Regulation (EU) 2020/460 of the European Parliament and of the Council of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative)

REGULATION (EU) 2020/460 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

of 30 March 2020

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 43(2), 177 and 178 thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

After consulting the European Economic and Social Committee,

After consulting the Committee of the Regions,

Acting in accordance with the ordinary legislative procedure[(1)],

Whereas:

(1) Member States have been affected by the consequences of the COVID-19 outbreak in a unique manner. The current public health crisis hampers growth in Member States, which in turn aggravates the serious liquidity shortages due to the sudden and significant increase in public investments needed in their healthcare systems and other sectors of their economies. That has created an exceptional situation which needs to be addressed with specific measures.

(2) It is vital that the lack of liquidity and of public funds in Member States does not hinder investments under programmes supported by the European Regional Development Fund (the "ERDF"), the European Social Fund (the "ESF") and the Cohesion Fund (the "CF") (collectively "the Funds") and the European Maritime and Fisheries Fund (the "EMFF") needed to fight the COVID-19 outbreak.

(3) In order to respond to the impact of the public health crisis, the ERDF should support the financing of working capital in small and medium-sized entreprises ("SMEs") where necessary as a temporary measure to provide an effective response to the public health crisis.

Changes to legislation: *There are currently no known outstanding effects for the Regulation (EU) 2020/460 of the European Parliament and of the Council. (See end of Document for details)*

(4) In order to respond to the impact of the public health crisis, the ERDF investment priority to strengthen research, technological development and innovation should cover investment in products and services necessary for fostering crisis response capacities in health services.

(5) In order to provide more flexibility in addressing the COVID-19 outbreak, more flexibility should be provided to Member States in programme implementation, and a simplified procedure not requiring a Commission decision should be provided for changes to operational programmes. The information to be submitted to the Commission about such changes should be clarified.

(6) In order to respond to the impact of the public health crisis, financial instruments that are financed by the Funds should also provide support in the form of working capital to SMEs if necessary as a temporary measure to provide an effective response to the public health crisis.

(7) In order to provide an immediate response to the impact of the public health crisis, expenditure for operations for fostering crisis response capacities should be eligible as of 1 February 2020.

(8) In order to ensure that Member States have sufficient financial means to make the investments needed without delay, it is appropriate for the Commission not to issue recovery orders for amounts recoverable from Member States for the annual accounts submitted in 2020. Member States should use the amounts not recovered to accelerate investments related to the COVID-19 outbreak and eligible under Regulation (EU) No 1303/2013 of the European Parliament and of the Council[(2)] and the Fund-specific rules.

(9) The amounts not recovered in 2020 should be cleared or subject to recovery orders at the closure of the programmes.

(10) In order to respond to the impact of the public health crisis, the EMFF should support mutual funds and stock insurance to safeguard the income of fishermen and aquaculture farmers affected by the public health crisis.

(11) Since the objective of this Regulation, namely to respond to the impact of the public health crisis, cannot be sufficiently achieved by the Member States but can rather, by reason of the scale and effects of the proposed action, be better achieved at Union level, the Union may adopt measures, in accordance with the principle of subsidiarity as set out in Article 5 of the Treaty on European Union ("TEU"). In accordance with the principle of proportionality, as set out in that Article, this Regulation does not go beyond what is necessary to achieve that objective.

(12) Given the urgency of the support needed, this Regulation should enter into force on the day following that of its publication in the *Official Journal of the European Union*.

(13) In view of the COVID-19 outbreak and the urgency to address the associated public health crisis, it was considered to be appropriate to provide for an exception to the eight-week period referred to in Article 4 of Protocol No 1 on the role of national Parliaments in the European Union, annexed to the TEU, to the Treaty on the Functioning of

the European Union and to the Treaty establishing the European Atomic Energy Community.

(14) Regulations (EU) No 1301/2013[(3)], (EU) No 1303/2013 and (EU) No 508/2014[(4)] of the European Parliament and of the Council should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Amendments to Regulation (EU) No 1301/2013

Regulation (EU) No 1301/2013 is amended as follows:

(1) in Article 3(1), the following subparagraph is added:

In addition, the ERDF may support the financing of working capital in SMEs where necessary as a temporary measure to provide an effective response to a public health crisis.;

(2) in Article 5, point (1)(b) is replaced by the following:

(b) promoting business investment in R&I, developing links and synergies between enterprises, research and development centres and the higher education sector, in particular promoting investment in product and service development, technology transfer, social innovation, eco-innovation, public service applications, demand stimulation, networking, clusters and open innovation through smart specialisation, and supporting technological and applied research, pilot lines, early product validation actions, advanced manufacturing capabilities and first production, in particular in key enabling technologies and diffusion of general purpose technologies as well as fostering investment necessary for strengthening the crisis response capacities in health services;.

Article 2

Amendments to Regulation (EU) No 1303/2013

Regulation (EU) No 1303/2013 is amended as follows:

(1) in Article 30, the following paragraph is added:

5. By way of derogation from paragraphs 1 and 2, for the programmes supported by the ERDF, Cohesion Fund and ESF, the Member State may transfer during the programming period an amount of up to 8 % of the allocation as of 1 February 2020 of a priority and no more than 4 % of the programme budget to another priority of the same Fund of the same programme.

Such transfers shall not affect previous years. They shall be considered to be not substantial and shall not require a decision of the Commission amending the programme. They shall however comply with all regulatory requirements and shall be approved by the monitoring committee in advance. The Member State shall notify the revised financial tables to the Commission.;