

Initiative CRII/CRII+ Use by EU Member State actions to mobilise essential investments and resources from the cohesion policy funds (ERDF, ESF, Cohesion Fund)

European Cluster Alliance meeting 19 May 2020

Use of CRII/CRII+ by Member States

Budgetary margins

Availability of funding depends on the level of selected/contracted

e.g. max:

- 0,2 bln € in BE
- 0,6 bln € in FR
- 1,6 bln € in PT
- 2,3 bln € in DE
- 2,5 bln € in EL
- 6,1 bln € in IT
- 8 bln € in ES
- 12,1 bln € in PL

COVID-19 investments

What MS finance/plans to finance to foster the crisis response mainly:

- Hospital equipment/personnel wages,
- PPE (pers.prot.equip.), ventilators, testing kits
- Grants, financial instruments for working capital in SMEs
- Unemployment schemes
- Salary subsidies

Flexibility/simplification

- 100% co-financing across the board,
- speeding up and simplifying the publication of calls for proposals,
- extending deadlines,
- increasing advances
- transfer resources between funds or categories of regions,
- flexibility on thematic concentration,
- moving/phasing projects to 2021-2027,

COVID-19 situation update for the EU/EEA and the UK, as of 18 May 2020

As of 18 May 2020, **1 311 066 cases** have been reported in the EU/EEA and the UK: United Kingdom (243 695), Spain (231 350), Italy (225 435), Germany (174 697), France (142 411), Belgium (55 280), Netherlands (43 995), Sweden (30 143), Portugal (29 036), Ireland (24 112), Poland (18 529), Romania (16 871), Austria (16 154), Denmark (10 927), Czechia (8 475), Norway (8 197), Finland (6 347), Luxembourg (3 945), Hungary (3 535), Greece (2 834), Bulgaria (2 235), Croatia (2 226), Iceland (1 802), Estonia (1 774), Lithuania (1 541), Slovakia (1 494), Slovenia (1 466), Latvia (1 008), Cyprus (916), Malta (553) and Liechtenstein (83).

As of 18 May 2020, **156 676 deaths** have been reported in the EU/EEA and the UK: United Kingdom (34 636), Italy (31 908), France (28 108), Spain (27 650), Belgium (9 052), Germany (7 935), Netherlands (5 680), Sweden (3 679), Ireland (1 543), Portugal (1 218), Romania (1 097), Poland (925), Austria (629), Denmark (547), Hungary (462), Czechia (298), Finland (298), Norway (232), Greece (163), Bulgaria (110), Luxembourg (107), Slovenia (104), Croatia (95), Estonia (63), Lithuania (56), Slovakia (28), Latvia (19), Cyprus (17), Iceland (10), Malta (6) and Liechtenstein (1).

Source: European Centre for Disease Prevention and Control https://www.ecdc.europa.eu/en/cases-2019-ncov-eueea



Spain* (1/2)

- Support purchase of respiratory equipment;
- Supporting non hospital "structures" to better host "ordinary" sick people in order to free places for the COVID19 in hospitals (the so called "centros de atencion primaria");
- Supporting hospitals to better host COVID19 sick people, by increasing their capacities to accommodate more patients;
- Support purchase of equipment and materials for the residences with elderly people;
- Support to deal with the health emergency, including current expenditure directly related to the COVID-19 crisis like test material (testing kits, facemasks), and expenditure on staff (extra hours, temporary contracts...), eventually with ESF.

^{*}the final decision on the use of ERDF for the health and economic crisis will be taken after objective discussions between the managing authority and the regions managing the regional programmes

Spain (2/2)

At the same time, several regions have published calls for support to companies from the regional ERDF OPs:

- Andalusia (R&D projects to develop rapid diagnostic tools, and more effective treatment methods for COVID-19; support to SMEs for digitisation to adapt to the new economic conditions);
- Galicia (support to companies for the production of sanitary equipment);
- Murcia (support for technological innovation to face the consequences of the virus outbreak; support to SMEs for digitisation).



Italy

Two main strands are envisaged by Italian managing authorities under ERDF financing, which follow the adopted CRII and CRII+ packages of measures:

health-related equipment (TO1 and 9) and

support to enterprises (TO3).

In some cases, also TO2 interventions are envisaged to support:

e-health (OP Governance)

IT equipment for schools (OP Scuole) or for teleworking (OP Legalita).

National OP Research and OP Enterprises could mobilise substantial resources (in the amounts of hundreds of mln EUR) to buy health equipment and to support to SMEs via working capital under TO3 with its different regional vehicles.



Germany

To date, German programmes have indicated that the major impact of the Corona crisis is that will delay ongoing projects or create challenges for the liquidity of beneficiaries. Programmes intend to use fully the new flexibilities to off-set this impact, without re-programming.

- Five programmes consider to open their financial instruments to **finance** working capital for SMEs.
- Ten out of 16 DE programmes might consider a 100% co-financing of selected priority axes



Belgium

A few initiatives took place in all regions, among others, within the framework of existing RDI projects. Belgian regions wish to use the ERDF remaining amounts and CRII measures for the support of the economy after the crisis.

Bruxelles Capitale will mainly use financial instruments to develop a dedicated COVID tool for loans or micro-credits. An existing financial instrument might be used to take participation in innovating enterprises in early-stage.

Flanders intends to reallocate some amout to business support. Possible examples of support are: promotional campaigns, raising awareness, raising consumer awareness, with the aim of supporting local retail and trade after the lifting of security measures.

Wallonia will feed the micro-credit measures with an extra 30 M€ in order to allow support financing the SMEs affected by the crisis with zero rate loans will be offered to the whole Walloon territory, up to 15.000 € in order to meet immediate financial availabilities issues.

Netherlands

The Netherlands will use ERDF resources for corona response purposes, by ongoing calls that will close in the months to come.

A major part of the investments already target SMEs.

In the North region, the managing authority made available EUR 1 million to accelerate innovation projects from SMEs and knowledge institution related to the corona crisis. The budget of two ongoing calls for projects has been reduced to make this small amount available. A special COVID-19 call has been launched on 10 April 2020. 6 projects have provisionally been selected, subject to further technical checks.



Poland (1 of 2)

Polish OPs are being adapted in view of the covid-19 crisis.

These changes concern either preparation of new projects within existing allocation or shifting resources from other priorities. The shifts are planned towards the health sector towards:

- the purchase of equipment and investments in hospitals,
- support to SMEs through loans and grants to finance mainly working capital and operating costs, for ex. 100 m euro loan fund planned under OP Smart Growth,
- support to employees and vulnerable groups (such as internet/ equipment for students with no access to ensure distant learning under OP Digital Poland, EUR 40 million).

In order to respond to liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and lase of the l

Poland (2 of 2)

In order to respond to liquidity challenges faced by SMEs, the Managing Authorities decided to accelerate payments to SME beneficiaries and, based on a risk assessment, make additional advance payments.

Programmes also introduce more **flexibility in administrative proceeding** (simplified procedures for monitoring committee proceedings, advances to projects, extension of deadlines for project implementation and for project calls, modification of audit plans, overbooking for health measures).

Poland notified so far six aid schemes under the Temporary Framework for State aid measures to support the economy in the current COVID 19 outbreak. ESIF is involved in at least 4 schemes (loan and guarantee schemes for enterprises under the OP Smart Growth (ERDF), financing of wage subsidies-ESF, use of the re-flows in the FI from the 2007-13 period, direct grant and repayable assistance to enterprises).



Portugal

Portugal opened 2 calls (on 20th April) for SME under National Thematic/Compete and Regional OPs SME (under TO1, IP 1a-R&I, and IP 1b-Innovation) to produce goods and services relevant for fighting COVID.

These calls were launched under the Portuguese specific state aid scheme approved by the COM the week of 13th April, under the "Temporary Framework to enable Member States to further support the economy in the COVID-19 outbreak". The demand for this calls, from SMEs, has largely exceeded the available amounts (5 times superior), which has led to the anticipated closure of the calls.

Other actions will be proposed eg. for promotion of:

- sustainable and quality employment and support of labour mobility/ESF
- promotion of social inclusion, combating poverty
- strengthening the capacity of the Regional Health Service
- acquisition of protective equipment in the health area, etc.



Temporary Framework for State aid measures

https://ec.europa.eu/competition/state_aid/what_is_new/covid_19.html

SA.57163 Malta - MDB COVID-19 Interest Rate Subsidy Scheme (CIRSS)

13 May 2020

 SA.57283 Bulgaria - Call for Proposals BG16RFOP002-2.073 "Supporting micro and small enterprises to overcome the economic impact of the COVID-19 pandemic"

12 May 2020

- SA.57175 Croatia Guarantee schemes and subsidised loans scheme
- SA.57173 Belgium Walloon scheme for Covid-19 relevant research and development
- SA.57287 Latvia State aid for short-term loans in agriculture to relieve the negative impact of the COVID-19 outbreak
- SA.57204 Malta Investment Aid for the Production of COVID-19 Relevant Products

11 May 2020

- SA.57152 United Kingdom COVID 19 Self-Employed (including members of partnerships) Income Support Scheme
- SA.57165 Greece COVID 19 Wage subsidies to self-employed
- SA.57191 Poland The Polish anti-crisis measures COVID-19 state aid in the simplified repayable from from financial engineering instruments
- SA.57219 France COVID-19: Garanties des cautions

8 May 2020

SA.57217 Netherlands - NL LNV AGRI Compensation scheme agricultural and horticultural undertakings COVID-19



Thank you



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