

## Special report 02/2023: Adapting cohesion policy rules to respond to COVID-19 – Funds used more flexibly, but reflection needed on cohesion policy as a crisis response tool

Performance

Published: 2.2.2023



[FULL REPORT \(OFFICIAL EU LANGUAGES\)](#)



### What we assessed and why

Beginning in early 2020, the EU took a wide range of actions to address the challenges created by the COVID-19 pandemic. Cohesion policy played a part in this response through three legislative acts, which substantially amended the rules of the 2014-2020 programme period. In March 2020, the Commission launched the Coronavirus Response Investment Initiative (CRII), followed by the Coronavirus Response Investment Initiative Plus (CRII+) in April, and Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) in December 2020. The two aims of these initiatives are to provide flexibility in using the existing funds, and to provide an additional €50.4 billion of funding to member states under the 2014-2020 cohesion policy.

We set out to ascertain whether the European Commission had adapted the 2014-2020 cohesion policy framework swiftly, provided timely implementation assistance to the member states, and allocated resources to sectors in need. We also checked if the Commission had facilitated the evaluation and monitoring of results and had analysed the impact of using cohesion policy to respond to crises.

The changes to the legal framework for cohesion policy were substantial, and there was public interest in whether the measures helped member states to address the pandemic. The timing of this special report allows the Commission to take the findings into account both for the 2014-2020 *ex post* evaluation and to prepare the post-2027 period cohesion policy framework.

### What we found

We found that the European Commission swiftly adapted cohesion policy rules with the CRII, CRII+ and REACT-EU initiatives, providing flexibility with regard to the redirection of resources and additional funding to member states, to address the immediate effects of the COVID-19 pandemic.

The significant new resources brought in by REACT-EU allowed member states to fund additional investments, providing “bridge funding” between the 2014-2020 and 2021-2027 periods. However, it also added pressure to spend, additional programming work, an increased administrative workload for the managing authorities, and contributed to the delay to the start of the 2021-2027 period.



To facilitate the implementation of new initiatives, the European Commission offered timely and appropriate assistance to member states, significantly reducing the approval times for programme amendments.

We observed that the CRII/CRII+ flexibilities resulted in the transfer of significant funding primarily from energy, environment, research, and innovation (around 10 % of cohesion policy funding, i.e. €35 billion) to critical areas impacted by the pandemic such as healthcare, business support and employment.

We also found that the European Commission's monitoring system allows for separate tracking of REACT-EU, but that the results of CRII/CRII+ measures are harder to distinguish from other programme amendments. While the Commission introduced COVID-19 specific indicators, their voluntary nature and the lack of common definitions may hinder the aggregation of meaningful data across member states.

Cohesion policy funds have been often used as a crisis response tool in the past, however we found that there has not been a formal assessment of the long-term impact of such use. Rules for the 2021-2027 period, drawing on the flexibilities introduced by CRII/CRII+, will make it easier to use cohesion policy funds to respond to unexpected events. This raises concerns about the potential implications of the repeated use of cohesion policy for such purposes, particularly regarding its primary goal of strengthening economic and social cohesion.

## What we concluded

Overall, we concluded that the European Commission effectively adapted the 2014-2020 cohesion policy rules so that member states could make use of cohesion funds more flexibly during the COVID-19 pandemic. The swift adoption of legislative measures to mobilise unspent funds through CRII/CRII+ and the allocation of additional resources via REACT-EU modified certain key features of cohesion policy such as its focus on less developed regions. As a result, we pointed to the risk that the repeated use of cohesion policy to address crises may divert it from its primary strategic goal of reducing disparities between European regions.

We recommend that the Commission:

- analyse the impact of using the policy as a short-term budgetary crisis response tool on its long-term objectives during its 2014-2020 *ex post* evaluation with a view to informing future policy proposals;
- closely monitor REACT-EU absorption and where necessary, provide targeted support with a focus on the achievement of objectives and performance targets.