisis. About €8 billion of investment liquidity will be released from unspent pre-financing in 2019 for programmes under the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund. The measure will also provide access to €29 billion of structural funding across the EU for 2020. Expenditure on crisis response will be available as of 1 February 2020.

The new measures will support SMEs to alleviate serious liquidity shortages as a result of the pandemic, as well as strengthen investment in products and services necessary to bolster the crisis response of health services. Member states will also have greater flexibility to transfer funds between programmes to help those most adversely affected.

EU ambassadors also endorsed without amendment a legislative proposal to extend the scope of the EU Solidarity Fund to cover public health emergencies. The fund was initially set up to help member states and accession countries deal with the effects of natural disasters. Including public health emergencies will enable the Union to help meet people's immediate needs during the coronavirus pandemic. The aim is to complement efforts of the countries concerned.

Next steps

The European Parliament will now need to agree its position on the new measures. Once there is an agreement, the Council is expected to adopt the measures by written procedure.