

Opinion of the European Committee of the Regions – The REACT-EU package

(2020/C 440/26)

Rapporteur:	General: Mieczysław STRUK (PL/EPP), President of the Pomorskie Region
Reference documents:	COM(2020) 451 final
	COM(2020) 450 final
	COM(2020) 452 final
	COM(2020) 447 final

I. RECOMMENDATIONS FOR AMENDMENTS

Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

COM(2020) 451 final

Amendment 1

COM(2020) 451 final — Part 1

Title of the act

Text proposed by the European Commission	CoR Amendment
Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)	Proposal for a Regulation of the European Parliament and of the Council amending Regulation (EU) No 1303/2013 as regards exceptional additional resources and implementing arrangements under the Investment for growth and jobs goal and the European territorial cooperation goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)

Reason

The Covid-19 pandemic and unilateral closing of borders of a number of Member States internal borders have caused massive damages to border regions which need to be properly addressed.

Amendment 2

COM(2020) 451 final — Part 1

Recital 1

Text proposed by the European Commission	CoR Amendment
<p>Member States have been affected by the crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.</p>	<p>Member States have been affected by the crisis due to the consequences of the COVID-19 pandemic in an unprecedented manner. The crisis increased the risk of poverty and a deepening of social cleavages in the EU, hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and important increase in public investments needed in their health systems and other sectors of their economies. This has created an exceptional situation which needs to be addressed with specific measures.</p>

Amendment 3

COM(2020) 451 final — Part 1

Recital 4

Text proposed by the European Commission	CoR Amendment
<p>In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. Such additional resources should be used to ensure compliance with the time limits provided for in Regulation [ERI]. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.</p>	<p>In accordance with Regulation [European Recovery Instrument] and within the limits of resources allocated therein, recovery and resilience measures under the European Investment and Structural Funds should be carried out to address the unprecedented impact of the COVID-19 crisis. Moreover, additional resources for economic, social and territorial cohesion should be made available through a revision of the multiannual financial framework for 2014-2020.</p>

Reason

More flexibility should be given.

Amendment 4

COM(2020) 451 final — Part 1

Recital 5

Text proposed by the European Commission	CoR Amendment
<p>An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal, for the years 2020, 2021 and 2022 should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022 stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche of the additional resources.</p>	<p>An additional exceptional amount of EUR 58 272 800 000 (in current prices) for budgetary commitment from the Structural Funds under the Investment for growth and jobs goal and the European territorial cooperation goal, for the years 2020, 2021 and 2022 and, where requested by a managing authority and justified by a Member State also for the years 2023 and 2024, should be made available to support Member States and regions most impacted in crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, with a view to deploying resources quickly to the real economy through the existing operational programmes. Resources for 2020 stem from an increase in the resources available for economic, social and territorial cohesion in the multiannual financial framework for 2014-2020 whereas resources for 2021 and 2022, and, where applicable, for 2023 and 2024, stem from the European Union Recovery Instrument. Part of the additional resources should be allocated to technical assistance at the initiative of the Commission. The Commission should set out the breakdown of the remaining additional resources for each Member State on the basis of an allocation method based on the latest available objective statistical data concerning Member States' relative prosperity and the extent of the effect of the current crisis on their economies and societies. The allocation method should include a dedicated additional amount for the outermost regions given the specific vulnerability of their economies and societies. In order to reflect the evolving nature of the effects of the crisis, the breakdown should be revised in 2021 on the basis of the same allocation method using the latest statistical data available by 19 October 2021 to distribute the 2022 tranche, and, where relevant, 2023 and 2024 tranches of the additional resources.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 5

COM(2020) 451 final — Part 1

Recital 7

Text proposed by the European Commission	CoR Amendment
<p>In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or <i>the ESF. It should be clarified that there is no need to respect the ESF minimum share for the additional resources.</i> Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.</p>	<p>In order to allow maximum flexibility to Member States for tailoring crisis repair actions in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy, allocations should be established by the Commission at Member State level. <i>However, regional and local authorities should be strongly involved in the preparation and implementation of projects with a strong multi-level governance approach.</i> Furthermore, the possibility for using any additional resources to support aid for the most deprived should also be provided for. In addition, it is necessary to establish ceilings concerning the allocation to technical assistance at the initiative of the Member States while allowing maximum flexibility to the Member States as to its allocation within operational programmes supported by the ERDF or the ESF. Taking account of the expected quick spending of the additional resources, the commitments linked to those additional resources should only be decommitted at the closure of the operational programmes.</p>

Reason

The ESF should not be weakened.

Amendment 6

COM(2020) 451 final — Part 1

Recital 14

Text proposed by the European Commission	CoR Amendment
<p>In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with <i>ex ante</i> conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024 to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.</p>	<p>In order to enable Member States to deploy the additional resources for crisis repair quickly in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy within the current programming period, it is justified to exempt, on an exceptional basis, Member States from the need to comply with <i>ex ante</i> conditionalities and requirements on the performance reserve and application of the performance framework, on thematic concentration, also in relation to the thresholds established for sustainable urban development for the ERDF, and requirements on preparation of a communication strategy for the additional resources. It is nevertheless necessary that Member States carry out at least one evaluation by 31 December 2024, or by 31 December 2026 where additional resources are made available for budgetary commitment in 2023 and 2024, to assess the effectiveness, efficiency and impact of the additional resources as well as how they contributed to achieving the goals of the new dedicated thematic objective. To facilitate the availability of comparable information at Union level, Member States are encouraged to make use of the programme-specific indicators made available by the Commission. In addition, while carrying out their responsibilities linked to information, communication and visibility, Member States and managing authorities should enhance the visibility of the exceptional measures and resources introduced by the Union, in particular by ensuring that potential beneficiaries, beneficiaries, participants, final recipients of financial instruments and the general public are aware of the existence, volume and additional support stemming from the additional resources.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 7

COM(2020) 451 final — Part 1

Recital 21

Text proposed by the European Commission	CoR Amendment
<p>Article 135(2) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community provides that amendments to Council Regulation (EU, Euratom) No 1311/2013 or Council Decision 2014/335/EU, Euratom that are adopted on or after the date of entry into force of that Agreement shall not apply to the United Kingdom insofar as those amendments have an impact on the United Kingdom's financial obligations. The support under this Regulation for 2020 is financed from an increase of the ceiling of the Multiannual Financial Framework and for 2021 and 2022 from an increase of the own resources ceiling of the Union, which would have an impact on the United Kingdom's financial obligation. Therefore, this Regulation should not apply to and in the United Kingdom.</p>	<p>Article 135(2) of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ⁽¹⁾ provides that amendments to Council Regulation (EU, Euratom) No 1311/2013 ⁽²⁾ or Council Decision 2014/335/EU, Euratom ⁽³⁾ that are adopted on or after the date of entry into force of that Agreement shall not apply to the United Kingdom insofar as those amendments have an impact on the United Kingdom's financial obligations. The support under this Regulation for 2020 is financed from an increase of the ceiling of the Multiannual Financial Framework and for 2021 and 2022, and where applicable for 2023 and 2024, from an increase of the own resources ceiling of the Union, which would have an impact on the United Kingdom's financial obligation. Therefore, this Regulation should not apply to and in the United Kingdom.</p> <p>⁽¹⁾ <i>OL L 29, 31.1.2020, p. 7.</i> ⁽²⁾ <i>Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the multiannual financial framework for the years 2014-2020 (OJ L 347, 20.12.2013, p. 884).</i> ⁽³⁾ <i>Council Decision 2014/335/EU, Euratom of 26 May 2014 on the system of own resources of the European Union (OJ L 168, 7.6.2014, p. 105).</i></p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 8

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 1

Regulation (EU) No 1303/2013

Article 91, paragraph 1a

Text proposed by the European Commission	CoR amendment
<p>in Article 91, a new paragraph 1a is inserted:</p> <p>'1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR 5 000 000 000 in current prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;</p>	<p>in Article 91, a new paragraph 1a is inserted:</p> <p>'1a. In addition to the global resources referred to in paragraph 1, additional resources of EUR 5 000 000 000 in constant 2018 prices shall be made available for economic, social and territorial cohesion for budgetary commitment for 2020, and allocated to the ERDF and the ESF.;</p>

Reason

Using constant 2018 prices is in line with the conclusions of the Special meeting of the European Council on 17-21 July 2020 ⁽¹⁾.

Amendment 9

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92a, first and second paragraph

Text proposed by the European Commission	CoR amendment
<p>Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR 53 272 800 000 in current prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).</p>	<p>Measures referred to in Article 2 of Regulation [ERI] shall be implemented under the Structural Funds with an amount of EUR 53 272 800 000 in current prices of the amount referred to in Article 3(2)(a)(i) of that Regulation, subject to its Article 4(3), (4) and (8).</p>
<p>These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation.</p>	<p>These additional resources for 2021 and 2022 shall constitute external assigned revenues in accordance with Article 21(5) of the Financial Regulation. A decision to prolong the flexibility measures under REACT-EU to the years 2023 and 2024 may be taken through a delegated act.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 10

COM(2020) 451 final — Part 1

Regulation (EU) No 1303/2013

Amend heading

Article 92b

Text proposed by the European Commission	CoR Amendment
<p>Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>	<p>Exceptional additional resources and implementing arrangements for the Investment for growth and jobs goal and the European territorial cooperation goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU)</p>

⁽¹⁾ <https://data.consilium.europa.eu/doc/document/ST-10-2020-INIT/en/pdf>

Reason

The Covid-19 pandemic and unilateral closing of borders of a number of Member States internal borders have caused massive damages to border regions which need to be properly addressed.

Amendment 11

COM(2020) 451 final — Part 1

Regulation (EU) No 1303/2013

Article 92b paragraph 1

Text proposed by the European Commission	CoR Amendment
<p>The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs goal to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph 10 of this Article.</p>	<p>The additional resources referred to in Articles 91(1a) and 92a ('the additional resources') shall be made available under the Investment for growth and jobs and under the European territorial cooperation goals to provide assistance for fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy (REACT-EU). The additional resources shall be used to implement technical assistance pursuant to paragraph 6 of this Article and the operations implementing the thematic objective in paragraph 10 of this Article.</p>

Reason

The COVID-19 pandemic and the early lockdowns had a devastating impact on cross-border cooperation. Projects under the territorial cooperation goal, including cross-border cooperation, should be eligible for funding.

Amendment 12

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 2

Text proposed by the European Commission	CoR amendment
<p>Additional resources shall be made available for budgetary commitment for the years 2020 to 2022 in addition to the global resources set out in Article 91 as follows:</p> <ul style="list-style-type: none"> — 2020: EUR 5 000 000 000; — 2021: EUR 42 434 400 000; — 2022: EUR 10 820 400 000. 	<p>Additional resources shall be made available for budgetary commitment for the years 2020 to 2022 in addition to the global resources set out in Article 91 as follows:</p> <ul style="list-style-type: none"> — 2020: EUR 5 000 000 000; — 2021: EUR 34 615 620 000; — 2022: EUR 18 639 180 000.

Text proposed by the European Commission	CoR amendment
<p>The additional resources for 2020 shall be made available from the additional resources as set out in Article 91(1a).</p> <p>The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in current prices.</p>	<p>The additional resources for 2020 shall be made available from the additional resources as set out in Article 91(1a).</p> <p>The additional resources for 2021 and 2022 shall be made available from the additional resources as set out in Article 92a. By way of revision of this Regulation through a delegated act and based on a request by a managing authority and justified by a Member State, the additional resources may also be made available for budgetary commitment in 2023 and 2024. The additional resources set out in Article 92a shall also support administrative expenditure up to EUR 18 000 000 in constant 2018 prices.</p>

Reason

The commitment of available resources should be spread more regularly over 2021 and 2022 (65 % and 35 % respectively) in order to ease the administrative burden of managing authorities and beneficiaries upon the closure of 2014-2020 operational programmes and the start of 2021-2027 operational programmes. Additional resources to support administrative expenditure should be expressed in constant prices. Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 13

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 4

Text proposed by the European Commission	CoR Amendment
<p>The Commission shall adopt a decision, by means of implementing acts, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021.</p>	<p>The Commission shall adopt a decision, by means of implementing acts, setting out the breakdown of the additional resources as appropriations from the Structural Funds for 2020 and 2021 for each Member State in accordance with the criteria and methodology set out in Annex VIIa. That decision shall be revised in 2021 to set out the breakdown of the additional resources for 2022 based on data available by 19 October 2021. Where applicable, it shall also be revised in 2022 in relation to budgetary commitments in 2023 and 2024. The revisions shall ensure that operational programmes are not negatively affected.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 14

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 5

Text proposed by the European Commission	CoR Amendment
<p>By way of derogation from the first subparagraph of Article 76, the budget commitments for the additional resources in respect of each operational programme concerned shall be made for each Fund for the years 2020, 2021 and 2022.</p>	<p>By way of derogation from the first subparagraph of Article 76, the budget commitments for the additional resources in respect of each operational programme concerned shall be made for each Fund for the years 2020, 2021 and 2022.</p>
<p>The legal commitment referred to in the second subparagraph of Article 76 for the years 2021 and 2022 shall enter into force as of the date referred to in Article 4(3) of the [ERI Regulation].</p>	<p>The legal commitment referred to in the second subparagraph of Article 76 for the years 2021 and 2022 shall enter into force as of the date referred to in Article 4(3) of the [ERI Regulation].</p>
<p>The third and fourth subparagraphs of Article 76 shall not apply in respect of the additional resources.</p>	<p>The third and fourth subparagraphs of Article 76 shall not apply in respect of the additional resources.</p>
<p>By way of derogation from Article 14(3) of the Financial Regulation, the decommitment rules set out in Chapter IV of Title IX of Part II and in Article 136 shall apply to the budgetary commitments based on the additional resources referred to in Article 92a. By derogation from Article 12(4) (c) of the Financial Regulation, the additional resources shall not be used for a succeeding programme or action.</p>	<p>By way of derogation from Article 14(3) of the Financial Regulation, the decommitment rules set out in Chapter IV of Title IX of Part II and in Article 136 shall apply to the budgetary commitments based on the additional resources referred to in Article 92a. By derogation from Article 12(4) (c) of the Financial Regulation, the additional resources shall not be used for a succeeding programme or action.</p>
<p>By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted in accordance with the rules to be followed for the closure of the programmes.</p>	<p>By way of derogation from Articles 86(2) and 136(1), the commitments for additional resources shall be decommitted in accordance with the rules to be followed for the closure of the programmes.</p>
<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>	<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>
<p>By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') before or at the same time as the allocation to the ERDF and the ESF.</p>	<p>By way of derogation from Article 92(7), a share of the additional resources may also be proposed to be used to increase the support for the Fund for European Aid to the Most Deprived ('FEAD') and the Youth Employment Initiative before or at the same time as the allocation to the ERDF and the ESF.</p>
<p>Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).</p>	<p>Following their initial allocation, the additional resources may, at the request of a Member State for amendment of an operational programme pursuant to Article 30(1), be transferred between the ERDF and the ESF, irrespective of the percentages referred to in points (a), (b) and (c) of Article 92(1).</p>

Text proposed by the European Commission	CoR Amendment
<p>Article 30(5) shall not be applicable for the additional resources. These resources shall be excluded from the basis of calculation for the purposes of the ceilings established in that paragraph.</p> <p>For the purposes of the application of point (f) of Article 30 (1) of the Financial Regulation, the condition that appropriations are for the same objective shall not apply in respect of these transfers. Transfers can only apply to the ongoing year or to future years in the financial plan.</p> <p>The requirements laid down in Article 92(4) shall not apply to the initial allocation or their subsequent transfers.</p> <p>Amounts allocated to the YEI in accordance with Article 92 (5) under the Investment for growth and jobs goal shall not be affected.</p> <p>The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred.</p>	<p>Article 30(5) shall not be applicable for the additional resources. These resources shall be excluded from the basis of calculation for the purposes of the ceilings established in that paragraph.</p> <p>For the purposes of the application of point (f) of Article 30 (1) of the Financial Regulation, the condition that appropriations are for the same objective shall not apply in respect of these transfers. Transfers can only apply to the ongoing year or to future years in the financial plan.</p> <p>The requirements laid down in Article 92(4) shall not apply to the initial allocation or their subsequent transfers.</p> <p>Amounts allocated to the YEI in accordance with Article 92 (5) under the Investment for growth and jobs goal shall not be affected.</p> <p>The additional resources shall be implemented in accordance with the rules of the Fund to which they are allocated or transferred.</p>

Amendment 15

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 5, subparagraph 6

Text proposed by the European Commission	CoR amendment
<p>Each Member State shall allocate the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>	<p>Each Member State shall allocate, <i>in accordance with the principles of Partnership and multi-level governance pursuant to Article 5</i>, the additional resources available for programming under the ERDF and the ESF to operational programmes.</p>

Reason

Regional and local authorities as well as other relevant stakeholders must play an active role in decision making on the allocation of additional resources.

Amendment 16

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 7, subparagraph 2 and 3

Text proposed by the European Commission	CoR amendment
<p>For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022 <i>and</i> 2023, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.</p>	<p>For the purpose of applying Article 134(2) for the annual pre-financing in the years 2021, 2022, 2023 <i>and 2024</i>, the amount of the support from the Funds for the whole programming period to the operational programme shall include the additional resources.</p>
<p>The amount paid as additional initial pre-financing referred to in the first subparagraph shall be totally cleared from the Commission accounts not later than when the operational programme is closed.</p>	<p>The amount paid as additional initial pre-financing referred to in the first subparagraph shall be totally cleared from the Commission accounts not later than when the operational programme is closed.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size. It is therefore suggested to stick to the Commission proposal, which is line with the adopted REGI report in the European Parliament.

Recommendation for Amendment 17

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 8

Text proposed by the European Commission	CoR Amendment
<p>The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph 10 to support operations fostering crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy.</p>	<p>The additional resources not allocated to technical assistance shall be used under the thematic objective set out in paragraph 10 to support operations fostering crisis repair in the context of the COVID-19 pandemic or preparing a green, digital and resilient recovery of the economy.</p>
<p>Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph 11. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, subject to paragraph 4 <i>above</i>.</p>	<p>Member States may allocate the additional resources either to one or more separate priority axes within an existing operational programme or programmes or to a new operational programme referred to in paragraph 11. By way of derogation from Article 26(1), the programme shall cover the period until 31 December 2022, <i>or 31 December 2024 where the derogation referred to in paragraph 2 applies</i>, subject to paragraph 4 <i>of this Article</i>.</p>

Text proposed by the European Commission	CoR Amendment
<p>For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis.</p> <p>For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.</p>	<p>For the ERDF, the additional resources shall primarily be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis.</p> <p>For the ESF, the additional resources shall primarily be used to support job maintenance, including through short-time work schemes and support to self-employed, even when that support is not combined with active labour market measures, unless the latter are imposed by national law. The additional resources shall also support job creation, in particular for people in vulnerable situations, youth employment measures, education and training, skills development, in particular to support the twin green and digital transitions, and to enhance access to social services of general interest, including for children.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 18

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 9

Text proposed by the European Commission	CoR Amendment
<p>With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy', complementing the thematic objectives set out in Article 9.</p>	<p>With the exception of technical assistance referred to in paragraph 6 and of the additional resources used for the FEAD or the Youth Employment Initiative referred to in the seventh subparagraph of paragraph 5, the additional resources shall support operations under the new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy', complementing the thematic objectives set out in Article 9.</p>

Text proposed by the European Commission	CoR Amendment
<p>The thematic objective referred to in the first subparagraph shall exclusively be available for the programming of the additional resources. By way of derogation from points (b), (c) and (d) of Article 96(1), it shall not be combined with other investment priorities.</p>	<p>The thematic objective referred to in the first subparagraph shall exclusively be available for the programming of the additional resources. By way of derogation from points (b), (c) and (d) of Article 96(1), it shall not be combined with other investment priorities.</p>
<p>The thematic objective referred to in the first subparagraph shall also constitute the single investment priority for the programming and implementation of the additional resources from the ERDF and the ESF.</p>	<p>The thematic objective referred to in the first subparagraph shall also constitute the single investment priority for the programming and implementation of the additional resources from the ERDF and the ESF.</p>
<p>Where one or more separate priority axes are established corresponding to the thematic objective referred to in the first subparagraph within an existing operational programme, the elements listed in points (b)(v) and (vii) of Article 96(2) shall not be required for the description of the priority axis in the revised operational programme.</p>	<p>Where one or more separate priority axes are established corresponding to the thematic objective referred to in the first subparagraph within an existing operational programme, the elements listed in points (b)(v) and (vii) of Article 96(2) shall not be required for the description of the priority axis in the revised operational programme.</p>
<p>The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the performance reserve and with no breakdown per category of regions.</p>	<p>The revised financing plan set out in Article 96(2)(d) shall set out the allocation of the additional resources for the years 2020, 2021 and, where applicable, for 2022 without identifying amounts for the performance reserve and with no breakdown per category of regions.</p>
<p>By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. They shall be accompanied by the revised programme.</p>	<p>By way of derogation from Article 30(1), requests for the amendment of a programme submitted by a Member State shall be duly justified and shall in particular set out expected impact of the changes to the programme on fostering crisis repair in the context of the COVID-19 pandemic and preparing a green, digital and resilient recovery of the economy. They shall be accompanied by the revised programme.</p>

Amendment 19

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 10, new subparagraph after subparagraph 4

Text proposed by the European Commission	CoR amendment
	<p><i>By way of derogation from Article 29(3) and (4) and Article 30(2), the Commission shall approve any amendment to an existing operational programme or any new dedicated operational programme not later than ten working days of its submission by a Member State.</i></p>

Reason

Revised or new operational programmes should be approved as quickly as possible in the context of REACT-EU objectives.

Amendment 20

COM(2020) 451 final — Part 1

Amend Article 1, paragraph 1, point 2

Regulation (EU) No 1303/2013

Article 92b, paragraph 11, subparagraph 2

Text proposed by the European Commission	CoR amendment
<p>By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024 at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.</p>	<p>By way of derogation from Article 56(3) and 114(2), the Member States shall ensure that by 31 December 2024, or by 31 December 2026 where the derogation referred to in subparagraph 3 of paragraph 2 of this Article applies, at least one evaluation on the use of the additional resources is carried out to assess their effectiveness, efficiency, impact and how they contributed to the thematic objective referred to in paragraph 10 of this Article.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size. It is therefore suggested to stick to the Commission proposal when it comes to the decommitment rule and the extension until 2024, which is in line with the adopted REGI report in European Parliament.

Amendment 21

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 2

Text proposed by the European Commission	CoR Amendment
<p>The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to 2022 higher than</p> <p>a) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 109 % of the EU-27 average; 0,07 % of their real GDP of 2019;</p>	<p>The rules described in paragraph 1 shall not result in allocations per Member State for the whole period 2020 to 2024 higher than</p> <p>a) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 109 % of the EU-27 average; 0,07 % of their real GDP of 2019;</p>

Text proposed by the European Commission	CoR Amendment
<p>b) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is equal to or below 90 % of the EU-27 average: 2,60 % of their real GDP of 2019;</p> <p>c) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 90 % and equal to or below 109 % of the EU-27 average: the percentage is obtained through a linear interpolation between 0,07 % and 2,60 % of their real GDP of 2019 leading to a proportional reduction of the capping percentage in line with the increase in prosperity.</p> <p>The amounts exceeding the level set out in points a) to c) per Member State are redistributed proportionally to the allocations of all other Member States whose average GNI per capita (in PPS) is under 100 % of the EU-27 average. The GNI per capita (in PPS) for the period 2015-2017 is the one used for cohesion policy in the MFF 2021-2027 negotiations.</p>	<p>b) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is equal to or below 90 % of the EU-27 average: 2,60 % of their real GDP of 2019;</p> <p>c) for Member States whose average GNI per capita (in PPS) for the period 2015-2017 is above 90 % and equal to or below 109 % of the EU-27 average: the percentage is obtained through a linear interpolation between 0,07 % and 2,60 % of their real GDP of 2019 leading to a proportional reduction of the capping percentage in line with the increase in prosperity.</p> <p>The amounts exceeding the level set out in points a) to c) per Member State are redistributed proportionally to the allocations of all other Member States whose average GNI per capita (in PPS) is under 100 % of the EU-27 average. The GNI per capita (in PPS) for the period 2015-2017 is the one used for cohesion policy in the MFF 2021-2027 negotiations.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 22

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 3

Text proposed by the European Commission	CoR Amendment
<p>For the purposes of calculating the distribution of the exceptional additional resources for the years 2020 and 2021:</p> <p>a) For GDP the reference period shall be: the first semester of 2020;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2020.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the years 2020 and 2021 in the total additional resources for the years 2020, 2021 and 2022.</p>	<p>For the purposes of calculating the distribution of the exceptional additional resources for the years 2020 and 2021:</p> <p>a) For GDP the reference period shall be: the first semester of 2020;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2020.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the years 2020 and 2021 in the total additional resources for the years 2020, 2021, 2022 and where applicable 2023 and 2024.</p>

Text proposed by the European Commission	CoR Amendment
<p>Before the application of the method described in paragraphs 1 and 2 concerning the additional resources for the year 2020, an amount corresponding to an aid intensity of EUR 30 per inhabitant will be allocated to the outermost NUTS level 2 regions from the allocation. That allocation will be distributed per region and Member State in a manner proportional to the total population of those regions. The remaining amount for the year 2020 will be distributed among Member States in accordance with the method described in paragraphs 1 and 2.</p>	<p>Before the application of the method described in paragraphs 1 and 2 concerning the additional resources for the year 2020, an amount corresponding to an aid intensity of EUR 30 per inhabitant will be allocated to the outermost NUTS level 2 regions from the allocation. That allocation will be distributed per region and Member State in a manner proportional to the total population of those regions. The remaining amount for the year 2020 will be distributed among Member States in accordance with the method described in paragraphs 1 and 2.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amendment 23

COM(2020) 451 final — Part 2

Regulation (EU) No 1303/2013

Annex, paragraph 4

Text proposed by the European Commission	CoR Amendment
<p>For the purposes of calculating the distribution of the exceptional additional resources for the year 2022:</p> <p>a) For GDP the reference period shall be: the first semester of 2021;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2021.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the year 2022 in the total additional resources for the years 2020, 2021 and 2022'.</p>	<p>For the purposes of calculating the distribution of the exceptional additional resources for the year 2022 and where applicable 2023 and 2024:</p> <p>a) For GDP the reference period shall be: the first semester of 2021;</p> <p>b) For the number of people unemployed and the number of young people unemployed the reference period shall be: the average of June to August 2021.</p> <p>c) The maximum allocation resulting from the application of paragraph 2 is multiplied by the share of the additional resources for the year 2022 in the total additional resources for the years 2020, 2021, 2022, 2023 and 2024'.</p>

Reason

Managing authorities will need more time and flexibility to implement a new programme of this size.

Amended proposal for a Regulation of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime and Fisheries Fund and financial rules for those and for the Asylum and Migration Fund, the Internal Security Fund and the Border Management and Visa Instrument

COM(2020) 450 final

Amendment 24

COM(2020) 450 final

Amend point (1)

Text proposed by the European Commission	CoR amendment
<p>the following recital (15a) is inserted:</p> <p>(15a) In order to provide flexibility for Member States to allocate and adjust the allocation of financial resources in accordance with their specific needs, it is necessary to provide them with the possibility to request limited transfers from the Funds to any other instrument under direct or indirect management or among the Funds at the beginning of the programming period or during the implementation phase.'</p>	<p>the following recital (15a) is inserted:</p> <p>(15a) In order to provide flexibility for Member States to allocate and adjust the allocation of financial resources in response to immediate effects of a major crisis and in accordance with their specific needs, it is necessary – in accordance with the Code of Conduct on Partnership and Multi-level Governance – to provide them with the possibility to request thematically limited and temporary transfers from the Funds to any other instrument under direct or indirect management or among the Funds at the beginning of the programming period or during the implementation phase.'</p>

Reason

Any reallocation of resources from and/or between the Funds should be carried out in response to a major crisis and comply fully with the principles of partnership and multi-level governance.

Amendment 25

COM(2020) 450 final

Amend point (6)

Text proposed by the European Commission	CoR amendment
<p>Article 21 is amended as follows:</p> <p>(a) paragraph 1 is replaced by the following:</p> <p>'1. Member States may request, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to any other instrument under direct or indirect management.</p>	<p>Article 21 is amended as follows:</p> <p>(a) paragraph 1 is replaced by the following:</p> <p>'1. Member States – in agreement with their respective managing authorities and in line with the Code of Conduct on Partnership and Multi-level Governance – may request, in response to a major crisis recognised by the Council, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to any other instrument under direct or indirect management only for operations in line with cohesion policy objectives.</p>

Text proposed by the European Commission	CoR amendment
<p>Member States may also request, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 5 % in total of the initial national allocation of each Fund to another Fund or Funds. Member States may request an additional transfer of up to 5 % in total of the initial national allocation by Fund between the ERDF, the ESF+ or the Cohesion Fund within the Member State's global resources under the Investment for jobs and growth goal.;</p>	<p>Member States – <i>in agreement with their respective managing authorities and in line with the Code of Conduct on Partnership and Multi-level Governance</i> – may also request, <i>in response to a major crisis recognised by the Council</i>, in the Partnership Agreement or in the request for an amendment of a programme, the transfer of up to 7 % in total of the initial national allocation of each Fund to another Fund or Funds. Member States may request an additional transfer of up to 7 % in total of the initial national allocation by Fund between the ERDF, the ESF+ or the Cohesion Fund within the Member State's global resources under the Investment for jobs and growth goal.;</p>

Reason

Notwithstanding the negative consequences of any major crisis, including the COVID-19 pandemic, Member States should not be overly encouraged to withdraw resources from cohesion policy. On the other hand, cohesion policy should be more flexible so as to absorb potential negative shocks such as the current pandemic.

Amendment 26

COM(2020) 450 final

Amend point (8), new Article 15a, new (last) subparagraph

Text proposed by the European Commission	CoR amendment
	<p><i>The abovementioned measures shall apply within 24 months or where applicable 48 months of the Council decision pursuant to the first subparagraph. Any prolongation of these measures requires another Council decision recognising a major crisis.</i></p>

Reason

All extraordinary measures taken in response to the exceptional circumstances must be limited to a clearly defined period of time. These measures should only be extended by the Council if a major crisis persists. Managing authorities will need more time and flexibility to implement a new programme of this size.

Amended proposal for a Regulation of the European Parliament and of the Council on the European Regional Development Fund and on the Cohesion Fund

COM(2020) 452 final

Amendment 27

COM(2020) 452 final

Amend point (2)

Text proposed by the European Commission	CoR amendment
<p>the following recital (10b) is inserted:</p> <p>(10b) In order to strengthen the capability of public health systems to prevent, quickly respond to, and recover from health emergencies, the ERDF should also contribute to the resilience of health systems. Additionally, as the unprecedented COVID-19 pandemic has revealed the importance of immediate availability of critical supplies to provide an effective response to an emergency situation, the scope of support of the ERDF should be broadened to allow for the purchase of supplies necessary for strengthening the disaster resilience and for strengthening the resilience of health systems. When purchasing supplies to strengthen the resilience of health systems, these should be consistent with and not go beyond the national health strategy and ensure complementarities with [the Health Programme], as well as the rescEU capacities under the Union Civil Protection Mechanism (UCPM).';</p>	<p>the following recital (10b) is inserted:</p> <p>(10b) In order to strengthen the capability of public health systems to prevent, quickly respond to, and recover from health emergencies, the ERDF should also contribute to the resilience of health systems. Additionally, as the unprecedented COVID-19 pandemic has revealed the importance of immediate availability of critical supplies to provide an effective response to an emergency situation, the scope of support of the ERDF should be broadened to allow for the purchase of supplies necessary for strengthening the disaster resilience and for strengthening the resilience of health systems. When purchasing supplies to strengthen the resilience of health systems, these should be consistent with and not go beyond the national and, where applicable, regional health strategies and ensure complementarities with [the Health Programme], as well as the rescEU capacities under the Union Civil Protection Mechanism (UCPM).';</p>

Reason

Self-explanatory.

II. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

General comments

1. welcomes the targeted REACT-EU proposals aimed at addressing the direct negative socioeconomic effects of the current pandemic and other major future crises, including additional financial resources to foster crisis repair and facilitate a green, digital and resilient recovery;
2. highlights the importance of cohesion policy and its capacity to support cities and regions in times of crisis, including by using the existing operational programmes; stresses in this context that the challenges addressed by REACT-EU, namely mitigation of a negative COVID-19 impact and preparation for a long-term recovery, require tailor-made and territorially adapted strategies, since the territorial impacts and opportunities stemming from these challenges are not evenly distributed throughout the EU;
3. underlines the need to strike a balance between fast disbursement of newly available resources, effective and efficient investing and the need to avoid irregularities, systemic errors or fraud;

4. reiterates its concern about the temporary nature of some financial reinforcements within cohesion policy, which will not compensate for the initial cuts proposed by the Commission in 2018; the CoR insists in this context that cohesion policy should not lose sight of its long-term objectives and development needs when implementing short-term priorities;
5. welcomes the measures to reduce the administrative burden entailed in implementing the programmes;
6. takes note of the exemption from the thematic concentration requirement under REACT-EU, but recommends a minimum thematic concentration to ensure the funds spent on crisis repair are in line with the EU 2050 climate neutrality goal; calls on the Member States to make innovative use of the additional resources to bring their economies closer to a green, digital and resilient development path ensuring longer-term recovery;
7. underlines that, in order to ensure that the money is spent in the areas with the greatest need, the partnership and multi-level governance principles should be used when reshaping or creating new operational programmes to cover REACT-EU financial allocations or when reallocations of resources and modifications of post-2020 cohesion policy programmes are carried out;
8. stresses that a high number of projects in various fields have to be urgently prepared and efficiently implemented for the overall recovery from the crisis. This could be, however, hampered by the financial scarcity of local and regional budgets. Hence, there is a need to use available national and EU technical assistance sources to support a quick launch of the most important projects aiming to restart the economy;
9. stresses that the COVID-19 pandemic and unilateral closing of borders in a number of Member States have caused massive damage to border regions which needs to be properly addressed, including by financing cross-border projects; underlines, at the same time, that in the case of future lockdown measures, the closing of borders causing disproportionate disruption in the life of people living in border regions should be avoided;

In relation to the REACT-EU regulation

10. welcomes the introduction of a new thematic objective 'Fostering crisis repair in the context of the COVID-19 pandemic and preparing a green digital and resilient recovery of the economy' for the additional resources which should facilitate programming and *ex post* evaluation of interventions carried out under REACT-EU;
11. welcomes the option of requesting a co-financing rate of up to 100 % in the event of additional resources under REACT-EU, while also calling for an adequate investment stream and increased vigilance with regard to possible irregularities;
12. welcomes the higher level of pre-financing for actions supported by the additional REACT-EU funding, which should make it possible to quickly disburse commitments made;
13. asks for the additional resources to be spread until 2024 to offer managing authorities the necessary time and flexibility to implement a new programme of this size and in order to promote efficiency and effectiveness of spending as well as to ease the administrative burden;
14. underlines that the possibility of transfers between the categories of regions should only be used when there are no other financing possibilities and only to the extent necessary for the immediate response to the COVID-19 outbreak, whilst taking into account the overall objective of economic, social and territorial cohesion;

In relation to the amendment to the 2021-2027 Common Provisions Regulation proposal

15. notes the extra flexibility for transferring financial resources from cohesion policy programmes to instruments under direct or indirect management in response to a major crisis;
16. reiterates that such extra measures should be limited in time and scope, bearing in mind that any transfers should not hamper, in particular, the implementation or completion of essential investments in the regions affected by these transfers;

17. underlines, at the same time, that post-2020 cohesion policy should be more flexible so as to absorb potential negative shocks such as the current pandemic;
18. welcomes the lower thresholds for phasing out operations in the future programming period;
19. recommends clarifying provisions for the selection of physically completed or fully implemented operations in direct response to negative effects of crisis situations;

In relation to the amendment to the 2021-2027 ERDF and Cohesion Fund regulation

20. welcomes the extension of the scope of support, which makes the Member States more resilient to potential future crises. The CoR stresses in this context the importance of better access to funding for companies most affected by the crisis, without losing focus on the application of State aid rules;
21. welcomes the extension of support through financing of working capital for SMEs, which should enable them to respond quickly to any potential major crisis arising;
22. takes note of the derogation from the requirements of thematic concentration and minimum allocation for Sustainable Urban Development in response to exceptional circumstances; the CoR calls at the same time for bigger ambitions and the development of territorial instruments at local and regional level in the post-2020 period;

In relation to the amendment to the 2021-2027 ESF regulation

23. welcomes the proposals to tackle child poverty and to increase thematic concentration on youth employment since these groups have proven particularly vulnerable to the negative effects of the COVID-19 pandemic and therefore deserve much more attention;
24. welcomes the option of applying for temporary measures for the use of ESF Plus;
25. warns that any cuts in the EU Health Programme could significantly lower EU readiness for future pandemics and underlines synergies between that programme and ESF Plus;

Finally

26. underlines that regions and cities were at the forefront of the Covid-19 pandemic and are the best places to ensure recovery from asymmetric shocks such as the crisis;
27. stresses therefore that the measures justified by the COVID-19 crisis should under no circumstances lead to an attempt to centralise the implementation of cohesion policy in the post-2020 period;
28. underlines, as a consequence, that decentralised EU funding for regions and cities is not only an effective way to tackle negative short-term health shocks, but also to lay the foundations for a medium- and long-term sustainable recovery;
29. calls in this respect for full coordination between cohesion policy instruments and other EU schemes, including the Just Transition Fund and the Recovery and Resilience Facility, so as to maximise their positive medium- and long-term impact and shape their efficient delivery system;
30. notes that the four legislative proposals comply with the principles of subsidiarity and proportionality;
31. stands firmly behind an EU mechanism to protect democracy, the rule of law and fundamental rights; calls for this mechanism to uphold all fundamental EU values, including the respect for human dignity and human rights, freedom and equality, in every Member State, region and municipality.

Brussels, 14 October 2020.

The President
of the European Committee of the Regions
Apostolos TZITZIKOSTAS
