

Russia's war on Ukraine: EU cohesion policy support for refugees

Russia's invasion of Ukraine has shocked the world and caused devastation in the country. As millions flee the war-torn nation, Europe is currently witnessing its largest movement of refugees since World War II. With cohesion policy having proved effective in mobilising emergency support during the coronavirus crisis, the European Commission has put forward two proposals that seek to adapt cohesion policy rules to facilitate the rapid rollout of funding to help Member States host Ukrainian refugees.

Background

Within the cohesion policy framework, Member States can already draw on the [European Regional Development Fund](#) (ERDF) and the [European Social Fund](#) (ESF) to help them fund measures to address the challenges of migration. These resources may be used to fund infrastructure, equipment, products and services in areas such as health, education, employment and social inclusion, and to support investment in reception centres. The [Recovery Assistance for Cohesion and the Territories of Europe](#) (REACT-EU) initiative under Next Generation EU also funds measures in these areas. In addition, food and basic material assistance may also be provided from the [Fund for European Aid to the Most Deprived](#) (FEAD). The scale and urgency of the situation, however, arguably calls for the introduction of new measures that allow the swift delivery of funding to help people where it is needed most.

Against the background of the coronavirus crisis, the Parliament and Council adopted two regulations in 2020 to make spending under the ERDF, ESF and Cohesion Fund (CF) more flexible, not least by allowing Member States to apply a co-financing rate of 100 % for programmes supported by these three funds in the 2020-2021 accounting year. The success of these two packages, the [Coronavirus Response Investment Initiative](#) and [Coronavirus Response Investment Initiative Plus](#), highlighted the ease with which cohesion policy funds may be adapted to support emergency measures in EU countries. However, while Europe is still recovering from the impact of the Covid-19 pandemic, many Member States now face an even more pressing emergency, as they welcome unprecedented numbers of people escaping Russian aggression in Ukraine.

Help for refugees in Europe (CARE)

Published on 8 March 2022, the Cohesion's Action for Refugees in Europe (CARE) [proposal](#) aims at allowing Member States to provide emergency support for people who have fled Ukraine following Russia's invasion, by increasing the flexibility of cohesion policy funding rules. Amending the [Common Provisions Regulation](#) governing the rules on the use of the 2014-2020 European structural and investment funds and the [Regulation on the Fund for European Aid to the Most Deprived](#), the CARE proposal puts forward four changes to cohesion policy rules to speed up and simplify the delivery of EU funding to help countries hosting Ukrainian refugees. Firstly, CARE **extends the application of the 100 % co-financing rate** for cohesion policy programmes to the 2021-2022 accounting year, easing the burden for Member States. Secondly, it allows Member States and regions to **transfer resources between programmes under the ESF and the ERDF** to fund projects helping people fleeing Ukraine, which means that projects not usually eligible under a given fund can receive support. Thirdly, Member State expenditure on operations to support Ukrainian refugees will be eligible for **EU support as of 24 February 2022**, the date of Russia's invasion. Lastly, the proposal simplifies reporting and makes it **easier to modify programmes supported by the FEAD**, removing the need for a Commission decision.

Following the Council's 16 March 2022 decision to endorse the text without amendment, Parliament adopted the CARE proposal on 24 March 2022, under the urgent procedure and without amendment. Council adopted the legislative act [unanimously](#) on 31 March 2022. The final act was signed on 6 April 2022.

Types of emergency support

CARE can provide Member States with emergency funding to help them cater to **refugees' basic needs**, such as ensuring access to temporary accommodation, food or medical care. It can **strengthen Member States' capacity** to support refugees by funding infrastructure or staff working with refugees and support **refugees' long-term integration** by financing housing, employment, social inclusion and education.

CARE Plus, increased pre-financing from REACT-EU resources

With significant numbers of people continuing to flee Ukraine in the weeks following Russia's invasion, the need to provide an increasing number of new arrivals with housing, material assistance and social services has placed an additional strain on the public finances of many Member States, particularly those that share a border with Ukraine. While the CARE proposal already provided Member States with easier access to funding to help support their efforts in this area, the EU recognised the need to relieve the pressure on national budgets by speeding up the rollout of funding. On 23 March 2022, the Commission published a [proposal](#) for a regulation, which sets out plans to provide additional pre-financing for 2014-2020 programmes supported by cohesion policy funds and the FEAD, to be paid under REACT-EU. Specifically, the Commission proposes to increase pre-financing from 11 % to 15 % in all Member States. This percentage rises to 45 % for Member States where arrivals from Ukraine between 24 February 2022 and 23 March 2022 number over 1 % of their national population. Amending the Common Provisions Regulation and the FEAD Regulation, the proposal is expected to deliver total pre-financing of around €3.4 billion.

Following the [conclusions](#) of the European Council meeting of 24-25 March 2022, which called on the Commission to work on additional proposals to strengthen the rapid disbursement of EU funding for refugees and their hosts, the Commission modified its original proposal of 23 March 2022, publishing an amended [proposal](#) on 31 March 2022. Noting that one of the best methods of making EU funding available is to use simplified cost options – which allow easier and faster spending of cohesion policy funds and cut red tape – the proposal establishes a new unit cost, which Member States can use to facilitate financing of basic needs and support for refugees. Under the proposal, the unit cost will be €40 per person per week, to be paid for each full week or partial week that the person is in the Member State concerned, for a maximum of 13 weeks following the person's arrival in the EU. Like the CARE proposal, Parliament adopted the CARE Plus proposal under the urgent procedure, without amendment, on 7 April 2022. In line with its [note](#) of 1 April 2022, Council is expected to adopt the Commission proposal rapidly, without amendment.

European Parliament's position

During the plenary [debate](#) of 7 March 2022 on the implementation of 2021-2027 cohesion policy, Members expressed their unwavering solidarity with Ukraine and its neighbours. Noting that Europe and its cohesion policy must respond and provide additional support, Members confirmed that the Parliament's Regional Development (REGI) Committee stood ready to amend the cohesion regulations to facilitate and enable the provision of immediate support for cities and regions hosting Ukrainian refugees.

The CARE proposal was presented during the REGI committee [meeting](#) of 15 March 2022. Committee Members were unequivocal in their support for the Commission's proposal, noting that, as the Covid-19 pandemic had demonstrated, cohesion policy is the way in which the people of Europe express solidarity with one another. However, Members highlighted the need to consider the impact that these migratory flows were likely to have on cohesion policy in the future, noting that it would undoubtedly be necessary to provide additional funding for Member States and for the regions. In this context, Members emphasised that the emergency measures currently being taken and that would need to be introduced must not be seen as restricting the overall aims of cohesion policy in any way.

First reading without committee report (Rule 163): [2022/0075\(COD\)](#); Committee responsible: REGI.

First reading without committee report (Rule 163): [2022/0096\(COD\)](#); Committee responsible: REGI.

