

Press release – REACT-EU: EU support to mitigate immediate effects of the COVID-19 crisis



The report was adopted on Monday with 37 votes in favour, none against and 4 abstentions. The REACT-EU instrument proposed by the Commission before the summer mobilises additional investment and offers great flexibility for Member States to address the immediate effects of the crisis.

Focus on quality projects and reaching most affected regions and people

To encourage national authorities to finance good quality projects, MEPs voted to allow EU countries use the additional resources also in 2023 and 2024, beyond the Commission 2022 deadline. MEPs insist on ensuring that the resources reach the most affected regions and people and want investments to focus on: health and social infrastructure, health systems and services for all, including cross-border areas, outermost regions, areas affected by industrial transition and depopulation, tourism and culture sectors, youth employment, disadvantaged groups.

Allocation of financial resources

MEPs underline the need to maintain the level of REACT-EU financial resources tabled by the Commission, i.e. EUR 55 billion, despite the European Council proposed budget cuts. MEPs also agreed that expenditure for operations covered should be eligible as of 1 February 2020.

Ensuring respect of cohesion policy and democratic principles

As REACT-EU provides considerable new funding whilst reducing administrative burdens as well as controls on spending, MEPs stress that the various derogations must remain temporary. Parliament requests the Commission to

provide an evaluation of the exceptional measures' impact and efficiency. Moreover, MEPs reintroduced the eight-week period for national parliaments consultation.

Quotes

Co-rapporteur Constanze Krehl (S&D, DE) said: "It is important to support regions and people who have been hit hardest by the crisis. Funding from REACT-EU should also go to cross-border projects, to the most deprived people and to the youth. Therefore, we introduce minimum shares for the support of Interreg, the European Social Fund (ESF), the Fund for European Aid to the Most Deprived (FEAD), as well as to the Youth Employment Initiative. No region and no people should be left behind."

Co-rapporteur Andrey Novakov (EPP, BG) said: "The role of the EP is to turn REact-EU into PROact-EU. We want to allow the funds to cover COVID-19 expenses since 1 February 2020. This will ease the burden on central and regional budgets to support sectors like SMEs, healthcare, tourism and the creative industry. We ask that the Commission greenlights investment in 10 days – the shortest in the history of Cohesion policy. The most important lesson after COVID-19: It is time for policies, not for politics."

Next steps

Parliament plenary is expected to give the mandate for inter-institutional negotiations during its September sitting. MEPs wish a timely adoption of the measures, to allow Member States to use the additional funds as soon as possible.

Background

REACT-EU is a proposal made by the Commission to address the economic fallout of the COVID-19 pandemic, in the form of an amendment to the [Common Provisions Regulation](#) governing the current cohesion policy programming period. It follows two earlier proposals relating to cohesion policy, the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Initiative Plus (CRII+), which both modified the rules for regional spending in order to facilitate recovery.