## EUROPEAN COMMISSION



Ursula von der Leyen The President

> Brussels, 09..06. 2020 Ares (2020) 2268121

Dear Honourable Members,

I would like to thank you for your letter of 28 April 2020 on the impact of the coronavirus crisis and implementing the projects supported by the European Regional and Development Fund (ERDF). I hope my reply will also find you in good health.

Indeed, the COVID-19 outbreak has profoundly changed our lives. From one day to the next, we have withdrawn from each other to protect each other. At the same time, the stringent lockdown measures have had important knock-on effects on our investment prospects. The crisis has not spared EU-funded projects.

From the outset of the crisis, the Commission has been taking resolute action to help Member States tackle the COVID-19 challenges. As EU-funded projects have a vital role in the postcrisis economic recovery, easing rules for their implementation has been essential. Therefore, we have proposed some extraordinary flexibility measures under cohesion policy to reduce the mounting pressure on the programme authorities and on beneficiaries to deliver their projects under these challenging circumstances.

Adopted on 31 March 2020<sup>1</sup>, the first package of the Coronavirus Response Investment Initiative (CRII) has identified support measures that would not require modification of the cohesion policy programmes by the Commission. Expenditure mobilised to foster the crisis response became eligible as of 1 February 2020. We will not recover pre-financing amounts due in 2020 until programme closure: these resources are immediately available to address the impact of the crisis.

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<sup>1</sup> Regulation (EU) 2020/460

Mr Carles Puigdemont i Casamajó, MEP Mr Antoni Comín i Oliveres, MEP Ms Clara Ponsatí i Obiols, MEP European Parliament Rue Wiertz, 60 1047 BRUSSELS

E-mail: <u>carles.puigdemonticasamajo@europarl.europa.eu</u> <u>antoni.cominioliveres@europarl.europa.eu</u> <u>clara.ponsatiobiols@europarl.europa.eu</u> The CRII Plus, adopted on 23 April 2020<sup>2</sup>, has provided for additional flexibility, notably the temporary possibility of 100% co-financing from the EU budget, easier transfers of 2020 allocations between the funds and categories of regions and no obligation to comply with the thematic concentration requirement. Accelerated procedures for programme amendments, later reporting deadlines and simplified audit rules are in place. Modifying the existing financial instruments is possible without revision of the ex-ante assessments. These changes should ensure that the ERDF can be mobilised to respond to the COVID-19 outbreak, where it is most needed.

All due care must be taken to avoid, mitigate and minimise the impact of the outbreak on the project delivery. Therefore, national authorities may consider adjusting operations in accordance with their national rules, if necessary and justified. These adjustments may concern, for example deliverables or the deadline for execution. In making such adjustments, compliance with the relevant EU and national rules needs to be ensured.

Where the execution of contracts is impeded because of the outbreak, for example due to unavailability of key staff or products, force majeure may be invoked. However, this concept has a restrictive interpretation and requires a case by case assessment.

Furthermore, any new contract and/or modifications of the existing contract(s) under the operations at stake have to be in line with public procurement rules, where applicable. The expenditure has to be incurred by beneficiaries and paid by 31 December 2023 so that it can be covered by cohesion policy in the current programming period. This gives some time to adjust the ongoing projects and programmes accordingly.

I invite relevant authorities to make full use of these measures. If programme amendments are necessary, the Commission services are ready to process them rapidly.

Yours faithfully,

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Ursula von der Leyen

<sup>&</sup>lt;sup>2</sup> Regulation (EU) 2020/558