

COVID-19: More flexibility for deploying EU budget money

The EU is taking further urgent measures to make the best use of cohesion policy money to help tackle the COVID-19 pandemic.

The Council today adopted a second legislative act in less than a month **amending the rules on the use of EU structural funds**, which underpin EU cohesion policy. These changes allow member states to refocus resources on crisis-related operations.

The act, known as the Coronavirus Response Investment Initiative Plus, was adopted by written procedure less than three weeks after the European Commission put forward the proposal. The European Parliament gave its approval on 17 April.

With the urgent and swift adoption of the Coronavirus Response Investment Initiative Plus (CRII Plus), all EU member states have once again confirmed their unity, solidarity and effective coordination in this time of severe COVID-19 crisis. The second set of economic measures introduces extraordinary flexibility to allow a full mobilisation of all non-utilised support from the European Structural and Investment Funds. It is designed to help member states activate and channel more resources for SMEs, short-time work schemes and healthcare sectors. Thus, at this critical moment, Cohesion Policy has proved pivotal in responding to the pandemic by mitigating economic shocks, securing businesses and supporting jobs. The example of the CRII Plus is yet another confirmation that Cohesion Policy can make a real difference on the ground and that member states can overcome the ongoing crisis with their shared efforts.

Marko Pavić, Croatian Minister of Regional Development and EU Funds

The changes temporarily suspend some of the rules defining the scope and priorities of national programmes that can be financed by the various funds, as well as the conditions under which regions are entitled to receive support.

This gives member states **exceptional flexibility to transfer money between funds and between regions** to meet their particular needs in mitigating the social and economic damage of the pandemic.

This means that all existing reserves in the structural funds for 2020 can be deployed to tackle the effects of the outbreak.

In addition, member states will be able, for the period between 1 July 2020 and 30 June 2021, to request **100% financial support from the EU budget**. In

normal circumstances, cohesion policy programmes are financed jointly by the EU budget and contributions from member states.

These unprecedented measures will help alleviate the burden on national budgets by providing targeted investment in healthcare, struggling SMEs, and temporary employment schemes.

Farmers can also benefit in the form of favourable loans and guarantees of up to €200,000 to help them with liquidity or compensation for losses.

The act is due to enter into force on 24 April 2020.