

Press release – REACT-EU: additional support of €47.5 billion agreed to address impact of COVID-19



On 18 November, European Parliament and Council concluded negotiations on providing assistance to foster crisis repair in response to the COVID-19 pandemic and its social consequences, and preparing a green, digital and resilient recovery of the EU economy (REACT-EU).

REACT-EU will provide €47,5 billion over the next two years. The resources will be made available through the EU Structural Funds, with €37.5 billion allocated for 2021 and €10 billion for 2022. Operations covered by the agreement should be eligible as of 1 February 2020. Moreover, EU countries will be allowed to use these additional resources until the end of 2023, beyond the original Commission proposal of 2022.

Resources will be allocated in accordance with the partnership principle, involving local and regional authorities, as well as relevant bodies representing civil society and social partners.

Other issues agreed:

- 0,35% of resources will be allocated to technical assistance, focused especially on member states badly hit by the COVID-19 pandemic and those that may experience difficulties in preparing their programmes;
- Investment will be focused on the sectors most affected by the economic fallout of the pandemic;
- a pre-financing rate of 11% of the additional resources allocated to programmes for the year 2021;
- Member states will be able to allocate part of the additional resources to the European Social Fund, the Fund for European Aid to the Most Deprived (FEAD), the Youth Employment Initiative as well as cross-border programmes (Interreg);
- an amount corresponding to aid intensity of EUR 30 per inhabitant will be allocated to the outermost regions;
- the breakdown of resources will be set out at a later stage by the Commission by means of implementing acts;
- the Commission will endeavour to approve any dedicated operational programme or any amendment to an existing programme within 15 working days;
- EU support should be made more visible – activities linked to the use of the additional resources must contain a reference to being “funded as part of the Union’s response to the COVID-19 pandemic”.

Quotes

Co-rapporteur Andrey Novakov (EPP, BG) said: “2020 is the EU year of

disruption but also the year of repair. REACT-EU is a textbook example of cohesion policy being part of the recovery. Businesses and healthcare took a hard hit and this funding will be a breath of fresh air. We hope that the Council will overcome its internal divisions to allow recovery funding to flow across the EU.”

Co-rapporteur Constanze Krehl (S&D, DE) said: “I am glad that member states agreed with our view – REACT-EU must focus on the social consequences of the COVID-19 crisis, and the regions and people who have been hit hardest by the crisis. This includes cross-border projects, and support for the most deprived people and youth. All spending must respect the Sustainable Development Goals as well as the Paris Climate Agreement – this should be self-explanatory, but it is good to remind member states of these obligations.”

Next steps

Parliament and Council are now expected to endorse the content of the agreement. The regulation will enter into force one day after its publication in the Official Journal.

Background

REACT-EU is a proposal made by the Commission to address the economic fallout of the COVID-19 pandemic, in the form of an amendment to the [Common Provisions Regulation](#) governing the current cohesion policy programming period. It follows two earlier proposals relating to cohesion policy, the Coronavirus Response Investment Initiative (CRII) and the Coronavirus Response Initiative Plus (CRII+), which both modified the rules for regional spending in order to facilitate recovery. The REACT-EU additional resources will come from the [European Union Recovery Instrument](#).