

WELCOME!



2021-2027 Technical seminars: **WEBINAR ON REACT- EU**

The session will start at 9h30

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Webinar on programming of the **REACT-EU** resources

2021-2027 technical seminars

*Chair: Kadri UUSTAL, Head of Unit for the Coordination of Programmes,
Directorate-General for Regional and Urban Policy*

9 February 2021, Webex

Housekeeping rules

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Web streaming - please follow the link

- <https://webcast.ec.europa.eu/2021-2027-technical-seminars-webinar-on-react-eu>

The webinar will be recorded

- Presentations and recording will be shared after the webinar and available on Info REGIO.

Agenda

General introduction + **Q&A session**

I. Legislative framework of REACT EU

II. REACT-EU programming + **Q&A session**

III. REACT-EU implementation + **Q&A session**

IV. REACT-EU under FEAD + **Q&A session**

Wrap-up & conclusions

Please submit questions in the **Q&A window** or send them by e-mail to:

REGIO-COORDINATION-OF-PROGRAMMES@ec.europa.eu

Welcome and introduction

Normunds POPENS, Deputy Director-General,
Directorate-General for Regional and Urban Policy

Andriana SUKOVA, Deputy Director-General,
Directorate-General for Employment, Social Affairs & Inclusion

Q & A session

Please write your questions in the **Q&A window**
or send an e-mail to

REGIO-COORDINATION-OF-PROGRAMMES@ec.europa.eu

Moderation:

Kadri UUSTAL, Head of Unit for the Coordination of Programmes,
Directorate-General for Regional and Urban Policy

Justyna PODRALSKA, *Coordination of Programmes Unit*,
Directorate-General for Regional and Urban Policy

Questions answered during the session

1. Will any funding be allocated for antimicrobial resistance?

Answer: If we talk about the fact that we will support the health sector, certain small amounts of REACT-EU can support the vaccination, which builds resistance in our immune systems against different microbes and viruses and bacteria. This is possible but it should be limited to certain percentages - related to the population - to the totality of the REACT-EU instrument. If you are talking about studies on innovation and research, then it will continue to be funded by our programmes in the future under TO1 or the smart specialisation strategy funding research and innovation where a lot of regions said that the health-related themes will be their funding priorities. There will be a lot of opportunities to fund innovation and research in this field.

[\[Listen to the answer at 10:02:07 of the recording\]](#)

Questions answered during the session

2. REACT-EU resources are linked to NGEU. As long as the changes to ceiling Own Decision Resources is not approved (unanimity) MS cannot send payments claims to EC in the meantime correct? Can you clarify?

Answer: Yes, it is clear that REACT-EU is part of the NextGenerationEU instruments. This is therefore linked to the full ratification of the Own Resources Decision by all MS. So we can only start paying when it is done. Our message is that we start already working on the programming. We have already started informally discussing with our national and regional managing authorities and stakeholders the substance, what will be funded under REACT-EU. Now we will focus on the first tranche and start our programming exercise waiting for the Own Resources Decision to be ratified in the meantime.

[Listen to the answer at 10:06:20 of the recording]

Questions answered during the session

3. According to Art. 92 b para. 12 subpara. 2 of CPR as amended by REACT-EU, MS have to provide for an evaluation on the use of the REACT-EU resources until end of 2024. At the same time, COM has to provide for an evaluation on its own on the use of the React-resources until end of 2025. (Art. 2 React-Regulation). How would you describe the relationship between these two evaluation obligations? Will COM build its evaluation upon the evaluation provided for by the MS? Can provide any further information about the design and coverage of the evaluation carried out by COM and which information will MA be expected to provide for in this context?

Answer: The REACT-EU evaluation provisions mirror the 2014-2020 evaluation provisions with an adjustment of deadlines. The COM will use national evaluations where possible. COM will present its approach with the Evaluation network / partnership of national experts.

I. Legislative framework of REACT EU

Directorate-General for Regional and Urban Policy:

Tereza KRAUSOVÁ, Policy Development and Economic Analysis Unit

Regulation (EU) 2020/2221, 23 December 2020 (REACT-EU)

Amending Regulation (EU) No 1303/2013
as regards additional resources and implementing
arrangements to **provide assistance for:**

fostering crisis repair
in the context of the COVID-19 pandemic
and its social consequences

preparing a green, digital and resilient
recovery of the economy

Amendment to Basic act CPR Regulation (EU) 1303/2013

Article 92a

- REACT-EU resources

Article 92b

- Implementing arrangements for the REACT-EU resources

Annex VIIa

- methodology for the allocation of the REACT-EU resources (Article 92b(4))

REACT-EU resources and related provisions

Total allocation

- **EUR 47.5 billion** in 2018 prices for 2021 and 2022 (implementing decision to follow)

Administrative expenditure

- **EUR 18 million** in 2018 prices
- **11%** initial pre-financing for 2021 tranche

Annual pre-financing

- set to **2%** as per agreed adjustment of annual pre-financing for the years 2021-2023

Outermost Regions

- Allocation methodology at **Annex VIIa** – Clear additional allocation

Union climate objective

- **25%** target at EU level

Horizontal financial rules

- general regime of **conditionality** for the protection of the Union budget

Allocation of 2021 tranche (MEUR)

(Implementing decision to be published in OJ next week)

MS	2018 prices	Current prices	MS	2018 prices	Current prices
AT	205 737 666	218 330 457	IE	83 240 008	88 334 963
BE	243 915 691	258 845 283	IT	10 651 529 376	11 303 488 186
BG	411 187 534	436 355 501	LT	257 913 011	273 699 350
CY	105 000 047	111 426 890	LU	131 769 415	139 834 758
CZ	786 628 094	834 776 027	LV	197 877 522	209 989 210
DE	1 777 818 655	1 886 635 380	MT	104 782 734	111 196 276
DK	167 524 769	177 778 625	NL	415 403 980	440 830 027
EE	167 499 803	177 752 131	PL	1 549 859 572	1 644 723 377
EL	1 609 375 686	1 707 882 353	PT	1 502 200 650	1 594 147 347
ES	10 229 253 639	10 855 365 794	RO	1 247 522 128	1 323 880 463
FI	126 753 330	134 511 648	SE	270 773 255	287 346 744
FR	2 914 560 015	3 092 954 404	SI	247 056 213	262 178 030
HR	538 535 954	571 498 663	SK	580 447 557	615 975 590
HU	830 373 170	881 198 652	TOTAL	37 354 539 474	39 640 936 129

New dedicated thematic objective (and single investment priority) for ERDF and ESF

Fostering crisis repair in the context of the **COVID-19 pandemic** and its social consequences, and preparing a **green, digital and resilient** recovery of the economy

New thematic objective – ESF

Primarily for:

Job maintenance,
including through
STWS and support
to self-employed

Job creation,
in particular for people
in vulnerable situations

Youth employment
measures

**Education and
training, skills
development**,
in particular to support
the twin green
and digital transitions

Enhance **access
to social services**
of general interest
incl. for children

Possibility for using any
additional resources to
support aid for the most
deprived (**FEAD**) and
the Youth Employment
Initiative (**YEI**)

Possibility for using any additional resources to support aid for the Youth Employment Initiative (YEI)

This is only possible for MS who have an existing dedicated YEI programme or a dedicated YEI priority axis within an operational programme or YEI is already part of one or more priority axes

Can only be used to support actions eligible under Article 3(1)(a)(ii) of the current ESF regulation, target all NEETs under the age of 25, residing in the eligible region(s) for the YEI, who are inactive or unemployed, including long term unemployed and whether or not registered as seeking work

programmed under a dedicated YEI-REACT-EU priority axis, which is different from TO 13

No 100% co-financing

New thematic objective – ERDF

Primarily for:

Product and services for **health services** and working capital or investment support to SMEs, including cross-border

Sectors most impacted, including tourism and culture

Stronger **health** cooperation, coordination and resilience

Investments in transition towards a **digital and green** economy

Investments in infrastructure providing **basic services** to citizens, or economic measures in the **most affected** regions and sectors

Programming process (1)

Investment for growth and jobs goal

- New dedicated priority in existing programmes
- or new dedicated programme

Introduced possibility to allocate additional resources also to ETC goal

- Only to existing cross-border programmes
- Only Member States
- Only if joint decision

Programming process (2)

No mixing with “normal” allocations

Transfers ERDF-ESF always possible but **not for ETC resources**

Ex-ante conditionalities **not applicable**

Thematic concentration **not applicable**

No performance framework

Commission shall do its utmost to approve within **15 working days** of its submission by a Member State

Phasing provisions **apply**

Implementing conditions (1)



Start eligibility date: operations started as of 1 February 2020



Physically completed or fully implemented operations that foster crisis repair in the context of the COVID-19 pandemic and its social consequences and preparing a green, digital and resilient recovery of the economy supported under the corresponding new thematic objective provided that they started as of 1 February 2020



End date for eligibility remains unchanged, but phasing provisions apply to REACT EU



Decommitment: only at closure of programmes



Single evaluation per Member State covering all additional resources by 31/12/2024

Implementing conditions (2)



Evaluation by the Commission on the achievement of the objectives of REACT-EU, the effectiveness of the use of its resources, the types of actions financed, the beneficiaries and final recipients of the financial allocations and its European added value in aiding the economic recovery



Member States required, where appropriate, to use off-the-shelf programme specific indicators available for COVID-19 measures



Communication requirements: Member States and managing authorities shall **make clear to citizens** that the operation in question is funded as part of the Union's response to the COVID-19 pandemic and **to ensure full transparency, using, where appropriate, social media**

Next steps

Implementing decision with breakdown of 2021 allocation

Entry into force of amended implementing acts and SFC2014

2015/207

- AIR template

1011/2014

- payment application and accounts

288/2014

- programme models for IGJ and ETC

215/2014 &
184/2014

- added new TO code

Questions submitted before the webinar

1. When will the final state of play of the amended Implementing Regulation (EU) No 288/2014 establishing the model for operational programmes be available?

Answer: The Commission proposed amendments related to REACT-EU to the template in December 2020. The relevant implementing act is currently going through the final stages of the adoption process. We expect that it will be adopted and published by the end of February/beginning of March.

2. Dans quel délai l'acte d'exécution officialisant la ventilation des ressources pour chaque État membre sera-t-il adopté?

Translation: When will the implementing act setting out the breakdown of resources for each Member State be adopted?

Answer: The Implementing Regulation (EU) No 288/2014 has been modified, the programme template amended, and it should be available in the first half of March upon the translation conclusion and enter into force.

[\[Listen to the answer at 10:36:16 of the recording\]](#)

Questions asked during the webinar

3. In order to reach climate objective 25% at EU level, it should obviously be reached at MS level as well and covering both funds? Is it realistic to set the target at 25% also for ESF?

Answer: This is a political ambition at the level of the whole of the REACT-EU, so the MS will be encouraged and invited to apply this 25% when it comes to their MS allocations but it is not an ex ante conditionality or a thematic concentration requirement. As I said, this is a political ambition and it is set as a total of all the resources from REACT-EU. The obligation is not carved in stone but the COM is encouraging each MS to reach the 25% climate objective. There is some difference between ERDF and ESF, especially when it comes to how the contribution towards the climate objective could be calculated and monitored. The ESF secondary theme 01 is supporting the shift to low-carbon resource efficient economy and should be used to earmark the part of programmed REACT-EU allocation that is directly contributed to climate objectives. We kindly ask the MA when programming to indicate already ex ante at programming level the part of allocation that is contributing to the climate objective to use this 01 ESF secondary theme 100% as the share of allocation directly contributing to climate, but only earmark the amount that is directly contributing to climate objectives.

[\[Listen to the answer at 10:31:37 and 11:20:16 of the recording\]](#)

Questions asked during the webinar

4. The "no mixing with normal allocations" policy applies to the TA too?

Answer: Yes, there is a possibility for the MS to set-up up to 4% of their resources of the REACT-EU under TA, however, these need to be separated from the normal allocation as well.
[Listen to the answer at 10:33:08 of the recording]

II. REACT-EU programming

Directorate-General for Regional and Urban Policy:

Urszula ROMAŃSKA, Coordination of Programmes Unit

John WALSH, Evaluation and European semester Unit

Overview of changes in the programme templates – Section 1

Section 1.1.1.bis. A justification provided by Member State that includes the expected impact of the changes to the programme

- i.e. assessment of needs and challenges
- a box of 10 000 characters (incl. spaces)

Section 1.1.2. A justification for the selection of REACT-EU TO, including the impact on fostering crisis repair

- in Table 1, 1000 characters

Section 1.2.bis. A justification for the financial allocation of the REACT-EU additional resources:

- a box of 3 000 characters
- Repartition ERDF / ESF / YEI, incl. REACT-EU technical assistance
- Allocation to geographic areas, where they are most needed, in a balanced manner, with focus maintained on less developed regions, in accordance with the objectives of economic, social and territorial cohesion set out in Article 174 TFEU.

Overview of changes in the programme templates - Section 2.A, 2.B and 3

Sections 2.A and 2.B: Description of priority axes dedicated to REACT-EU: parts of that are not applicable, i.e. referring to a breakdown per category of region and performance framework:

- in the case of amendment of an existing programme – marked as not applicable
- in the case of a new REACT-EU programme – they were deleted.

Section 2.A.10 Planned use of technical assistance...

- is not required

Section 3: Financing plan

- Table 17: the 2021 tranche to be allocated only to 2021. The 2022 tranche to be allocated only to 2022.
- Table 18a: no breakdown per category of region, info about the co-financing rate for REACT-EU TO and TA
- Table 18b & 18c: no breakdown per category of region

Overview of changes in the programme templates - Section 4, 7, 8, 9 and 12.2

Section 4 Integrated approach to territorial development

- only required where the corresponding support is provided and REACT-EU resources
- should not be indicated in Table 20 (SUD).

Section 7 Authorities and bodies responsible for M&C

- only bodies that have already been designated can be indicated for REACT-EU

Section 8 Coordination between the Funds...

- This section of the programme may need adjustment when amending an existing programmes and will have to be filled out in the case of a new REACT-EU programme.

Section 9 Ex-ante conditionalities

- not applicable to both programme amendments and new REACT-EU programmes

Section 12.2 Performance framework of operational programmes

- not applicable to both programme amendments and new REACT-EU programmes

Elements not required for new REACT-EU programmes

Sections that are not required for a new REACT-EU programmes, but **may require adjustment** when an existing programme is amended

- Section 5: Specific needs of geographical areas most affected by poverty or target groups at highest risk of discrimination or social exclusion
- Section 6: Specific needs of geographical areas suffering from severe and permanent natural or demographic handicaps
- Section 10: Reduction of the administrative burden for beneficiaries –
- Section 11: Horizontal Principles

Section 8: Coordination between the Funds and other Union and national instruments is required for a new REACT-EU programme and **may also require adjustment** when an existing programme is amended

- to reflect any coordination needs between the ERDF and the ESF under REACT-EU
- coordination with the Recovery and Resilience Facility, incl. the European Flagships

Questions submitted before the webinar

1. How will the management of resources from the MFF and from the Next Generation EU look like in practice?

Answer: We are in contact with MS and regions and it seems like even though there is a burden, the resources of the NGEU have to be kept separate. This is envisaged by the functionalities that when creating a new priority axis for REACT-EU, the MA will have to tick a box that this priority axis is dedicated to REACT-EU. This is to ensure separate but smooth management of these funds.

[\[Listen to the answer at 10:44:52 of the recording\]](#)

2. Is it possible to use REACT-EU credits as “national co-financing” of other EU programs/interventions — such as Digital Europe?

Answer: The rules of the CPR apply, here we have Article 65(11) which talks about the cumulative funding and via this instrument, we can join financing from cohesion policy and from the other resources, our funds or other (directly managed) funds. However, the question is whether it is possible to set it up in a very short time that we have for implementation of the REACT-EU resources, which is by the end of 2023.

[\[Listen to the answer at 10:46:03 of the recording\]](#)

Questions submitted before the webinar

3. Should the proposed amendment to the OP only take into account the REACT-EU issue or can other amendments to OP be included?

Answer: Yes, they can be included; everything can be put together.

[\[Listen to the answer at 10:46:57 of the recording\]](#)

4. Is it possible to use the financial means of the second REACT-EU tranche for the same measures as the financial means of the first tranche? If so, does the second OP amendment only require the adjustment of the financing plan?

Answer: Yes, it is possible, it is even recommended, provided that you are capable of setting out a strategic framework for both tranches and then treat the 2022 tranche as a top-up for the already introduced REACT-EU priority axis. This makes the second round of programming much easier, because all you would have to do is to adjust the financing plan and maybe to review the targets for indicators, so it would be faster. It also depends on the situation on the ground, maybe you will have to make bigger amendments in 2022.

[\[Listen to the answer at 10:47:13 of the recording\]](#)

Questions submitted before the webinar

5. Can the REACT-EU OP amendment in 2021 already cover both, i.e. taking the whole additional allocation into account, or must it be limited to the 2021 one only?

Answer: At the moment, we can allocate only the 2021 tranche officially. Only once the 2022 tranche is distributed to MS, we can add the 2022 tranche to the programmes.

[\[Listen to the answer at 10:48:04 of the recording\]](#)

6. We are planning to use REACT funding to continue with our programme which is rather important in the light of the covid outbreak. Do we have to apply for an official change of programme for REACT? How long or detailed does the justification have to be?

Answer: Yes, because the COM cannot amend the programme on its own. The initiative is on the side of the MS and the MS has to come up with the programme amendment, so that we can allocate the REACT-EU resources.

[\[Listen to the answer at 10:48:58 of the recording\]](#)

Questions submitted before the webinar

7. Est-ce qu'une procédure est prévue pour communiquer la ventilation entre fonds à la Commission pour qu'elle puisse s'assurer que les différentes modifications totalisent effectivement les ressources supplémentaires allouées?

Translation: Is there a procedure in place to communicate the breakdown between the Funds to the Commission so that the programme amendments actually add up to the MS envelope?

Answer: On the one hand, you will see the breakdown in the financial tables of the Programme. However, if you are amending a number of Programmes in the MS, it may be more complicated. For that reason, we are using an overview table between our GU and MA which show the total breakdown of per MS which is something we will also use during the informal dialogue, the upstream exchange with the MA. You will be asked to present to us the full distribution of the 2021 tranche across the old Programmes. This includes not only ERDF, ESF+, YEI but also FEAD and possible support to the CBC Programmes.

[\[Listen to the answer at 10:49:30 of the recording\]](#)

Construction of a REACT-EU priority axis



Programming REACT-EU requires creating new priority axis/es in a programme



All REACT-EU priority axes have to meet the following conditions:

- Have to be mono-fund
- Cover only the new REACT-EU TO/IP
- Cannot be mixed with 'normal' (non-REACT-EU) ERDF/ESF/CF resources in 1 priority axis
- Will not be divided by categories of region



For **REACT-EU TO** the EU co-financing rate can be up to 100%

Construction of a REACT-EU priority axis: technical assistance



Technical assistance from REACT-EU can be only programmed in a **separate, monofund** REACT-EU TA priority axis.
Not possible to add REACT-EU resources to an existing TA priority axis.



EU co-financing rate **cannot be higher** than indicated in Article 120(3) CPR.

- Suggestion: apply the same EU co-financing rate as set up for non-REACT-EU TA
- Alternatively: propose a rate that reflects the distribution of REACT-EU resources to the territories concerned.



The **CPR rules** on technical assistance apply to REACT-EU TA.

- ERDF can support TA related to ESF and vice versa
- REACT-EU TA is not limited to REACT-EU TA activities, but can cover other TA activities, e.g. preparations for the 2021-2027 period

Construction of a REACT-EU priority axis: ETC cross-border programmes

- ✓ All Member States participating in a CBC programme have to jointly contribute their REACT-EU resources to the programme
- ✓ No possibility to establish a new CBC programme dedicated to REACT-EU
- ✓ The REACT-EU resources would be programmed under the REACT-EU TO/IP
- ✓ The rules for priority axis – non-TA or TA – are the same as for IGJ: monofund, dedicated to REACT-EU only.
- ✓ Up to 100% EU co-financing rate for REACT-EU TO (non-TA priority axis)
85% EU co-financing rate for the REACT-EU TA

Questions submitted before the webinar

1. Is it possible to use REACT-EU credits as “national co-financing” of other EU programs/interventions — such as Digital Europe. Will it be possible to co-finance up to 100% of the eligible cost of a project?

Answer: Cohesion policy is implemented via shared management, i.e. by the Member States’ authorities in partnership with the Commission. Such programmes as Horizon 2020 or Digital Europe are implemented via direct/indirect management. These are different financial paths. The EU rules for cohesion policy define the co-financing rate at priority axis level, not at a project level. At project level, the EU support – just as any other public support – depends on the state aid rules.

[Listen to the answer at 10:54:50 of the recording, see reply to Q2 on slide 32]

2. At regional level, two sectors are planned to intervene: health protection and business support. Therefore, in the ROP, must we have two axes – for health and for entrepreneurs separately – or can we programme support under one axis?

Answer: The construction depends not on the sectors covered but on the number of Funds which are supposed to receive the REACT-EU resources. The REACT-EU resources have to be allocated to a monofund priority axis. Therefore, if the support is channeled through ERDF only, one priority axis could be established. If it is channeled through ERDF and ESF, two priority axes would have to be set up.

[Listen to the answer at 10:55:11 of the recording]

Questions submitted before the webinar

3. Can the REACT-EU support be programmed under the current TA priority axis?

Answer: No.

[\[Listen to the answer at 10:55:45 of the recording\]](#)

4. When can we expect the SFC2014 to be ready for operational programme amendments regarding REACT-EU?

Answer: The SFC will be ready to receive the REACT-EU programme amendments shortly after the adoption of the REACT-EU amendments to the implementing acts.

[\[Listen to the answer at 10:55:50 of the recording\]](#)

5. Is the EC concerned with the fact that there will be different programs with different EU co-financing rates in the same years?

Answer: Different co-financing rates within a programme does not create any issues. The Commission explained to programme authorities how to apply the temporary 100% co-financing rate in the accounting year 2020/2021. The Commission does not see the need for further extension of this rule, as it would result in decreasing the total volume of public support, while the current situation requires mobilization of all public means.

[\[Listen to the answer at 10:56:09 of the recording\]](#)

Questions submitted before the webinar

6. Is it possible to programme a non-competition mode under REACT-EU?

Answer: Yes, as long as the relevant EU rules on selection of operations (e.g. Article 125 CPR) are respected. In particular, the requirement of non-discrimination and transparency.

[\[Listen to the answer at 10:56:21 of the recording\]](#)

7. How is the cofinancing rate calculated? According to REACT EU it's 100%, but we have heard it's a not going to be exactly 100%, rather less.

Answer: It can be 100% just as it was under the CRII, it can be 100%, it does not have to be less.

[\[Listen to the answer at 10:56:40 of the recording\]](#)

Questions submitted before the webinar

8. We are planning to do our next payment application in June this year and would like to use the 100% option. Would this still be possible even if REACT funding has not been transferred?

Answer: It would be possible to apply the temporary increase of the co-financing rate to 100% to REACT-EU priority axes if the budget commitments are made to programmes before the last payment application for the accounting year 2020-2021 is submitted to the Commission. However, it is unlikely that the Own Resources Decision enters into force early enough to make it possible. Until this moment, it will not be possible to submit payment applications containing expenditure related to REACT-EU resources.

[\[Listen to the answer at 10:57:08 of the recording\]](#)

9. Can the envisaged possibility of the co-financing rate of up to 100% be used in principle within the framework of REACT-EU or do further special conditions or requirements have to be fulfilled and explained in the context of the amendment, in addition to the REACT-EU priority axis?

Answer: No, there are no further conditions.

[\[Listen to the answer at 10:57:46 of the recording\]](#)

Questions submitted before the webinar

10. S'agissant des POs qui utilisent une base forfaitaire pour calculer l'AT, le taux forfaitaire se calcule-t-il en incluant également à la base de calcul les dépenses dans l'axe ou les axes dédié(s) à l'OT REACT-EU?

Translation: With regard to OPs that use a flat-rate base to calculate the TA, does the flat rate calculation cover the expenses in the axis dedicated to REACT-EU TA?

Answer: If a programme that currently receives additional resources from REACT-EU uses a flat rate TA, and a dedicated REACT-EU priority axis will be set up for technical assistance, the flat rate financing will be applied to that priority axis as well.

[\[Listen to the answer at 10:57:54 of the recording\]](#)

11. Is it possible to settle the TA of REACT-EU on a flat rate basis if the remaining TA of the ESF programme is settled according to the real cost principle?

Answer: No, it is not possible to combine a TA based on real cost and a flat-rate TA in one programme. Once the flat-rate TA is applied, it has to apply to all TA priority axes of that programme until the end of the programming period.

REACT-EU indicators

REACT-EU uses the 2014-2020 ERDF and ESF programme **templates** for indicators. **REACT-EU priorities** will require:

Output indicators linked to the investment priority:

Common ERDF and ESF indicators
(drop down list in SFC2014)

Non paper COVID-19 Indicators – Revised 3/2/21

[LINK HERE](#)

(**Article 92b(11)** MS to make use of the COVID-19 indicators provided by COM)

Programme specific indicators

Result indicators linked to each specific objective:

ERDF programme specific and
ESF common and programme specific indicators

Under the investment priority,
result indicators are linked to specific objectives
(which can be varied).

ERDF: In case of difficulties to fix quantitative targets
a qualitative description of the objective
can be proposed with the defined indicator

The indicators should capture the main achievements / provide high coverage of the actions financed.

Questions submitted before the webinar

1. Is the list of indicators the same as for the other axes programmed in the ROP or is it envisaged to develop dedicated indicators for REACT-EU?

Answer: The same indicators could be used for the REACT-EU as those used under the existing priority axes – as long as they properly reflect the planned support. The Commission has already developed a list of indicators that could be used in order to monitor specific actions co-financed by cohesion policy / REACT-EU that are related to COVID-19 pandemic. Indicators related to vaccination were added to that list. According to Article 92b(12) CPR, Member States shall, where appropriate, make use of the COVID-19 indicators provided by the Commission.

[\[Listen to the answer at 11:03:49 of the recording\]](#)

2. Par 12 mentions indicators – what is this exactly? Covid specific indicators? Are there any plans to implement new indicators from the Commission?

Answer: See the reply above.

[\[Listen to the answer at 11:04:08 of the recording\]](#)

Questions submitted before the webinar

3. Evaluation – is there going to be a template by the Commission? Or may the MS decide on the questions?

Answer: There will be no templates per se, we will discuss these issues in the regional policy evaluation network with national experts and in the ESF evaluation partnership. We can have exchanges on this and the COM will also explain its approach. That is why it is important that we have meaningful indicators because they will help us and help you when it comes to the evaluation of these programmes in the relatively near mid-term.

[\[Listen to the answer at 11:04:46 of the recording\]](#)

4. On what level should an evaluation be carried out? (MS or OP?)

Answer: This will depend on your own choices. It is possible that you could combine the evaluation of several REACT-EU activities at national level programmes and different regional level programmes - it all depends on how you programme REACT-EU. It also raises a subsidiary question: we would encourage you to revisit your evaluation plan and include this in your evaluation planning.

[\[Listen to the answer at 11:05:27 of the recording\]](#)

Questions submitted before the webinar

5. [Regarding the ESF], the optimal solution would be to omit the common indicators as proposed in the first version of the draft regulation for REACT-EU. If this is not possible, it could be useful if member states could use the flexibility regarding the definitions of indicators in the ESF+ regulation in operations supported under the REACT-EU initiative and use national definitions in case of data collection from administrative registers.

Answer: At this stage of the process, this would not be possible. This was not the purpose. Monitoring and Evaluation are essential parts of this new instrument as well. In ESF+ this additional flexibility is an explicit part of the regulatory text, which is not there in the ESF regulation. It is better to stick to the already agreed common indicator definitions, even when they come from administrative registers. We suggest discussing bilaterally how indicators versus data from administrative registers can be adjusted with a statistical method to the value of the indicator if the common definition applied.

[\[Listen to the answer at 11:06:35 of the recording / slide 45 of the ppt\]](#)

Questions submitted before the webinar

6. Does the Commission confirm that it would favour the use of the Covid common indicators instead of specific indicators (or classic ESF common indicators) to monitor REACT but that this is not obligatory?

Answer: The text of the implementing arrangements of the REACT-EU specifically, Article 92a, point to why this is the response to this question, where it says: “Further to the common indicators set out in the fund specific rules MS shall also where appropriate, make use of Covid-19 specific indicators made available by the COM.” They will have to be used where it is appropriate to use them. The suggestion is to select indicators in line with the intervention logic. That is why, if possible, using the Covid-indicators in the COM non-paper would be highly valued for accountability, transparency and communication.

[\[Listen to the answer at 11:09:13 of the recording\]](#)

Questions submitted before the webinar

7. Considering the fact that the performance framework does not apply to REACT, is it obligatory to set targets for all the indicators used? [the question concerns the ESF]

Answer: With an ESF logic in mind, there is a distinction between the common indicators which are used regardless whether they are included in the programme or not. The programmes use common indicators for reporting, regardless of including them in the programme. For those common indicators that are not in the programme, you do not set any target. Short answer: No, you will not set targets for all the indicators that are used. There are indicators that are included in the programmes, for their selection, please refer to our indicator toolbox. It is for the next programming period, but target setting is the same as it has been in the 2014-2020 programming period. The selection of the indicators into the programme should be based on the intervention logic. As the selected indicators ought to measure the major changes intended and the main deliverables to be achieved.

[Listen to the answer at 11:10:40 of the recording]

Adoption by the Commission (suspensive clause)

Before the formal submission, a constructive and exhaustive informal dialogue between MS and the Commission services.

The Commission will do its utmost to adopt in 15 working days from formal submission → the programme is adopted

REACT-EU resources will be available for budget commitments for the programme, once the Own Resources Decision enters into force

MS shall notify the Secretary-General of the Council without delay of the completion of the procedures for the adoption of the ORD, in accordance with their respective constitutional requirements

The ORD should enter into force on the first day of the month following receipt of the last of the notifications

Adoption by the Commission (suspensive clause)

Before the ORD enters into force, every programme amendment / approval decision will contain a suspensive clause

- the clause will explain the situation

Once the resources become available, the budget commitments will be made in an automatic manner by the Commission

- no need for Member State to act

Until that moment, expenditure related to REACT-EU cannot be included in payment applications

Questions submitted before the webinar

1. Concernant le préfinancement initial, nous avons bien noté que l'article 92b ter.7 du règlement REACT EU prévoit qu'il soit versé à la suite de la décision de la Commission adoptant la modification du programme opérationnel : quel serait le délai de versement du préfinancement initial après l'approbation de la modification du programme?

Translation: Regarding the initial pre-financing, we have noted that according to Article 92b(7) of the REACT EU Regulation it will be paid following the Commission decision adopting the modification of the operational programme: what would be the deadline for payment of the initial pre-financing after approval of programme amendment?

Answer: The payments – including the initial pre-financing – can only be made after the budget commitments are made, provided that the relevant resources are available. It will be possible to make commitments to the programmes once the Own Resources Decision enters into force. The programme amendments adopted before that date will contain a specific suspensive clause to that effect.

[\[Listen to the answer at 11:19:00 of the recording\]](#)

Q & A session

Please write your questions in the **Q&A window**
or send an e-mail to

REGIO-COORDINATION-OF-PROGRAMMES@ec.europa.eu

Questions answered during the session

1. How audit of TA in the form of 4% flat rate will be run taking into account that rate is established as justified in the Commission Delegated Regulation (EU) 2019/1867 of 28 August 2019?

Written answer: No invoices are audited for the TA but only the underlying expenditure on which the 4% is calculated is audited.

2. Does a co-financing rate of up to 100% apply to TA under the REACT-EU resources in the form of 4% flat rate (according to Commission Delegated Regulation (EU) 2019/1867 of 28 August 2019)?

Answer: No, the 4% flat rate is calculated on the basis of expenditure under the non-TA priority axes included in the payment application, until the EU contribution allocated to the TA priority axis is fully paid out. See slide 57 for an example.

Questions answered during the session

3. Is there an obligation to set output and result indicators specific to TA actions if TA is in the form of 4% flat rate?

Answer: For TA the usual CPR provisions apply. Setting an output indicator is the minimum requirement. Result indicator for TA is not a requirement, it is a possibility.

[\[Listen to the answer at 11:13:06 of the recording\]](#)

4. If I understood correctly, when decided to allocate REACT-EU resources to a YEI dedicated priority axis this is possible. No need for a specific YEI-REACT new axis.

[\[Listen to the answer at 11:23:14 of the recording\]](#)

Written answer: REACT-EU allocation to YEI needs to be programmed under a separate priority axis to distinguish the REACT-EU resources from the current YEI allocation priority axis, where the matching ESF funding is broken down by categories of region.

Questions answered during the session

5. Would the financing of electric buses be eligible under react-EU?

Answer: Yes, electric buses would be eligible under REACT-EU and probably would as well contribute to the climate target. As always, eligibility is to be seen in the context of each and every programme. REACT-EU has a limited allocation and we need to make sure that the allocation reflects the needs of the specific territory.

[\[Listen to the answer at 11:26:00 of the recording\]](#)

6. We would like to use 4% of the React resources for the TA and use a flat rate based on Commission Delegated Regulation (EU) 2019/1867. Please let us know whether in such a situation TA could be programmed in the same priority axis (in which regular allocation for React EU investment are foreseen)? If not, please explain how the reimbursement of the expenditure for TA will look like?

Answer: It is not possible to mix the flat rate and the TA cost in a programme, only one of these forms of reimbursements can be used, in accordance with the Delegated Regulation on the flat-rate TA. TA cannot be programmed in the same priority axis, REACT-EU TA has to be programmed in a specific priority axis.

[\[Listen to the answer at 11:27:15 of the recording\]](#)

Questions answered during the session

7. Should TA in the form of 4% flat rate (according to Commission Delegated Regulation (EU) 2019/1867 of 28 August 2019) under the REACT-EU resources be not divided by categories of region?

Answer: No, all resources for REACT-EU are exempted from a breakdown by category of regions.

8. According to Commission Delegated Regulation (EU) 2019/1867 of 28 August 2019 how to count 4% flat rate from the reimbursement of costs incurred and declared to the Commission for Technical Assistance:

a) incurred and declared cost is 100 EUR so EC transfer 4 EUR for TA so it will be 104 EUR in total or

b) it will be 100 EUR in total 96 EUR reimbursement plus 4 EUR for TA?

Answer: If you submit 100 EUR of your expenditure linked to a priority axis that is not TA, we are calculating 4% out of it and adding it to that 100 EUR that we reimburse - this would cover the flat-rate TA - until we reach the EU resources allocated to the TA priority axis.

[Listen to the answer at 11:28:13 of the recording]

Questions answered during the session

9. How is the co-financing rate calculated? According to REACT EU it's 100%, but we have heard it is not going to be exactly 100%, rather less.

Answer: You can use exactly the 100% co-financing rate for the REACT-EU thematic objective. There is no need to set up a lower rate.

[\[Listen to the answer at 11:29:45 of the recording\]](#)

10. Can you go back to the understanding that REACT EU are "fully" EU resources and are not "national co-funding", can you clarify?

Answer: Please refer to the 100% co-financing rate explained on slide 42 in the presentation and in the answer to the question above.

[\[Listen to the answer at 11:29:45 of the recording\]](#)

Questions answered during the session

11. How can the principle of additionality and retroactive costs / projects be combined? Are there specific points for attention in, for example, sectors such as culture and tourism? Should there be a specific link with job creation, digitization, innovation...?

Answer: The REACT-EU is a very specific type of intervention/ support in this emergency situation, and this is why we decided to allow, as it was in the case of the CRII, for retroactive projects, but only if they were physically completed and fully implemented. However, please note that fully completed projects – as defined in Article 2 CPR - cannot be supported by REACT-EU. It is possible to support physically completed or fully implemented operations from REACT-EU only when they started on or 1st February 2020. The additionality principle is on a different level, it is more about the budgetary support at Member State's level. These sectors are recognised by REACT-EU explicitly as being the most hit by the crisis. There are no specific conditions linked to supporting these sectors, these sectors could as well be supported outside of the REACT-EU in cohesion policy and if there is a link with the digitisation/green economy/innovation, that is only good because we cannot only help them get through the situation now, but also to be prepared for the future and be more resilient. This is about ensuring that REACT-EU can indeed make a difference and build a stable ground for future recovery that is greener, smarter and more digital.

[Listen to the answer at 11:30:12 and 11:33:10 (second part of the Q) of the recording]

Questions answered during the session

12. How does it work with the prefinance of 2014? When will this be deducted from the payment application?

Answer: The CPR rules concerning the 2014 pre-financing are not amended. We will have additional 11% initial pre-financing which will be calculated for the 2021 tranche of REACT-EU. This is what we will pay after the programme amendment is adopted and once the Own Resources Decision is in place and the resources are available.

[\[Listen to the answer at 11:32:10 of the recording\]](#)

13. In FEAD there is no need for a new priority axe – can we mix FEAD 2014-2020 funds with REACT-EU?

Answer: Yes, indeed, this is covered in the presentation on FEAD. For FEAD, the additional resources available are actually perceived as top-ups on the current additional programme. Therefore, there is a possibility to mix the resources which is different to the approach to ESF and ERDF.

[\[Listen to the answer at 11:34:55 of the recording\]](#)

Questions answered during the session

13. In session 3 of the OP table 17 it is supposed to fulfill all the 2021 budget in 2021. In this moment 2022 will be 0?

Answer: Yes, the 2022 column will have 0 until we start programming the 2022 tranche.
[Listen to the answer at 11:35:52 of the recording]

14. Should the Partnership Agreement be amended together with OPs? According to CRII and CRII+ this procedure can be avoided in terms of introducing anti-COVID measures?

Answer: The Partnership Agreement will not be amended anymore.
[Listen to the answer at 11:36:21 of the recording]

Questions answered during the session

15. Welcher Prozentsatz der REACT-EU Gelder darf für den Kauf von Impfstoffen (sowie Transport, Personalkosten in den Impfstationen) verwendet werden?

Translation: What percentage of the REACT-EU funds can be used for the purchase of vaccines (as well as transport, personnel costs in the vaccination stations)?

Answer: While vaccine doses are legally eligible, there are some constraints, especially when it comes to funding vaccines and vaccinations from the ESF. For any programme or MS that is interested in this, we ask you to get in touch with our GU to have a discussion, to see to what extent it could be eligible in the programme.

There is a revised COM Non paper on COVID-19 response related indicators - now including indicators linked to vaccination activities :

https://ec.europa.eu/regional_policy/sources/docgener/informat/indicators_covid19_response_en.pdf

[Listen to the answer at 11:38:04 of the recording]

Questions answered during the session

16. We use a flat rate for ESF technical assistance, can we use the same flat rate for REACT-EU TA?

Answer: Yes, if you are already using a flat-rate TA, you have to use a flat-rate TA for REACT-EU as well, it is not possible to mix real costs and flat rate.

[Listen to the answer at 11:39:55 of the recording]

Questions answered during the session

17. Could the COM please issue a list of possible "green" projects? We have been ordered by DG REGIO to finance 20-25% into green projects but we have no idea what would be eligible under REACT-EU, with a link to COVID.

Answer: REACT-EU targets specifically the resilient green and digital recovery. That is why there are plenty of opportunities that are currently covered by all the other thematic objectives in cohesion policy. If you consult the code of intervention and the coefficients assigned to the specific types of interventions such as interventions in energy efficiency, in buildings, for example, in renewable energy or sustainable urban transport, these types of investments that have coefficients of 40% or 100% are the ones that will clearly contribute to meeting the 25% target at EU level. REACT-EU may as well continue emergency response to Covid-19, e.g. support healthcare systems and some emergency support for SMEs.

[\[Listen to the answer at 11:40:32 of the recording\]](#)

Questions answered during the session

18. If the REACT-EU allocation is used for job maintenance under the ESF, is the contribution to climate change calculated based on the secondary themes related to the shift to low-carbon resources for instance?

Answer: Yes, the secondary ESF theme 01 “Supporting the shift to a low carbon, resource efficient economy” should be used to earmark the part of programmed REACT-EU allocation directly contributing to climate objectives.

Questions answered during the session

19. Is it possible to design own indicators for ERDF dedicated to energy transition?

Answer: We would strongly recommend that you use the relevant 2014-2020 common indicators if what you would like to measure is already covered by the common indicators.

The other option is to use some of the new common indicators for the next programming period (that we did not have available in 2014-2020) in programming REACT-EU and the energy transition. We would recommend them under REACT-EU as a programme-specific indicator (we will be using them in the next programming period in any event). This would allow you to test these new common indicators in advance of the new programmes.

It is possible to use programme specific indicators, it is really a question of relevance. If it is a better indicator than the existing common indicators (or even the future common indicators), then we will examine it on a case-by-case basis.

[\[Listen to the answer at 11:43:17 of the recording\]](#)

Questions answered during the session

20. Is it possible to choose a single result indicator to cover the entire REACT-EU axis (e.g. private sector employment rate) as it is currently the case under 14-20 programming?

Oral answer: If I understood well, the axis is focused on support to SMEs, in particular, trying to overcome the crisis. In that context, it could be indeed very appropriate to cover those actions which have just one result indicator. If REACT-EU is addressing four or five sectors, then it is hard to think of one result indicator that would cover the different objectives that are being targeted. If you have health and SMEs mixed up there, it is hard to see how a result indicator only for SMEs would be a good proxy for the different results expected. This would make it more difficult afterwards for the programmes themselves to evaluate what were the outcomes of the REACT-EU activities if do not have some way of assessing it.

[\[Listen to the answer at 11:45:37 of the recording\]](#)

Written answer: Under ERDF, the use of a single result indicator may be a possibility where the priority concerned is focused (as appears to be suggested in the question) and where the indicator is a good proxy for the result expected.

Questions answered during the session

21. REACT-EU should be planned on a separate priority axis. If both ERDF and ESF activities are planned, should they be planned on two separate priority axis or it does not matter and all goes on one axis?

Answer: It has to go to separate priority axes. They have to be monofund. You have to have a separate REACT-EU - ERDF and a separate REACT-EU - ESF priority axis.

[\[Listen to the answer at 11:47:01 of the recording\]](#)

22. If the category of region does not apply do we have to take it into consideration while setting up co-financing rate of TA?

Answer: Yes, because we do not have the possibility to apply a 100% co-financing rate for the TA under REACT-EU. So, consequently, Article 120(3) applies as regards the maximum co-financing rates. See slide 37.

[\[Listen to the answer at 11:47:35 of the recording\]](#)

Questions answered during the session

23. Is it possible to use cross-financing? We have ERDF programme, roughly 3% of additional REACT-EU allocation to be used for ESF project (establishment and financing regional support centers for beneficiaries)?

Answer: Yes, REACT-EU regulation does not derogate from Article 98 CPR and consequently it continues to apply.

Questions answered during the session

24. Can the NL specify only 1 target value for the ESF-programme specific output indicator (CV31 Number of participants supported in combating or counteracting the effects of the COVID-19 pandemic?) And thus not specify any target values for the result indicators? And if the understanding is incorrect, specify how many targets should be set for which type of indicators?

Answer: At least one result indicator with a target is necessary per SO as in the mainstream programmes, the CPR requirement applies. The selection of the indicators should be based on the intervention logic and the selected indicators should measure the major changes intended and the main deliverables to be achieved in the specific objectives. So at least one result indicator with a target is required, nevertheless, the main objectives the programme intends to achieve should be covered. The idea is that, in the programme, there is a specification of the main expected results. There is structured information on that in the template, and those main expected results are translated into result indicators. Only then you will be able to tell later on, within evaluation, if your SO is actually achieved.

In order to see how many indicators would specifically fit the Dutch programme, a clear understanding of what the programme wants to achieve is needed. It should be seen with the geo desk first, and then also with us in the methodological unit if necessary, and find the right selection of indicators, we are available for that.

We need to understand the context and the actions. Ideally targets will be set, that is our preferred approach under ESF. In case there are difficulties to set the ESF targets for the result indicators, we will discuss with the programmes the context and the difficulties they have and we would encourage them to set a range. This was sometimes accepted for 2014-2020, or even a qualitative change depending on the scope of the actions being proposed.

[\[Listen to the answer at 11:49:04 and 11:51:07 of the recording\]](#)

Questions answered during the session

25. Please clarify how the result indicators are to be planned for the REACT-EU. Concretely, if the result indicators have to be verifiable in statistics, and in the limited allocation for 2021, there is only a smaller part of REACT-EU allocation planned for the ERDF, which will be dedicated for digital and green in SMEs, there will be no significant impact that will be reflected to the statistical values, so there remains the problem of defining result indicator?

Answer: In case a statistical indicator is difficult to identify under an ERDF priority, the Programme could propose a direct result indicator (an outcome indicator), which would only cover for example, the survival rate or the turnover of the enterprises supported. We would be happy to discuss with Programmes that kind of approach. This is not the approach taken at the beginning of 2014-2020 period, but is comparable to the approach planned in 2021-2027. In the context of REACT-EU, this seemed like a reasonable compromise when we were discussing result indicators for the ERDF.

[\[Listen to the answer at 11:52:51 of the recording\]](#)

Questions answered during the session

26. Question on codes of intervention. Will there be separate set of codes under new REACT-EU TO or MA's will use the existing ones under other TO's?

Answer: From the point of view of trying to minimise change, we are using the same categorisation codes, the same list of dimensions and the same intervention fields. There is a little bit of compromise there, if you are doing health actions, we recommend you to use the health infrastructure intervention field code, even though we accept that many of those health actions such as PPE and medicines and so on are not strictly speaking infrastructure. But that is why we are encouraging you to use the COVID financial indicators that are basically shadow intervention fields. We did not want to change the legislative basis or to ask you to change your monitoring system for the categorisation system. That was one part of the reason why the COM suggested last year the non-paper with these so-called financial output indicators which are really shadow intervention fields.

[\[Listen to the answer at 11:54:28 of the recording\]](#)

Questions answered during the session

27. In regards to vaccines, are personnel costs involved in implementation plans eligible?

Answer: Vaccines and associated costs are in principle, eligible, but please get in touch with GU with any more specific plan you might have. There are differences in scope of support from the ERDF an the ESF.

[\[Listen to the answer at 11:56:00 of the recording\]](#)

28. The REACT-EU regulation does not clarify the scope of compliance with the rules for applying of the strategic Environmental Assessment and the subjection to SEA of the changes introduced. You can clarify about this?

Answer: We are acting in an emergency context. Paragraph 10 of the new Article 92b CPR derogates from an obligation to provide an ex-ante evaluation. Article 55 provides that an ex-ante evaluation shall incorporate when appropriate a strategic environmental assessment in line with the Directive 2001/42 EC. That means we will not require a SEA document to be provided for the REACT-EU amendment It is worth to mention that in case of specific projects, the EIA still applies, so on the project-level you will continue to undertake all activities.

[\[Listen to the answer at 11:56:53 of the recording\]](#)

III. REACT-EU implementation

Directorate-General for Regional and Urban Policy:

Oana Andreea DORDAIN, Deputy Head of Unit for Financial Instruments and relations with International Financial Institutions

Ieva ZALITE, Financial Instruments and relations with International Financial Institutions Unit

Miriam FERNANDEZ JUTZ, Coordination, relations with the CoA and OLAF Unit

Urszula ROMAŃSKA, Coordination of Programmes Unit

Financial instruments in REACT EU

REACT EU resources may contribute to **new or existing FI**.
Implementation of such FI are subject to CPR rules on FI.

The new REACT EU priority(-ies) or programme(-s) may contribute to the existing FI, taking into account:

- **CRII+ still applicable** for FIs: no review or update of **ex-ante assessment** in line with Article 25a(10) CPR, for working capital support no business plans needed, no need for evidence allowing verification that the support provided through the financial instruments was used for its intended purpose according to Article 25a(11) CPR
- **Necessary amendments to the funding agreement(-s)**
- **State aid and public procurement rules** should be respected

Where MA are setting-up new FI, including with REACT EU resources, all the provisions of CPR in relation to FI apply, including ex-ante assessment, funding agreement(-s), etc.

Article 25a(11) CPR still applicable in case of support for working capital: no business plans and no verification of the « use for its intended purpose »

=> If the MA plan to continue implementing FI in post-2020 programmes MA should consider setting up FI to last longer than for the purpose of the programming period 2014-2020 to benefit from the existing FI structures and the provisions on continuation according to Article 62(1a) CPR 2021-2027 (e.g. procurement procedures, ex-ante assessment)

Financial instruments in REACT EU

Expenditure is eligible for FI from 1 February 2020 if the underlying support to final recipients has been disbursed after the new funding agreement is signed or the existing funding agreement is amended to provide support under the thematic objective set out in paragraph 9 of Article 92b CPR.

Investments in line with the type of actions that contribute to the objectives of the new priority axis(-es) or the new programme(-s) according to Article 92b(8) are eligible.

Management costs and fees according to Article 42(1)(d) CPR are also eligible from 1 February 2020 only after the signature of the funding agreement or in case of the existing FI after the amendment of the respective funding agreement.

Once the OP modified with the new priority axis(-es)/or the new OP approved, the national authorities can submit the payment claims according to Article 41 CPR.

Financial instruments in REACT EU

Example: REACT EU resources contribute to the existing FI set up with the ERDF programme resources and REACT EU resources have **the same eligibility rules** as the ERDF programme resources to provide loans:

- Article 1 CIR 821/2014 applies to the programme contribution to the FI, meaning a separate account or an adequate accounting code applies to the contribution made by the programme with ERDF and REACT EU. However, it does not require financial intermediaries to maintain such accounting separation at its level **within the portfolio of loans it disburses and monitors**.
- For the **applications for reimbursement by beneficiaries**, the beneficiaries could decide independently or together with the managing authority the part of the request concerning ERDF programme resources and REACT EU resources.
- At the level of each payment claim and at closure, the MA can therefore decide to allocate the disbursed portfolios of loans on a pro rata basis as **eligible expenditure to the EC**.
- Another option is to **use the sources of funding in a sequential way**, e.g. first the ERDF and then REACT EU, to facilitate the subsequent allocation of disbursed loans to their respective source of funding.

However, should the ERDF programme and REACT EU resources have **differentiated eligibility rules**, then financial intermediaries would need to maintain an accounting separation in order to be able to precisely indicate to the MA, for reporting and audit purposes, which source of funding has been used for each loan. This separation may take the form of a separate account or a dedicated accounting code for the respective sources of funding.

Eligibility date for **new or on-going** operations under REACT-EU TO (1)

If an operation concerns the REACT-EU TO, it can benefit from retrospective eligibility date (Article 92b(11) CPR)

- only the expenditure incurred on and after 1/02/2020 can be supported under REACT-EU
- the expenditure incurred before 1/02/2020 cannot be reimbursed under REACT-EU

Important: the date when the expenditure was **incurred**, not when the relevant parts of projects were executed or when the project started.

This rule concerns operations supporting REACT-EU TO in both new programmes dedicated to REACT-EU and existing programmes that were amended.

Eligibility date for **new or on-going** operations under REACT-EU TO (2)

This rule concerns operations supporting REACT-EU TO in both new programmes dedicated to REACT-EU and existing programmes that were amended.

Attention: for technical assistance operations under REACT-EU the general rules of Article 65 CPR apply – not the REACT-EU derogations:

- eligibility start date for new expenditure is the date of **submitting** the programme amendments

The end date of eligibility for all operations remains the same: **31 December 2023**.

Reclassifying on-going operations

Operations that were selected and have already started under other priority axes may be reclassified/moved to the dedicated REACT-EU priority axis without the need to select them again. However, **under certain conditions!**

Particularly important that **the managing authority ensures compliance with applicable law** for the selection of the operations, in particular:

- The selection criteria under the REACT-EU priority axis are the same as the ones applied under the other ERDF/ESF priority axis. For example, transparency and equal treatment have to be ensured.
- The operations should contribute to the achievement of the specific objectives and the results of the REACT-EU priority axis as well as they have to fall within the scope of the Fund concerned.
- It will also be necessary to adjust the document setting out the conditions of support, depending on its content (e.g. regarding the specific communication requirements for REACT-EU).
- Adequate audit trail for the reclassification has to be ensured.

Supporting **physically completed or fully implemented** operations

Completed operations cannot be selected for cohesion policy support, including for REACT-EU (Article 2(14) CPR)

Article 65(6) CPR sets out a general rule: physically completed or fully implemented operations cannot be selected for support, **but** this rule shall not apply in two situations:

- **CRII(+)**: for operations that foster crisis response capacities in the context of the COVID-19 outbreak (Article 25a(7) CPR)
- **REACT-EU**: for operations supporting REACT-EU TO as long as they started on or after 1/02/2020 (Article 92b(13)(d) CPR). Start date is the date indicated in the document setting out the conditions for support.

Questions submitted before the webinar

1. How can we put in coherence the certification deadlines for the expenses occurred by the project holders in the 2014-2020 programs with those of React EU (i.e. accept the same deadlines in 2023 for both programs, according to the fact that 2020 has been a difficult year to carry out projects in view of the crisis)?

Answer: The final eligibility date remains the 31 December 2023 for both cohesion policy and the additional resources under REACT-EU. The programme authorities may make use of the existing flexibilities to catch up with implementation of some projects. The additional REACT-EU resources may target both emergency response and crisis repair, including supporting SMEs and job maintenance. These resources have to be implemented within the next three years in order to avoid deeper socio-economic recession. Extending deadlines could have an adverse effect.

[\[Listen to the answer at 12:20:12 of the recording\]](#)

Additional implementation questions submitted before the webinar

2. Is CPR article 130(3) (CRII+) applied to REACT-EU funding? Can there be flexibility between ERDF and ERDF REACT-EU funding and ESF and ESF REACT-EU funding or only between ERDF REACT-EU and ERDF REACT-EU technical assistance priority axes?

Answer: The 10% flexibility at closure cannot be applied between the non-REACT-EU priority axes and the REACT-EU priority axes. As regards the REACT-EU priority axes, it can only be applied to priority axes that are under the same Fund, e.g. between two REACT-EU ERDF priority axes in the same programme.

[\[Listen to the answer at 12:22:26 of the recording\]](#)

3. How should tertiary reporting and payment forecasts for REACT-EU be made in the future? Is an extension of SFC foreseen for this purpose? In what form should notifications and payment forecasts for REACT-EU be made in the future? Is an extension of SFC planned for this purpose?

Answer: The templates for financial data transmission – including the forecasts – will be amended in order to accommodate the REACT-EU resources.

[\[Listen to the answer at 12:23:14 of the recording\]](#)

Additional implementation questions submitted before the webinar

3. Do you already have specific requirements with regard to the communication requirements?

Answer: Article 92b(14) CPR defines the rules concerning communication requirements. The existing CPR rules apply. And additional requirement was added, whereby: The references to the “Fund”, “Funds” or “ESI Funds” in Section 2.2 of Annex XII shall be complemented by a reference to “funded as part of the Union’s response to the COVID-19 pandemic”, where financial support is provided to operations from the REACT-EU resources.

[Listen to the answer at 12:24:11 of the recording]

Additional implementation questions submitted before the webinar

5. How does it work with the pre-finance of 2014? When will this be deducted from the payment application? According to the new ESF plus regulation pre-financing will be transferred by the commission every year. The amount from the pre-finance will be deducted from the next payment application. Since we are planning to use REACT in 2021 our first payment application for ESF plus will be in 2023 at the earliest. What happens to the pre-finance of 2021 from ESF plus?

Answer: The CPR rules concerning the 2014 initial pre-financing were not amended. Initial pre-financing should be totally cleared at closure of the programme. This provision will apply as well to the 11% initial pre-financing for the REACT-EU.

[Listen to the answer at 12:24:38 of the recording]

Questions submitted before the webinar

6. Is there only one co-financing per payment application possible?

Answer: The payment application reflects the construction of the programme, i.e. the structure of the priority axes and the relevant co-financing rates which may vary between priority axes.

[\[Listen to the answer at 12:26:00 of the recording\]](#)

7. Is it rightfully assumed that payment flows as well as the accounting exercise of ESF funds and REACT funds must be distinguished and clearly assigned and that therefore SFC2014 will be adapted accordingly. If not, please explain legal provisions on how the closure process would look like with different co-financing rates to be applied.

Answer: Yes, that is correct. The SFC will be adapted in an appropriate manner.

[\[Listen to the answer at 12:26:40 of the recording\]](#)

Questions submitted before the webinar

8. Pour l'année 2021, le calcul serait donc schématiquement le suivant par fonds: (somme des dotations annuelles hors réserve de performance de 2014 à 2018 inclus) – (somme des préfinancements initiaux de 2014 à 2016 inclus ; préfinancement initial supplémentaire REACT EU 2021 ; préfinancements annuels de 2016 à 2021 inclus). La Commission peut-elle confirmer notre interprétation?

Translation: [As regards decommitment] For the year 2021, the calculation would therefore be schematically as follows per fund: (sum of annual allocations excluding performance reserve from 2014 to 2018) - (sum of initial pre-financing from 2014 to 2016 + initial pre-financing REACT EU 2021 + annual pre-financing from 2016 to 2021).

Answer: The calculation as regards the end of 2021 is correct, but it is calculated at programme level, not at the Fund level.

[Listen to the answer at 12:27:20 of the recording]

Questions submitted before the webinar

9. Nous comprenons donc qu'il n'y aura pas de flux financiers distincts entre les ressources supplémentaires REACT EU et les fonds FEDER, FSE, IEJ auxquels ces ressources supplémentaires REACT EU seront allouées ou transférées. Aussi, la Commission ne verserait pas de préfinancements annuels spécifiques à REACT EU mais bien des préfinancements par fonds, dont l'assiette de calcul aura été élargie pour inclure les dotations supplémentaires REACT EU. La Commission peut-elle confirmer notre interprétation?

Translation: We therefore understand that financial flows will be separate between the additional REACT EU resources and the ERDF, ESF, YEI funds to which these additional REACT EU resources will be allocated or transferred. Also, the Commission would not pay specific annual pre-financing to REACT EU but rather pre-financing by fund, the calculation base of which will have been extended to include the additional REACT EU allocations. Can the Commission confirm our interpretation?

Answer: The financial flows from REACT-EU will be separate from the non-REACT-EU resources from the budgetary point of view – these are separate budgetary lines. The annual and the initial pre-financing from REACT-EU will be paid separately. The annual pre-financing will be once and be calculated on a basis of a sum of REACT-EU and non-REACT-EU resources.

[Listen to the answer at 12:28:20 of the recording]

Audit and control

No changes to audit and control rules

However, co-operation between AA and MA needed to:

- Clearly identify the REACT-EU expenditure
- Share information / risk analysis

AA to adapt audit strategy:

- Early preventive system audits (new measures / beneficiaries / authorities)
- Adapt sampling if needed depending on the risks and considerations for stratification

A working group has been created with AAs to identify risky areas linked to the new funds and rules.

Questions submitted before the webinar

10. Several MAs plan to approve projects funded under REACT-EU as early as possible. Will this lead to any audit objections if the OP amendment has not yet been approved at that moment?

Answer: The CPR does not define when the projects shall be selected by the managing authority, as long as all applicable rules are respected. Please note specific eligibility rules for operations under REACT-EU, in particular that the physically completed or fully implemented operations can only be supported by REACT-EU if they started on or after 01/02/2020, as defined in Article 92b(13)(d)

[\[Listen to the answer at 12:30:55 of the recording\]](#)

11. How will the audits be affected by the regulation (REACT-EU)? Does this regulation refer exclusively to the question as to whether the service provider properly implements the measures or does it also require audits of the supported social enterprises and institutions?

Answer: All rules applicable to cohesion policy concerning audits apply as well to REACT-EU.

[\[Listen to the answer at 12:31:27 of the recording\]](#)

REACT EU vis-à-vis Cohesion Policy 2021-27



Since the final eligibility date is end-December 2023, MAs should carefully consider:

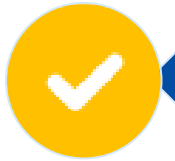
- the length and complexity of project cycle of specific operations;
- capacity of responsible authorities and beneficiaries.



Using mature project pipelines is highly recommended.



REACT-EU has to foster crisis repair and foster green and digital transformation, i.e. it should not be used to finance certain operations only because they will not be eligible / covered under 2021-2027 cohesion policy.



MAs can select operations still in 2023



MAs may apply phasing provisions, provided the conditions of Article 111 of the 2021-27 CPR are fulfilled.

Questions submitted before the webinar

1. In the current programming period, there were approximately 70 GUIDELINE documents prepared on programming, implementation, ex-ante conditionality, simplified cost options, thematic objectives, CLLDs or financial instruments. Is the Commission preparing a simplification of the rules? Is the Commission considering the use of the same guidelines for the different programs?

Answer: The Commission does not plan issuing guidance documents for the 2021-2027 cohesion policy.

[\[Listen to the answer at 12:33:15 of the recording\]](#)

2. How is the EC planning on defining the [enabling] conditions and implementing them?

Answer: The enabling conditions will be defined in the dedicated annexes III horizontal enabling conditions and IV thematic enabling conditions to the Common Provisions Regulation for the 2021-2027 programming period.

[\[Listen to the answer at 12:33:35 of the recording\]](#)

Questions submitted before the webinar

3. How will the [territorial just transition] plans be approved / managed / monitored? As an annex into of each operational programme? via the Monitoring Committee?

Answer: The territorial just transition plans will be adopted (as part of the programme) by the same Commission decision as the programmes. The JTF is subject to the same management, monitoring and evaluation rules as other cohesion policy funds (unless mentioned specifically under the JTF regulation, e.g. specific rules concerning financial corrections at the programme closure if the JTF indicators are underachieved). No separate monitoring committees than those for the programmes are required for the monitoring of the territorial just transition plans.

[\[Listen to the answer at 12:33:48 of the recording\]](#)

Submission of AIR for 2020



To preserve the benchmark for 2020 AIRs, MS encouraged to create 2020 AIR in SFC before COM adopts the REACT-EU programme amendment



If you have already created AIRs in SFC, please keep these AIR versions in SFC – do not to remove them!



This will ensure 2020 AIR is linked to pre-REACT-EU OP version in SFC

IV. REACT-EU under FEAD

Directorate-General for Employment, Social Affairs & Inclusion:

Roxana OSIAC, ESF and FEAD: Policy & Legislation Unit

REACT-EU under FEAD (I)

State of play of FEAD proposal

- endorsed by COREPER on 18/12/2020 and adopted by the Council through written procedure on 2/02/2021
- approved by the EP on 20/01/2021

Additional resources (Article 92b(5) CPR and 6a FEAD)

- top ups for existing programmes (voluntary decision by MS)
- OP amendment required, but simpler than for ESF and ERDF (financial table)

REACT-EU under FEAD (II)

- 11% initial **pre-financing** of the additional resources allocated for the year 2021
- **Co-financing** rate of up to 100%
- De-commitment at closure
- Ceiling of **5%** of the additional resources for technical assistance
- Amendments to the scope of **technical assistance**:
 - a) Preparation and operation costs of voucher schemes borne by the MA or another public body which is not a partner organisation (i.e. not covered by the 5% flat rate)
 - b) May concern the subsequent programming period, including to ensure the continuation of support in 2021-2027

Q & A session

Please write your questions in the **Q&A window**
or send an e-mail to

REGIO-COORDINATION-OF-PROGRAMMES@ec.europa.eu

Questions answered during the session

1. Regulation says that for the ERDF, REACT-EU resources shall *primarily* be used to support investment in products and services for health services, to provide support in the form of working capital or investment support to SMEs, investments contributing to the transition towards a digital and green economy, investments in infrastructure providing basic services to citizens, and economic measures in the regions which are most dependent on sectors most affected by the crisis. We would appreciate it if you could explain what exactly do you mean by the primary purpose of the REACT-EU? In other words, is there any “secondary” purpose of the REACT-EU, not directly related to health, green or digital, but rather oriented to recover the SMEs from recent catastrophic earthquakes?

Answer: The primary areas are defined in the REACT-EU Regulation and are focused on the crisis repair. While the CRII was more focused on the crisis response, REACT-EU focuses on crisis repair. In case of the ERDF, it especially continues what could be financed under CRII and it as well looks towards the future, ensuring resilience and sustainable recovery. Primary areas are those that contribute the most to this goal, but they are not a closed list of possible interventions. Everything that is allowed under the scope of support under the ERDF, could be as well allowed under the REACT-EU ERDF. It depends from the justification in Section 1 of the programme, both in terms of needs and challenges as well as the financial allocation. It is important to ensure that there is a proper justification, whatever you propose.

[\[Listen to the answer at 12:43:28 of the recording\]](#)

Questions answered during the session

3. What about financial instruments under REACT-EU? Any specific condition? Are they eligible? Should they have disbursed all resources by the programming period end?

Answer: Article 42 of the CPR sets out the elements what constitute eligible expenditure at closure, in case of financial instruments. This is equally applicable to situations where REACT-EU resources are used in the form of financial instruments. It means that expenditures listed in Article 42 have to take place within the eligibility period. This means that all the operations' eligibility end date is 31st December 2023.

[\[Listen to the answer at 12:46:21 of the recording\]](#)

4. What about loans in a Financial Instrument when they have passed to the final recipient for example in march 2020, is it allowed or considered as finalized?

Answer: If there is a change in the funding agreement allowing for such a support, this loan is not considered finalised. It can be still eligible expenditure, in line with the derogations we have in the REACT-EU which were explained.

[\[Listen to the answer at 12:47:39 of the recording\]](#)

Questions answered during the session

5. If the State Aid rules do not allow a 100% aid intensity, should this be shown with the co-financing rate within the Programme document?

Answer: It is better to have a concrete example and send it to us to confirm. It depends on the specific situation and whether the expenditure has already been included in the accounts. It is possible that the expenditure would have to be taken out of the accounts for the previous non-REACT-EU priority and then include it in the account for the REACT-EU priority axis.

[\[Listen to the answer at 12:48:26 of the recording\]](#)

Questions answered during the session

6. MS and COM will have to provide for an evaluation respectively on React-resources. How are these evaluations inter-related? How will COM design its evaluation and what will it cover? Which information will MAs have to deliver to COM?

Answer: This question overlaps with the one we already received from DE and answered earlier today, at 10:34. The REACT-EU evaluation provisions mirror the 2014-2020 evaluation provisions with an adjustment of deadline. The COM will use national evaluations where possible, the COM will present its approach with evaluation network partnership of national experts. That is where more details will be given.

[\[Listen to the answer at 12:50:00 of the recording\]](#)

7. I have one question concerning a project, which started after 01/02/2020. I'm not sure if I good understood that financed such project is possible, if were previously selected in line with criteria approved by Monitoring Committee?

Answer: In this case, if we have a project that started after 01/02/2020, then even if it is physically completed or fully implemented, it can be supported by the REACT-EU. You would have to follow the indicators/criteria indicated for reclassifying the indicators: set up the REACT-EU priority axis, establish selection criteria for that priority axis that would align perfectly, copy-paste the selection criteria that were approved by MC for that other priority axis and then you can reclassify that operation and finance it from REACT-EU

[\[Listen to the answer at 12:51:17 of the recording\]](#)

Questions answered during the session

8. Will the cost from 1 February 2020 of an operation started before that date, and not fully implemented, be eligible?

Answer: Only expenditure that was incurred on or after 1 February 2020 can be covered by REACT-EU. This should be taken into account when reclassifying operations that have been previously selected under other priority axes.

[\[Listen to the answer at 12:53:03 of the recording\]](#)

Questions answered during the session

9. Is it possible to transfer already declared expenditure (e.g. under ERDF) to REACT if the expenditure corresponds to eligibility rules?

Answer: It is better to have a concrete example and send it to us to confirm. It depends on the specific situation and whether the expenditure has already been included in the accounts. It is possible that the expenditure would have to be taken out of the accounts for the previous non-REACT-EU priority and then include it in the account for the REACT-EU priority axis.

[\[Listen to the answer at 12:54:15 of the recording\]](#)

Questions answered during the session

10. Can you confirm that there is possibility to finance within new React-EU priority axis projects that have been submitted, assessed and set in reserve list due to lack of sufficient financial resources within another „traditional” priority axis on the same rule that has been presented for possibility of reclassifying of on-going operations, especially criteria are the same in both axis. We have such very good projects of excellent quality that are ready for implementation and their applicants are very interested to implement them.

Answer: If they were already selected, then they do not need to be re-selected under REACT-EU priority axis, as long as the selection criteria under the REACT-EU axis are the same. If they were not selected officially then they would have to be selected under REACT-EU. That would be perfectly in-line with our idea of using the existing project pipeline. You already have a list of mature, ready-to-go projects. It also depends on whether these types of interventions are in line with what you are negotiating/discussing with our colleagues in the GU.

[\[Listen to the answer at 12:56:32 of the recording\]](#)

Questions answered during the session

11. If a member state establishes a new operational programme with two separate priority axes for ERDF and ESF and the main programmes (2014 – 2020) are not using flat rate financing for TA, is it possible to use flat rate financing for TA in the new operational programme for REACT?

Answer: Yes, in case of a new programme dedicated to REACT-EU, the choice of reimbursement of TA is free. However, a priority for TA (or two, in case of financing from both ERDF and ESF) needs to be set up, as Articles 96(1) and 119(6) of CPR apply: all resources have to be programmed in a priority axis and TA specifically has to take the form of a mono-fund priority.

Questions answered during the session

12. According to the new Art. 92b (13)(d) of Reg. 1303/2013 operations can be funded which started after 1 Feb 2020, under the proviso that they were selected according to the unchanged Article 125(3) of the same Regulation. Besides that, the SCOs to be used have to be defined in advance, according to Art. 67(6), chapter 5.1 of the guidance note on simplified cost options (EGESIF_14-0017) and chapter 4.1 of the draft updated guidance note on simplified cost options. If operations, which had started as of 1 February 2020, are to be funded under REACT-EU, this implies that the definition of SCOs has to be ex-post. This could lead to the fact that measures regarding information and communication might not entirely stick to the rules on selection of operations. Does the Commission approve such an approach?

Answer: The guidance note on simplified cost options explains that simplified cost options have to be defined ex ante and should be included in the call for proposals. Following the selection, the same information (SCO reimbursement, method, specific SCO used, amount) should be set out in the grant agreement. This obligation aims at providing clarity to the beneficiary how the costs will be reimbursed. This requirement applies as well to operations that are physically completed or fully implemented. Once the SCO is applied, this mode should not be changed during implementation of the operation to real costs or the other way around. Finally, the SCOs should not be changed during implementation, unless an update of the SCOs was communicated in the relevant call for proposals.

As regards the requirements on information and communication, the rules set out in the CPR apply to REACT-EU. In accordance with Annex XII, point 6 of section 2.2 of the CPR, responsibilities of beneficiaries apply as from the time the beneficiary is provided with the grant agreement. Moreover, Article 92b(14) CPR set out additional specific requirements for REACT-EU.

Wrap up & conclusions

Directorate-General for Regional and Urban Policy:

Kadri UUSTAL, Head of Unit for Coordination of Programmes

Upcoming webinars

Theme	Date
Technical assistance and capacity building	Completed on 26 June (recording available on InfoRegio)
InvestEU programme and financial instruments under shared management	Completed on 15 September (recording available on InfoRegio)
Horizontal enabling conditions	Completed on 19 October (recording available on InfoRegio)
Handbook on sustainable urban development strategies	Completed in November 2020
REACT_EU	9 February 2021
Simplified Cost Options and Financing not Linked to Cost	23 February 2021, 9.30 – 13.00 (registration closed, more information on InfoRegio)
Just Transition Fund	25 February 2021, 9.30 – 13.00 (registration closed, more information on InfoRegio)

Thank you!

Contact: REGIO-COORDINATION-OF-PROGRAMMES@ec.europa.eu



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