

# Specific flexibility measures for ESI funds in response to the coronavirus outbreak

With much of Europe in the grip of the coronavirus pandemic (COVID-19), on 2 April, the European Commission announced a further series of measures to help Member States cope with the socio-economic impact of the crisis. Amongst them is a proposal aiming to provide more flexibility in the use of European structural and investment funds (ESI funds). It is expected to be voted under the urgent procedure during the 16-17 April plenary session.

## Background

The direct and indirect effects of the COVID-19 outbreak are continuing to grow in all Member States. The current situation is unprecedented and requires exceptional measures adapted to the situation. The first package of measures was proposed by the Commission on 13 March 2020 (including the [Coronavirus Response Investment Initiative](#)), approved by the European Parliament on 26 March and formally adopted by Council and Parliament on 31 March. On 2 April, the Commission put forward a second package of measures (including a [Coronavirus Response Investment Initiative Plus](#)). Included in this package is a legislative [proposal](#) to provide exceptional additional flexibility for the use of European structural and investment funds ([ESI funds](#)). These measures are complementary and additional to the legislative modifications resulting from the first package.

## European Commission proposal

To make ESI funds more flexible and easier to use in order to tackle the COVID-19 epidemic, the Commission [proposes](#) a number of amendments to the regulation on the [European Regional Development Fund](#) and the [Common Provisions Regulation](#), which sets out the rules governing the use of all ESI funds. As a temporary and exceptional measure, the Commission proposes to allow for the temporary possibility of 100 % [financing](#) from the EU budget between 1 July 2020 and 30 June 2021 for programmes dealing with the impact of the pandemic, as well as additional transfer possibilities between the European Regional Development Fund ([ERDF](#)), the European Social Fund ([ESF](#)), and the Cohesion Fund ([CF](#)), and between the different [categories](#) of regions.

It also proposes to exempt Member States from the need to comply with thematic concentration requirements in order to enable the redirection of resources to the areas most impacted by the current crisis. In addition, expenditure incurred in connection with completed or fully implemented operations fostering crisis-response capacity to the COVID-19 outbreak will be eligible for support under the ESI funds. A number of simplification measures concern reporting and auditing of the ESI funds. National authorities may consider adjusting operations or select new ones in order to fight the COVID-19 outbreak. The proposal aims at making the best use of unspent funds and facilitating the acceleration of programme implementation by resulting in a frontloading of payment appropriations. It does not imply any changes in the multiannual financial framework annual ceilings for commitments and payments.

## European Parliament position

Under the current circumstances, Parliament's Committee on Regional Development ([REGI](#)) has requested the urgent procedure under [Rule 163](#) of the Rules of Procedure of the European Parliament be applied, referring the proposal without amendment direct to plenary. The Council of the EU [agreed](#) on the package on 8 April 2020. Parliament is expected to vote on the proposal during the 16-17 April plenary session.

First reading without committee report (Rule 163): [2020/0054\(COD\)](#); Committee responsible: REGI.

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