



Council of European Municipalities and Regions
European Section of United Cities and Local Governments

The President

To: European Commission Task Force on Coronavirus Response

Executive Vice-President Margrethe Vestager
Commissioner Elisa Ferreira
Commissioner Paolo Gentiloni
Commissioner Johannes Hahn
Commissioner Nicolas Schmit

Brussels, 9 April 2019

Re: CEMR recommendations for implementation of the Coronavirus Response Investment Initiative (CRII / CRII +)

Dear Executive Vice-President Vestager,
Dear Members of the European Commission,

As President of the Council of European Municipalities and Regions (CEMR) and President of the Emilia-Romagna Region, I would like to first thank you for the initial measures proposed by the European Commission, in particular the attempt to find solutions through the European Structural and Investment Funds that could help municipalities and regions striving to handle the current crisis and maintain the necessary public services.

The COVID-19 pandemic has an undeniable territorial dimension. Some localities and territories are more severely affected, and not all regions are equally well equipped to deal with such a rapidly propagating virus. There is unbearable pressure on hospitals and health services, most severely in some parts of Europe such as Northern Italy, Spain and Eastern France, and overseas territories are also particularly vulnerable in this context. In this difficult moment, we are fortunate to be able to build on the solidarity and cooperation between European regions. This is what European Cohesion Policy is all about.

With the adoption of the first Coronavirus Response Investment Initiative (CRII) and the latest proposal of a second CRII "Plus" (CRII+), the European Commission is taking steps in the right direction. But in order to effectively mobilise all possible means to answer the crisis and its social and economic consequences, I would like to share with you some concerns and recommendations of CEMR and its member associations.

We experience obstacles to the rapid and smooth implementation of the new measures; in particular, the rules of audits and control need to be drastically relaxed in order to allow Managing Authorities to make rapid and secure use of these measures.

CEMR considers that the controls concerning state aids, public procurement, traceability, justification of expenses and eligibility of beneficiaries must be adapted to the new needs and the emergency situation created by the COVID-19 crisis. Therefore, our call is to modify the rules of control and management of the European Regional Development Fund (ERDF) and the European Social Fund (ESF) to adapt to the new measures and expenses possibilities opened by the CRII.

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We welcome the possibility for Member States to redirect ERDF money towards the priorities they identify (e.g. direct support to SMEs instead of financial instruments) and the transfer of money between thematic priorities, as well as between ERDF and ESF. However, the possibility to transfer funds between categories of regions should be solely motivated by high local or regional impact of the current health, social and economic crisis. Otherwise, we see a risk of re-centralisation at a time when Member States are drafting their Partnership Agreements for the next budgetary period.

The impact of the COVID-19 crisis on the local and regional level is tremendous; therefore, the European Commission and the Member States must explore additional possibilities to support municipalities and regions. The CRII/CRII+ are making use of available resources under the European Structural and Investment Funds (ESIF). However, this answer is limited to the amounts already allocated and unspent under the current ESIF programmes, and is not proportionate to COVID-19's impact on the Member States and regions. The proposed support will not be sufficient and even be marginal compared to the large-scale national support schemes that are being elaborated in the Member States.

Beyond the emergency response, CEMR would like to invite the European Commission to consider extraordinary measures for 2021 in order to ensure continuity of the response to the economic and social challenges that are only beginning to emerge.

The current COVID-19 crisis is showing that some EU Member States struggle to contain the pandemic because of structural lack of investment in some critical sectors. CEMR insists that Cohesion Policy is not designed to respond to an urgent crisis situation but rather to structurally strengthen Member States in their social and economic development (including health and climate action) through long-term planning.

Without an agreement on the next long-term budget for the EU, we will be resourceless to answer the dire needs of citizens and territories most affected by the crisis. Therefore I wholeheartedly urge the co-legislators to promptly reach an agreement for an ambitious MFF that provides the necessary funds to dampen the effects of the COVID-19 crisis on the economy and the society in the short and medium-term and to allow a strong territorial, economic and social cohesion in all Member States and all regions.

In order to ensure the practicability of the measures taken, we call on you, members of the European Commission Task Force, and on the Member States to include the associations of local and regional governments at national level in the reflection on how to implement these new measures as quickly and effectively as possible. The associations will be able to identify the remaining barriers to the full application of the CRII and CRII+. At European level, the Council of European Municipalities and Regions remains available to both share and collect information on effective implementation of CRII/CRII+ in different Member States. CEMR's Secretary General Frédéric Vallier (Frederic.Vallier@ccre-cemr.org ; +32 25 00 05 32) and his team remain available to provide you with additional information on this matter.

Sincerely Yours,



Stefano Bonaccini
President of Emilia-Romagna