

TRANSFERRED IN FROM DEPARTMENT OF FINANCE

Our Ref:	DPER-CQ-020
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Category:	General
Asking Deputy:	Johnny Mythen
Question:	<i>To ask the Minister for Finance his plans to utilise the recently legislated for flexibility for EU Member States to use the structural funds more freely and with lesser co-financing to help in the fight against the Coronavirus</i>

Response:

The EU Corona Response Investment Initiative involves the amendment of regulations covering the use of European Structural and Investment Funds, so that all non-utilised existing support can be mobilised by Member States to the fullest in order to address the effects of the Covid 19 outbreak. However, it is important to note that this does not involve any new or additional funding for Ireland, or indeed for any other Member States. The eligibility criteria are extended to include responses such as short-time work schemes, SMEs' working capital and immediate expenditure in the healthcare sector, include PPE.

CRII Plus allows for the temporary possibility of 100% co-financing from the EU budget for the implementation of ESIF programmes, for funding claimed in the period 1st July 2020 to 30th June 2021, with the Member State to match the EU Commission regarding the required co-financing by the closure of the programme, after 2023. It also provides for additional transfer possibilities between the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the Cohesion fund, and between categories of regions.

Additionally, it exempts Member States from the need to comply with thematic concentration requirements, (i.e. which sets out that Member States are obliged to concentrate the use of EU funds on particular sectors, and to spend predetermined percentages of their allocated funding in those areas), in order to enable a redirection of resources to the areas most impacted by the current crisis.

The flexibility relates to Member States existing allocations for the 2014-2020 programming period. Since Ireland's allocation has been programmed in full, any use of these new regulations will involve reprioritisation. The Department of Public Expenditure and Reform and the Department of Education and Skills are looking at all options, but the amount involved is likely to be modest.

