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EVALUATION

**Preliminary evaluation of the support provided by ESF and FEAD under the
Coronavirus Response Investment Initiatives (CRII and CRII+)**

{SWD(2023) 261 final}

Contents

1. Introduction	4
2. What was the expected outcome of the intervention?	5
2.1. Description of the intervention and its objectives	5
2.2. Points of comparison	14
2.2.1.ESF and FEAD before the COVID-19 crisis.....	14
2.2.2.ESF after the financial crisis of 2007-2008.....	16
3. How has the situation evolved over the evaluation period?	17
3.1. Take-up of CRII/CRII+ flexibilities	17
3.2. Reallocation of available funds	19
3.3. Anti-crisis operations implemented under the ESF and FEAD.....	20
4. Evaluation findings (analytical part).....	24
4.1. To what extent was the intervention successful and why?	24
4.2. How did the EU intervention make a difference?	33
4.3. Is the intervention still relevant?	35
5. What are the conclusions and lessons learnt?.....	43
5.1. Conclusions	43
5.2. Lessons learned.....	48
Annex I: Procedural Information	52
Annex II. Methodology and Analytical models used.....	53
1. Brief overview of the methodology	53
2. Limitations, mitigating measures and robustness of findings.....	55
Annex III. Evaluation matrix and, where relevant, Details on answers to the evaluation questions (by criterion)	57
Annex IV. Overview of benefits and costs.....	63
Annex V. Stakeholders consultation - Synopsis report.....	65

Glossary

<i>Term or acronym</i>	<i>Meaning or definition</i>
Accompanying measures	Activities provided in addition to the distribution of food and/or basic material assistance with the aim of alleviating social exclusion and/or tackling social emergencies in a more empowering and sustainable way
AIR	Annual implementation report
ALMP	Active labour market policies
Beneficiary	A public or private body responsible for initiating or both initiating and implementing operations
CARE	Cohesion's Action for Refugees in Europe
CF	Cohesion Fund
CPR	Common Provisions Regulation
CRII	Coronavirus Response Investment Initiative
CSR	Country-specific recommendations
DG EMPL	Directorate-General Employment, Social Affairs and Inclusion
DG REGIO	Directorate-General Regional and Urban Policy
End recipient	The most deprived person or persons receiving FEAD support
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
EUSF	European Union Solidarity Fund
FEAD	Fund for European Aid to the Most Deprived
GDP	Gross domestic product
IP	Investment priority
ISCED	International Standard Classification of Education
MA	Managing authority
MS	Member State
NEET	Person not in employment, education or training
OP	Operational programme

Operation	Operation means a project, contract, action or group of projects selected by the managing authorities of the programmes concerned, or under their responsibility, that contributes to the objectives of a priority or priorities
Participant	A person benefiting directly from an ESF intervention who can be identified and asked for their characteristics, and for whom specific expenditure is earmarked
Participation	A participant can take part in several ESF operations. The monitoring system records therefore the number of 'participations'
PES	Public employment service
PPE	Personal protective equipment
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
RRF	Recovery and Resilience Facility
SFC	System for fund management in the European Union
STWA	Short-term working arrangements
SURE	Support to mitigate unemployment risks in an Emergency
TO	Thematic objective
YEI	Youth Employment Initiative

1. INTRODUCTION

Purpose and scope of the evaluation

This evaluation provides an early assessment of the use of the provisions of the Coronavirus Response Investment Initiatives (CRII and CRII+) in operational programmes funded by the ESF (European Social Fund) and FEAD (Fund for European Aid to the Most Deprived), and of the role that both funds played in response to the public health crisis caused by COVID-19. The European Commission adopted the Coronavirus Response Investment Initiative on 13 March 2020, at the very beginning of the pandemic, to provide immediate liquidity to Member States' budgets through the quick mobilisation of cash reserves from the European Structural and Investment Funds (ESIF). As the crisis unfolded, it proved necessary to complement the original set of flexibilities with additional package of measures. The Coronavirus Response Investment Initiative Plus was proposed on 2 April 2020. In this evaluation the two initiatives are analysed jointly.

Given the early stage of implementation of the operations under CRII and CRII+ at the time of the evaluation, the evaluation **focuses on the process of reacting to the crisis, rather than on the impacts of the operations**. It aims to assess whether the Commission and the Member States replied quickly and in an appropriate way to the urgent needs that emerged during the pandemic.

The assessment of the five Better Regulation evaluation criteria is adapted to align with the specificities of this evaluation. The assessment of **effectiveness and efficiency** concentrates on the speed of the EU's response to the crisis, and the flexibility/simplification measures introduced by CRII and CRII+ to enable an immediate crisis response at national level. The evaluation looks at the **coherence** of CRII and CRII+ operations with the operations implemented under the ESF and FEAD before the crisis, as well as with other relevant EU initiatives. **Relevance** is evaluated both from the perspective of the needs of Managing Authorities/Member States and participants/end recipients of support. Rather than addressing the EU added value criterion, the evaluation assesses the **role played by ESF and FEAD operations within national anti-crisis strategies**.

Two intervention logics were used for the analysis. The first one depicts CRII and CRII+ as a crisis tool and is used to assess all the evaluation criteria, with particular focus on the effectiveness and efficiency. The second intervention logic describes ESF and FEAD operations implemented under CRII and CRII+ and serves the assessment of coherence, relevance and the role played by these operations within national anti-crisis strategies.

The evaluation covers programmed crisis responses at the EU level and at the national and regional levels in the EU Member States and the UK¹ in the areas of employment, social inclusion, healthcare and education and training. The **timespan** of the analysis extends **from March 2020**, when the CRII package was adopted, **to September 2022**.

¹ After the UK's withdrawal from the EU on 31 January 2020 the adopted operational programmes continued to be implemented and the UK was covered by CRII initiatives.

This evaluation is based on a supporting study carried out between December 2021 and December 2022. It involved the analysis of data available in the database of the System for fund management in the EU (SFC), surveys with ESF and FEAD managing authorities, in-depth interviews with EU, national and regional level stakeholders, case studies and focus groups.

The evaluation findings will feed into the ex-post evaluations of the ESF 2014-2020 and FEAD, both due by December 2024, which will provide deeper assessments of crisis response operations. The conclusions and lessons learnt from this evaluation could be useful if the Member States and the Commission are faced with major crisis situations in the future and need to use the European Social Fund Plus (ESF+) for initiatives that respond to the crisis. The findings of the evaluation can also contribute to the discussions on the future of cohesion policy and the role it can play in possible future crises.

2. WHAT WAS THE EXPECTED OUTCOME OF THE INTERVENTION?

2.1. Description of the intervention and its objectives

The COVID-19 pandemic posed **unprecedented challenges for the labour market, social inclusion, healthcare and education** systems in Europe. In the area of health, the pandemic led to a large number of people being infected with COVID-19, excess mortality, a fall in life expectancy, people suffering from mental distress, and long-lasting symptoms, etc.² The rapid growth in cases of COVID-19 challenged the capacity of national healthcare systems. In the initial focus on acute COVID-19 treatment, management of non-communicable diseases was severely scaled down, which compromised access to health services for all.

The developing pandemic and measures to stop the spread of the virus resulted in a **decrease in economic activity**. As a consequence, it became much harder for people to keep their jobs or find work, particularly those without permanent contracts and in sectors which could not shift to telework. In 2020, employment fell by 1.5% in the EU after a period of continuous growth that resulted in record numbers of people in work in 2019. The decline in employment particularly affected young people and people living in a different country than the one they were born in. Lockdown measures aggravated the existing social inequalities and living conditions, affecting the most vulnerable groups (including low-income households, homeless people, older people and persons with disabilities) to the largest extent. The pandemic also exacerbated difficulties in accessing services that had migrated online. In the area of education and training, the shift from face-to-face to distance learning to ensure continuity magnified inequalities, hitting already disadvantaged students hardest³.

² OECD (2021), Health at a Glance 2021: OECD Indicators, OECD Publishing, Paris.

³ Employment and Social Developments in Europe 2021.

The public health crisis risked leading to liquidity shortages and significant negative effects on EU economies and societies in the long-term such as falling levels of employment, a slowdown in economic growth and increasing social inequalities. This called for rapid intervention.

The EU responded to the COVID-19 crisis through several initiatives that provided financial support to the Member States. The first of these were the **Coronavirus Response Investment Initiative (CRII)**⁴ and the **Coronavirus Response Investment Initiative Plus (CRII+)**⁵, which were launched by the European Commission in March and April 2020. These initiatives amended the Common Provisions Regulation (CPR)⁶ of the European Structural and Investment Funds (ESIF). FEAD's legal basis⁷ was amended in April 2020 by Regulation (EU) 2020/559. The ESF Regulation⁸ was not amended as it allowed to support the new types of actions that could be necessary in the crisis circumstances to continue to pursue the objectives of the ESF.

The general objective of CRII and CRII+ (Figure 1) was to mitigate the effects of the public health and socio-economic crisis caused by the COVID-19 pandemic. The specific objectives included mobilising unused support from the Funds and enabling Member States and the UK to address the acute needs of their populations during the pandemic by quickly redirecting funding and adjusting existing operations.

CRII and CRII+ constituted a set of changes in the rules governing the implementation of ESF and FEAD operational programmes (OPs) and **were not accompanied by any additional budget**. The **list of flexibilities** for the ESF included: (i) the reallocation of funds within and between OPs; (ii) the reallocation of money between different funds (e.g. from ERDF to ESF); (iii) a 100% co-financing rate for the 2020-2021 accounting period; (iv) retroactive eligibility (enabling Member States to incur expenses and reimburse them at a later stage through the ESF); (v) reallocation of funds between different categories of regions; (vi) the flexibility to programme actions under the thematic objective where the needs were most acute; (vii) postponement of the submission of the Annual Implementation Report for 2019; (viii) not issuing recovery orders for 2020.

⁴ REGULATION (EU) 2020/460 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 March 2020 amending Regulations (EU) No 1301/2013, (EU) No 1303/2013 and (EU) No 508/2014 as regards specific measures to mobilise investments in the healthcare systems of Member States and in other sectors of their economies in response to the COVID-19 outbreak (Coronavirus Response Investment Initiative).

⁵ Regulation (EU) 2020/558 of the European Parliament and of the Council of 23 April 2020 amending Regulations (EU) No 1301/2013 and (EU) No 1303/2013 as regards specific measures to provide exceptional flexibility for the use of the European Structural and Investments Funds in response to the COVID-19 outbreak.

⁶ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

⁷ Regulation (EU) No 223/2014 of the European Parliament and of the Council of 11 March 2014 on the Fund for European Aid to the Most Deprived.

⁸ Regulation (EU) No 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation (EC) No 1081/2006.

Box 1. CRII and CRII+ flexibilities introduced to Common Provisions Regulation

CRII - Regulation (EU) 2020/460

- Making expenditure related to the COVID-19 crisis eligible under cohesion policy rules
- Article 30a (5): Common Provisions Regulation notification, non-substantial transfers
- Article 37 (4): providing working capital to SMEs through financial instruments
- Article 65 (10): retroactive eligibility
- Article 139 (7): Not issuing recovery orders for 2020

CRII Plus - Regulation EU 2020/558

- Article 25a (1): 100% co-financing rate for the 2020-21 accounting period
- Article 25a (2): reallocation between Funds
- Article 25a (3): reallocation between categories of regions
- Article 25a (5): waiver of thematic concentration requirements
- Article 25a (6): no amendments to partnership agreements
- Article 25a (7): retroactive eligibility
- Article 25a (8): providing information on amounts where payment applications were not possible at an aggregate level [for eligible costs <EUR 1 million]
- Article 25a (9): postponement of deadline for submission of the annual implementation report for 2019
- Article 25a (10): waiver of submitting evidence (e.g. updated business plans) where financial instruments provide working capital to SMEs
- Article 25a (12): use of non-statistical sampling for auditing

Flexibilities in the use of **FEAD** included: (i) a simplified procedure for amendments to operational programmes to streamline the help offered by the fund for needs on the ground; (ii) the reallocation of funds within the FEAD operation programmes; (iii) the postponement of the deadline to submit annual implementation reports for 2019; (iv) a 100% co-financing rate for the 2020-21 accounting year; (v) retroactive eligibility; (vi) the use of electronic vouchers and cards; (vii) the use of FEAD to purchase personal protective equipment and materials for partner organisations; (viii) the non-reduction of eligible costs due to delays in the delivery of food and/or basic material aid.

Box 2. Flexibilities in reprogramming FEAD (Regulation EU 2020/559)

- Re-allocation of money within the OP
- Article 9 (4): notification, non-substantial transfers
- Article 13(1): postponement of the deadline to submit 2019 AIRs
- Article 20 (1a) : 100% co-financing rate for the 2020-21 accounting year
- Article 22 (4): retroactive eligibility
- Article 23 (5): use of electronic vouchers / cards
- Article 26 (2): use of FEAD to purchase personal protective equipment and materials for partner organisations
- Article 26a: non-reduction of eligible costs due to delays in the delivery of food and/or basic material aid
- Article 26b (1): claims for expenses where the implementation of services was suspended
- Article 26b (2): reimbursement of beneficiaries based on the outputs planned for the period of suspension [when reimbursement is based on simplified cost options]
- Article 26c: claims for expenses for OP II or technical assistance operations not fully implemented
- Article 30: less onerous control and audit trail requirements

The direct effect of CRII and CRII+ should be visible in the take-up of the flexibilities that were introduced. It can be measured by the number of operational programmes modified with or without formal amendments and the number of Member States using the proposed flexibilities.

These initiatives to tackle COVID-19 resulted in new and adjusted ESF and FEAD operations and the mobilisation of non-utilised funds to deal with the crisis. The results can be measured by the number of anti-crisis operations, the number of recipients who received help, the amount of funding allocated to operations, and the changes in financial absorption rates.

The ultimate impacts include the intended role of the funds response in ensuring functioning health systems through facilitating necessary public investments in healthcare; mitigating negative effects on growth; facilitating effective economic recovery; diminishing pressure on public finances; and providing the necessary support to businesses and people. In particular, the response initiatives were designed to enable the ESF and FEAD to more effectively meet the needs of their target groups, especially those in vulnerable situations who are likely to be most affected by the consequences of the pandemic (e.g. those facing poverty, with significant barriers to labour market access, people with disabilities and health conditions, young people, older workers).

At the level of operations, ESF and FEAD under CRII and CRII+ continued to pursue their objectives (access to employment, social and health services, education, food and material assistance) however with an emphasis on maintaining the continuity of services and enabling access to them in the new reality shaped by the pandemic. Therefore, the new and

adjusted operations resulting from CRII and CRII+ constitute the main change in the ESF and FEAD intervention logics (Figure 2).

The general, high-level objective was to maximise the use of the ESF and FEAD (through the flexibilities provided) to mitigate the effects of the public health and socio-economic crisis resulting from COVID-19. As concerns **health**, the specific objective is to support the provision of health services and for **social inclusion**, to provide access to social services for the disadvantaged. As regards **employment**, the support aims specifically at adaptation of workers, enterprises and entrepreneurs. For **education and training**, the specific objective is to invest in education, training and vocational training for skills and lifelong learning in line with the new challenges raised by the pandemic.

The activities concern the specific new and adjusted operations planned for the ESF and FEAD to support the COVID-19 response. Some ESF activities span across thematic areas (as reflected in the flexibility given to programme some of the operations articulated as activities under different thematic objectives).⁹ The most important changes in the use of ESF and FEAD relative to the pre-pandemic situation are visible at the level of activities within operations.

⁹ The guidance on possible ways of programming operations in DG EMPL's *'Typology of indicative measures under the ESF and YEI that can be mobilised to address COVID-19 crisis'*.

Figure 1: Intervention logic for the Coronavirus Response Investment Initiatives (CRII and CRII+)

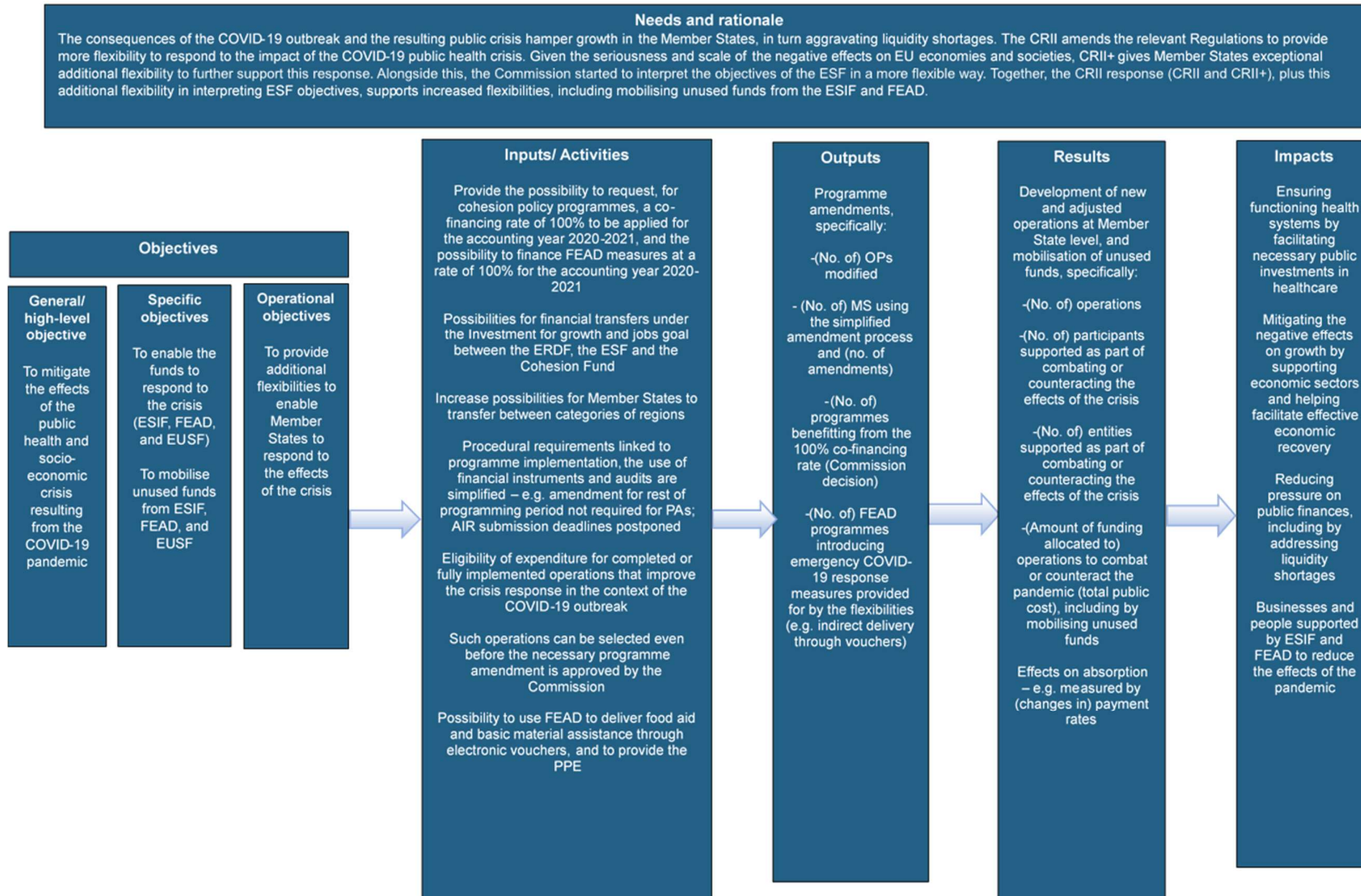
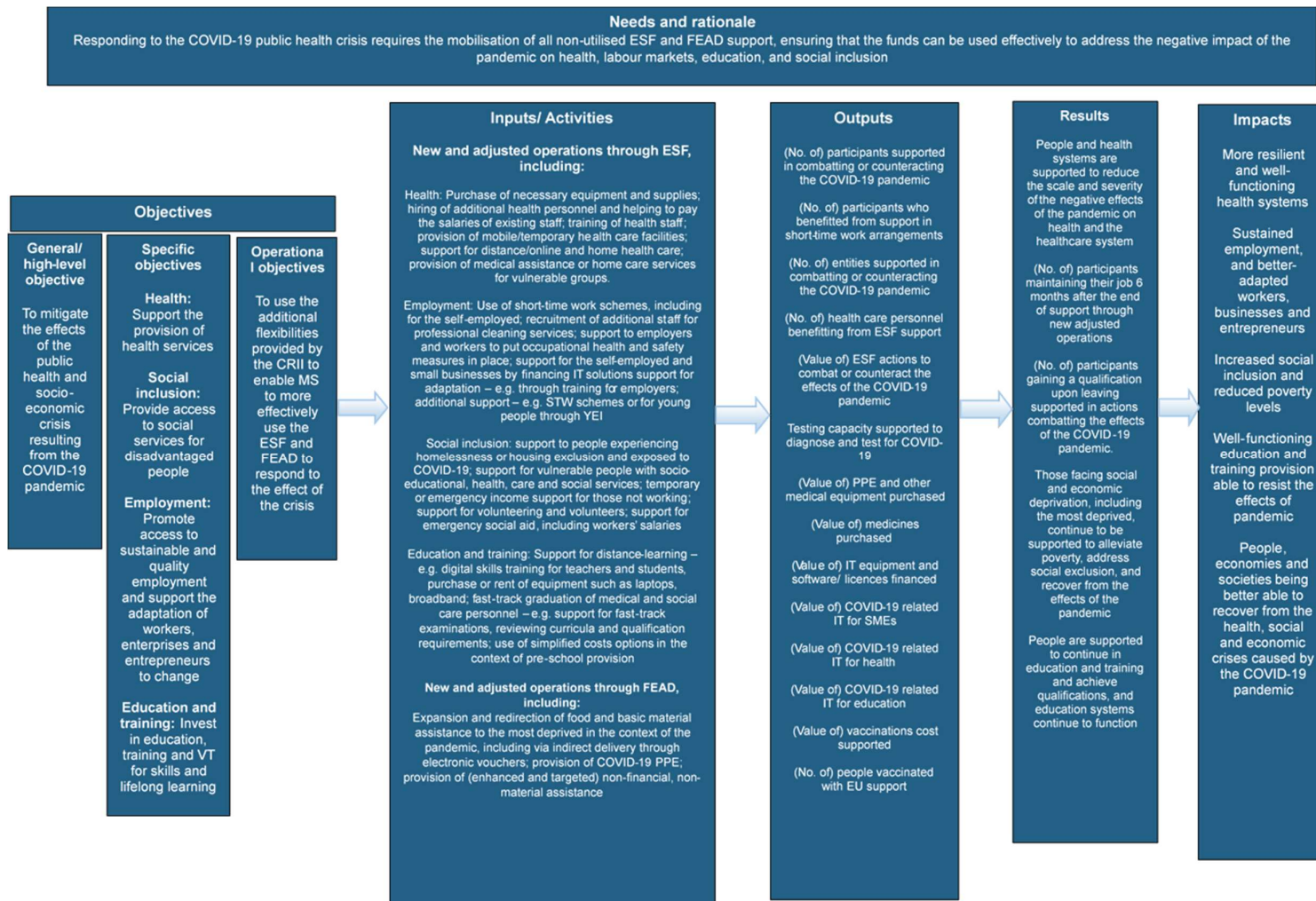


Figure 1: Intervention logic for support provided by the ESF and FEAD under the Coronavirus Response Investment Initiatives (CRII and CRII+)



For **health**, activities cover a range of ESF operations including: the purchase of necessary equipment and supplies; the hiring of additional healthcare personnel and helping to pay the salaries of existing staff; training for healthcare; the provision of mobile or temporary healthcare facilities; support for distance and online healthcare and healthcare at home; and the provision of medical assistance or home care services for vulnerable groups.

Employment-related activities include: the use of short-time work arrangements; the recruitment of additional staff for professional cleaning services; support for employers and workers to set up teleworking arrangements; support for employers and workers to put in place occupational health and safety measures; support for self-employed people and small businesses by financing information technology solutions.

Social inclusion operations funded by the ESF include: support for people experiencing homelessness or exclusion from housing and who are exposed to COVID-19; healthcare and social services; support for volunteers and volunteering activities; and support for emergency social aid, including the payment of salaries of people in work.

ESF-funded activities in **education and training** include support for distance learning e.g. digital skills training for teachers and students; the purchase or rent of equipment such as laptops or broadband connections; and the fast-track graduation of medical and social care personnel (e.g. support for fast-track examinations or reviewing curricula or qualification requirements).

Similarly, activities delivered through FEAD encompass new and adjusted operations to address the additional challenges faced by the most deprived as a result of the pandemic. These include the expansion and redirection of food and basic material assistance to the most deprived, including via indirect delivery through electronic vouchers, along with the provision of personal protective equipment and the provision of (enhanced and targeted) non-financial, non-material assistance.

The wide range of operations presented as **activities** are expected to lead to a set of quantifiable **outputs**. These have been developed with reference to the programme-specific output indicators designed to capture and measure the direct response of cohesion policy to the COVID-19 pandemic,¹⁰ including through the ESF.

Results can be articulated to align, where suitable indicators are available, with the programme-specific result indicators used to measure the COVID-19 response through the funds. These concern the number of ESF participants who kept their job 6 months after the end of support provided through the new and adjusted operations, and the number of participants gaining a qualification upon leaving supported by activities to combat the effects of the pandemic. In addition, results also capture the aim of the response initiatives to ensure that: (i) people and healthcare systems are supported; (ii) that people facing social and economic deprivation, including the most deprived, continue to be supported to alleviate poverty, address social exclusion, and recover from the effects of the pandemic; (iii) that people are supported to continue in education and training and to achieve qualifications, and that education systems continue to function.

¹⁰ As initially outlined in the European Commission ‘Non-paper: List of programme specific indicators related to the cohesion policy direct response to the COVID-19 pandemic’

The final element of the intervention logic for ESF and FEAD support under the CRII and CRII+ relates to **expected impacts**. These aim to ensure: (i) more resilient and better-functioning healthcare systems; (ii) sustained employment and better-adapted workers, businesses and entrepreneurs; (iii) increased social inclusion and reduced levels of poverty levels; (iv) the provision of well-functioning education and training able to resist the effects of the pandemic; (v) and, more broadly and in the medium to longer-term, that people and national economies are better able to recover from the health, social and economic crises caused by the COVID-19 pandemic.

CRII and CRII+ constituted an immediate crisis response. In May 2020, the Commission proposed NextGenerationEU as a comprehensive recovery plan to allocate €750 billion to help Member States reconstruct their economies and work towards building a greener, digital and more resilient Europe. The plan provides funding for investments and reforms, incentivises private investments to kick-start the economy, and aims to support a new health programme and boost investment in research. It comprises:

- the **Recovery and Resilience Facility**¹¹, including €723 billion in loans and grants to support Member State reforms and investments;
- **REACT-EU**¹², making €47.5 billion available through the ERDF¹³, the **ESF and FEAD to extend the measures delivered through CRII and CRII+**; and,
- additional money for other EU programmes or funds such as Horizon 2020, InvestEU and the Just Transition Fund.

The European Parliament and the Council reached an agreement on the plan on 10 November 2020, along with the multi-annual financial framework, marking the largest stimulus package ever financed through the EU budget, at a total of EUR 1.8 trillion. In addition, the EU has looked further forward, with post-2020 cohesion policy reinforcing research and innovation, the digital transition, the European Green Deal agenda, and implementation of the European Pillar of Social Rights.

The temporary **Support to mitigate Unemployment Risks in an Emergency (SURE)**¹⁴ is another key instrument in the EU's strategy to support employment and mitigate the negative impact of the COVID-19 pandemic. In 2020, it provided more than EUR 91.8 billion in loans to help support approximately 31 million people and 2.5 million companies in 19 Member States¹⁵. SURE was designed to support short-time work schemes and similar measures, to help Member States protect jobs and thus employees and self-employed people against the risk of unemployment and loss of income. When adopting the

¹¹ Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.

¹² Regulation (EU) 2020/2221 of the European Parliament and of the Council of 23 December 2020 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 and for preparing a green, digital and resilient recovery of the economy (REACT-EU).

¹³ Regulation (EU) No 1301/2013 of the European Parliament and of the Council of 17 December 2013 on the European Regional Development Fund and on specific provisions concerning the Investment for growth and jobs goal and repealing Regulation (EC) No 1080/2006.

¹⁴ Council Regulation (EU) 2020/672 of 19 May 2020 on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE) following the COVID-19 outbreak.

¹⁵ BE, BG, CY, CZ, EE, EL, ES, HR, HU, IE, IT, LT, LV, MT, PL, PT, RO, SI, and SK. https://economy-finance.ec.europa.eu/eu-financial-assistance/sure_en.

SURE regulation in May 2020, the Council decided to extend its scope to support health-related measures.

2.2. Points of comparison

The evaluation includes a comparative analysis across the key evaluation criteria (when evidence is available and the comparison is relevant and informative) on two key points of comparison:

- the ESF and FEAD before the COVID-19 pandemic, programmed strategically with a long-term view, in line with the European Semester;
- the ESF after the financial crisis of 2007-2008.

The first point of comparison allows demonstrating how the ESF and FEAD have changed after the reprogramming under CRII and CRII+ comparing to the Funds programmed strategically with a long-term view, in line with the European Semester. It was used to describe the changes in allocations, target groups and (re-) programming process.

The second point of comparison aims to compare the ESF during the pandemic with its earlier responses in the crisis situations. The financial crisis of 2007-8 was selected due to its scale and broad impact it had on the economies and societies. This point of comparison is used to assess the speed, the scale and the relevance of the crisis response.

2.2.1. ESF and FEAD before the COVID-19 crisis

In the 2014-2020 programming period, the aims of the ESF were carried out through **187 Operational Programmes** in the 27 Member States and the UK. The operations could be carried out until the end of 2023. Investments could be programmed under one of four thematic objectives (TO), which were further divided into investment priorities (IPs).

ESF investments in **employment and mobility (TO8)** focused primarily on access to employment (IP8.i) and adaptability to change (IP8.v). The types of operations funded included work-based learning, support for entrepreneurs, and integrated pathways to employment¹⁶. The total financial allocation under TO8 at the start of the 2014-2020 programming period was EUR 32.1 billion (EU and national co-financing), equivalent to approximately 26% of the ESF budget for this period. Employment operations targeted several types of groups: unemployed people, who constituted most of the participants (67%); people aged 25-54; women, and low-skilled individuals¹⁷.

A total of EUR 31.3 billion (EU and national co-financing) was allocated by Member States to **TO9 (social inclusion)** operations at the start of the 2014-2020 programming period. This represented approximately 25% of the total ESF allocation. ESF investments in promoting social inclusion and combatting poverty and discrimination focused on several types of operations. These included: (i) reducing barriers to employment and upgrading skills, in particular for people in vulnerable situations; (ii) improving access to

¹⁶ Study for the evaluation of ESF support to employment and labour mobility, European Commission (2020).

¹⁷ Ibid.

quality services in health, education, childcare and long-term care; (iii) supporting social entrepreneurship¹⁸.

TO9 operations targeted a wide range of groups and organisations, including:

- people with a low level of skills;
- self-employed people;
- recipients of minimum income;
- Roma and other ethnic minorities;
- people with a migrant or foreign background;
- persons with disabilities or a chronic illness, or who require long-term care;
- single parents;
- SMEs and micro companies;
- short (less than 12 months) and long-term unemployed (for 12 months or longer);
- public administrations and public services (including workers in public services);
- homeless people and people affected by substance abuse.¹⁹

ESF investments in **education and training (TO10)** at the beginning of the 2014-2020 programming period amounted EUR 39.2 billion (EU and national co-financing), representing 32% of total planned funding for the ESF²⁰. Most interventions aimed to support general secondary and post-secondary education and training (under IP10.i) and higher education (under IP10.ii)²¹. The planned operations aimed to reach a wide variety of groups, including teachers and students of all ages, early school leavers and disadvantaged groups (e.g. Roma, older workers, low-skilled adults)²².

During the 2014–2020 programming period, the ESF also supported **improvements in the institutional capacity of public authorities and stakeholders, and efficient public administration (TO11)**.²³ 17 Member States (BG, CY, CZ, EE, EL, FR, HR, HU, IT, LT, LV, MT, PL, PT, RO, SI, SK) programmed support under TO11 within the ESIF, amounting to a total of around EUR 4.2 billion (with 3.6 billion allocated through the ESF).²⁴ Actions could target areas such as transparency and accountability, civil service systems, service delivery and e-services, the organisation and management of government, policymaking coordination and implementation, and the functioning of the judicial system.

The selection of ESF priorities under all thematic objectives was decided at the beginning of the 2014-2020 programming period (and, later on, through amendments to the OPs) with a view to respond to national and regional needs, as well as in response to the European Semester priorities and country-specific recommendations, which seek to coordinate socio-economic policies to boost growth, reduce poverty and create jobs across the EU. Thematic evaluations of the ESF indicated that, based on data available by the end

¹⁸ Study supporting the 2020 evaluation of promoting social inclusion, combatting poverty and any discrimination by the European Social Fund, European Commission (2020).

¹⁹ Ibid.

²⁰ Study for the Evaluation of ESF support to education and training, European Commission (2020).

²¹ Ibid.

²² Ibid.

²³ Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006.

²⁴ Progress assessment of ESF support to public administration, European Commission (2020).

of 2018, OPs were largely aligned with the country-specific recommendations made under the European Semester process.

The budget available for FEAD operations at the start of the 2014-2020 period was EUR 4.49 billion (including national co-financing and excluding technical assistance). The overwhelming majority of this funding (97.56%) was allocated to Operational Programmes type I i.e. to food and basic material assistance. The remaining value (2.44% of funding) was dedicated to OP II i.e. social inclusion. 23 Member States (AT, BE, BG, CY, CZ, EE, EL, ES, FI, FR, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SI, SK) and the UK adopted OP I and only 4 Member States adopted OP II (DE, DK, NL, SE).

FEAD operations focused on providing food and material assistance to the most deprived, including children at risk of poverty, homeless people, people older than 65 with low pensions, migrants, and persons with disabilities. FEAD also funded accompanying measures such as psychological, social and other support (through OP I) and social inclusion activities (through OP II).²⁵ Apart from the purchase of food and basic assistance products, and their transport and distribution, there were a variety of outreach activities to assess needs and identify end recipients, which often involved public authorities, non-governmental organisations and local networks .

2.2.2. ESF after the financial crisis of 2007-2008

While many of the challenges posed by the COVID-19 crisis were unique to the pandemic, it was not the first time the EU has faced a crisis that threatened to undermine its economy and society in general. The swiftness and scale of ESF support, through the actions taken under CRII and CRII+ at EU level, is compared in this report with the ESF's reaction to the earlier crisis, where relevant and where data is available. This comparison can be made despite the different socio-economic contexts, the different nature of the two crises, the different effects on economic sectors and on specific groups in the population, and the different timing as regards the ESF programming period (the beginning in the case of the financial and economic crisis vs the end in the case of the pandemic).

The 2007-2008 financial crisis, and the European sovereign debt crisis that coincided with it, put huge pressure on Member States. A double-dip recession ensued and around 6.7 million jobs were lost between 2008 and 2013²⁶. At the time, the European Commission launched the **2008 European Economic Recovery Plan**²⁷ which, alongside **national recovery plans**, boosted expenditure in key labour market policy areas. Member States developed national recovery plans that aimed to accelerate the absorption of EU funds (including the ESF) to support economic recovery and social inclusion, and to maintain jobs, create new jobs and foster job mobility and reskilling and upskilling²⁸. Austerity policies (focusing on reducing budget deficits) were also a response to the crisis in some Member States.

As part of the Recovery Plan, the EU introduced several mechanisms that accelerated ESF spending and simplified procedures. Member States in turn adjusted the operational programmes by reallocating funds between priority axes, target groups and types of measures, and by simplifying procedures for the management and implementation of the

²⁵ FEAD Mid-Term Evaluation Final Report, European Commission (2018).

²⁶ European Parliament (2019). A decade on from the crisis - Main responses and remaining challenges.

²⁷ Communication from the Commission to the European Council – A European Economic Recovery Plan (2008).

²⁸ Evaluation of the reaction of the ESF to the economic and financial crisis, Metis GmbH and wiiw (2012).

ESF.²⁹ In **April and May 2009, amendments to the ESF regulations** introduced several measures to support the crisis response at Member State level. These included:

- providing additional liquidity by extending the eligibility period and permitting unspent budgets from the 2006-2007 programming period (amounting to EUR 7 billion) to be commissioned before June 2009;
- enabling larger advance payments (pre-financing) for ESF projects for the 2007-2013 funding period so that more measures could be implemented in 2009;
- enabling 100% co-financing upon certain conditions;
- providing measures to reduce the administrative burden on project beneficiaries, e.g. using a flat rate for reimbursing project costs³⁰.

Some Member States modified their operational programmes to enable these measures to be implemented (e.g. by reallocating funds between or within priority axes, adjusting target groups, or expanding the types or scope of activities), while others operational programmes were already flexible enough to enable changes without formal amendments³¹. The evaluation of the ESF's reaction to the financial and economic crisis found that 84 out of 117 OPs (72%) were changed in response to the crisis, and that most did not require the formal approval of the European Commission (with only 27 cases requiring a formal modification of the OP).³² Most OPs were changed in 2009, but in a small number of countries (e.g. DE and the UK) some OPs were modified in 2008 or 2010³³.

3. HOW HAS THE SITUATION EVOLVED OVER THE EVALUATION PERIOD?

3.1. Take-up of CRII/CRII+ flexibilities

From March 2020 to September 2022, **23 Member States** (plus the UK)³⁴ used the Coronavirus Response Initiatives to **amend their ESF operational programmes** to respond to the COVID-19 crisis (a total of 219 amendments under thematic objectives 8-11).

The **flexibility to reallocate money between European Structural and Investment Funds was the flexibility most used** by Member States in respect of the ESF (14 countries, 45 amendments), followed by reallocation within OPs (11 countries, 80 amendments). Nine countries took up the option of 100% co-financing through 51 separate amendments. Reallocation of money between categories of region was less used (5 countries, 7 amendments), as was CPR notification (4 countries, 19 amendments) and reallocation between OPs within the same fund or category of region (3 countries, 12 amendments). No countries used the other flexibilities³⁵ when requesting formal amendments. At least 11 Member States applied retroactive eligibility, which did not require a formal OP amendment. The table below summarises the use of the CRII flexibilities.

²⁹ Ibid.

³⁰ The European Social Fund: supporting economic recovery, European Commission (2008).

³¹ Ibid.

³² Evaluation of the reaction of the ESF to the economic and financial crisis, Metis GmbH and wiiw (2012).

³³ Ibid.

³⁴ BE, BG, CY, CZ, DE, DK, EE, EL, ES, FR, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SE, SK, UK.

³⁵ See Box 1.

Table 1 ESF CRII and CRII+ flexibilities used³⁶

Type of amendment	Legal basis	Number of MS(incl. UK)	Number of amendments to ESF OPs
ESF total		24	219
Reallocation of money between funds	Article 25a(2)	14	45
Reallocation within the OP		11	80
CPR - 100% co-financing	Article 25a(1)	9	51
Reallocation of money between categories of regions	Article 25a(3)	5	7
CPR notification	Article 30(5)	4	19
Reallocation between OPs within the same fund/category of regions		3	12
Retroactive eligibility	Article 25a (7)	11	N/A*

Source: SFC 2014-2020 and Ecorys survey data.

*Amendments were not required to make use of the flexibility on retroactive eligibility.

15 Member States³⁷ used CRII+ FEAD flexibilities to support existing or implement new COVID-19 operations. **The flexibility used by most Member States** between March 2020 and September 2022 has been the **possibility of 100% co-financing, introduced by 11 of the 15 Member States**. Five Member States reallocated funds within FEAD OPs (5), and six Member States made use of the flexibility to use FEAD funding to purchase PPE.

Table 2 FEAD CRII and CRII+ flexibilities used between March 2020 and September 2022

CRII / CRII+ flexibilities	A T	BE	B G	C Z	ES	F R	H R	H U	IT	L T	L U	PL	PT	R O	S K
Article 26 (2): use of FEAD to purchase PPE for partner organisations			✓	✓			✓			✓		✓	✓		
Article 20 (1a) : 100% co-financing rate for the 2020-21 accounting year	✓	✓		✓		✓	✓	✓	✓		✓		✓	✓	✓
Article 13(1): postponement of deadline for submission of AIRs for 2019		✓										✓	✓		
FEAD re-allocation within the OP	✓			✓				✓						✓	✓
Simplified procedure for OP amendments	✓			✓	✓										

³⁶ In the case of 5 out of 219 amendments identified, the 'type of amendment' could not be conclusively determined. This concerned regional OPs for Ceuta, Mayotte, Melilla, Lorraine et Vosges, and Reunion (one amendment in each case).

³⁷ AT, BE, BG, CZ, ES, FR, HR, HU, IT, LT, LU, PL, PT, RO, SK

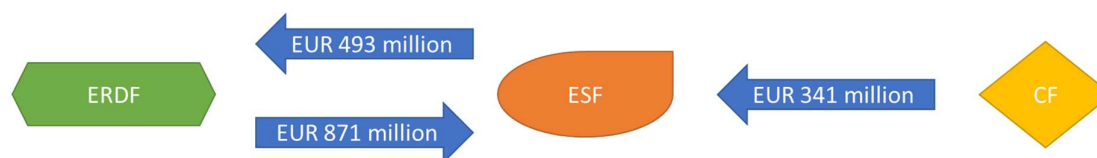
Article 30: Use of lighter control and audit trail requirements		✓			✓															
Article 23 (5): use of electronic vouchers / cards																				✓
Article 9 (4): Notification, non- substantial transfers			✓			✓							✓	✓	✓					

Source: SFC 2014-2020 and Ecorys survey data

3.2. Reallocation of available funds

Section 3.1 demonstrated that the flexibility to shift funding between the European Structural and Investment Funds, as well as within ESF, were among the most used flexibilities. Overall, around EUR 1.2 billion was shifted from the ERDF (EUR 871 million) and the Cohesion Fund (EUR 341 million) to the ESF, while around EUR 493 million were moved from the ESF to the ERDF, resulting in a **net increase in ESF funding of approximately EUR 0.7 billion**.

Figure 3 Reallocations between the ESF, the ERDF and the Cohesion Fund (CF) under the Coronavirus response initiatives between May 2020 and September 2022



Source: Cohesion Open Data Platform (data extracted on 28 September 2022)

Between May 2020 and April 2022 **23 countries³⁸ reallocated ESF funding between TOs**, within or between ESF OPs, **in response to the COVID-19 pandemic**. The most significant change in allocation by TO has been an increase in funding for TO9 of just over EUR 2 billion. Conversely, the allocation to TO 10 fell by over EUR 1.3 billion.

Table 3 Net change in ESF funding by TO in response to the COVID-19 pandemic, May 2020 to April 2022 (EUR million)

	TO 8 Employment and mobility	TO 9 Social inclusion and health	TO 10 Education and training	TO 11 Public administration	TA Technical assistance	Total
EU-27 and UK	214,899,331	2,087,259,641	-1,325,032,331	-252,323,471	-83,627,809	641,175,361

³⁸ BE, BG, CY, CZ, DE, DK, EL, ES, FI, FR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO, SE, SI, SK, UK

On social inclusion, Article 4 of the ESF Regulation specifies that at least 20% of ESF resources should be allocated to TO9. No Member State formally reported having to use a waiver for this requirement. However, the waiver is in effect in a small number of cases. For three Member States (DK, FI and SK), the latest approved version of their OP(s) allocates less than 20% to social inclusion. As stated in the 2020 Final ESF Synthesis Report³⁹, this is possible for priority axes with social innovation or transnational cooperation operations.

For all categories of region, most of the funding was likewise reallocated towards TO9. In less developed regions, however, there was also a strong focus on increasing the funding for employment-related measures under TO8, compared to more developed regions. Overall EUR 304 million were transferred between categories of region, while EUR 143 million were transferred within the same category of region.

At the level of ESF Investment Priorities (IPs) reallocations were mostly directed towards IP 9.iv (access to social and health services), which increased its allocated budget by 79% or around EUR 3 billion, and IP 8.v (adaptability of workers and employers) which increased by 26% or approximately EUR 1.3 billion.

The requirement to concentrate on a limited number of investment priorities (Article 4.3 of the ESF Regulation) was not met in the case of only 10 OPs in two countries (IT and PL). In five of the OPs, the defined minimum thematic concentration was already not met before the pandemic, in 2019, while in the others the shifts between investment priorities resulted in the threshold not being met.

Member States' requests for financial reallocations under the coronavirus response initiatives were less frequent for the FEAD than the ESF. Only a few Member States (AT, CZ, HU, RO, SK) asked for reallocations within an OP. In addition, the amounts involved were comparatively small relative to the ESF.

3.3. Anti-crisis operations implemented under the ESF and FEAD

Member States and the UK, using the flexibility granted by the Coronavirus Response Investment Initiatives, programmed numerous anti-crisis operations through the ESF and FEAD to address the effects of COVID-19.⁴⁰ **ESF anti-crisis operations** identified had a target financial value of EUR 5.1 billion and aimed to **support approx. 4.2 million participants and 120,000 entities**^{41,42}. The equivalent figures for the FEAD are not available⁴³.

³⁹ ESF synthesis report of annual implementation reports submitted in 2018 and 2019 and thematic reports: thematic report on the ESF and YEI support to climate change actions, European Commission Directorate-General for Employment, Social Affairs and Inclusion, and Lindeboom, G. (2020).

⁴⁰ The terms 'COVID-19 anti-crisis operations', 'anti-crisis operations', and 'operations' are used interchangeably.

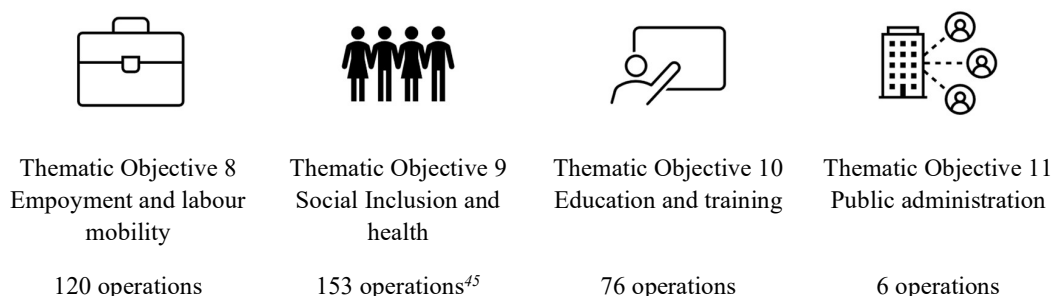
⁴¹ Cohesion Open Data Platform, Coronavirus Dashboard, data retrieved on 3 October 2022.

⁴² The aggregated target values most probably underestimate the actual scale of ESF reaction to the COVID-19 crisis as the COVID-19 programme specific indicators were used on a voluntary basis and were not monitored for all anti-crisis operations.

⁴³ FEAD did not use COVID-19 specific indicators to track the target values for FEAD COVID-19 anti-crisis operations and therefore it is not possible to quantitatively track such values across the Member States.

The monitoring system does not include any earmarking of anti-crisis operations, which were often implemented without formal modifications to OPs. Most of the anti-crisis operations identified were implemented under TO8 and TO9, followed by TO10, and TO11, with few anti-crisis operations.

Figure 4 Identified ESF COVID-19 anti-crisis operations⁴⁴



Source: SFC 2014-2020

The **employment-related actions** that have been identified were implemented mainly under **TO8** and aimed at **protecting jobs (44 actions), supporting employers and the self-employed (40) and supporting employees (34)**. ‘Actions to protect jobs’ included, primarily, operations supporting short-time work schemes (STWS). In particular, 16 Member States were using ESF to either adjust existing STWS or implement new ones⁴⁶. Around three quarters of these schemes (74% or 28 out of 38) were limited to income support, but there are examples of more active STWS where, for instance, wage support was combined with training or help to find a job. Other actions to protect jobs included providing economic incentives for companies to retain and hire staff, as well as to maintain their activities through, e.g. teleworking arrangements. Actions supporting employers and the self-employed primarily helped companies to adapt to change. These projects commonly targeted specific types of businesses (e.g. small or micro-enterprises) or sectors (e.g., manufacturing or food), or specific types of employees (e.g., managers or workers). Actions to support workers were primarily aimed at helping to mitigate the negative effects of COVID-19 on ESF participants and helped people back into the labour market. These included passive measures such as emergency cash benefits, as well as active measures such as professional development, and help to find or take up a job. A few actions to support young people who were not in employment, education or training (NEETs), typically through the YEI, were also identified. Such actions supported people up to 29 years of age with training and a range of support services to find a job (e.g. through placements in good-quality jobs and internships).

Social inclusion anti-crisis operations took place in 13 Member States⁴⁷. Most actions were programmed under TO9, while a few that combined social inclusion with education

⁴⁴ The mapping of ESF anti-crisis operations was undertaken in the framework of the Ecorys supporting study to this evaluation, based on the data from SFC2014 and AIR 2022. The number of operations is subject to the limitations explained in Annex II.2.

⁴⁵ Under TO9, 15 operations are employment-related, 74 operations are healthcare-related, and 64 operations are related to social inclusion.

⁴⁶ BG, CY, CZ, DE, EL, ES, HU, IT, LT, LU, LV, MT, PL, PT, SI, SK.

⁴⁷ BG, DE, DK, EL, ES, FR, IT, PL, PT, RO, SI, SK, UK

were programmed under TO10. Most actions promoted social inclusion **by ensuring access to services**. Support for social service providers included, for example, financial support and help for staff, as well as help to ensure that service providers could adapt their usual ways of working e.g. by providing services through tele-counselling or vouchers to maintain and improve people's access to support services. Other actions supported the **social inclusion of vulnerable groups by providing targeted support**. These operations supported, for example, people experiencing homelessness or persons with disabilities, to mitigate the additional challenges they faced because of the pandemic. To the same end, some operations in Member States supported people with caring responsibilities via several means such as financial support to help them access services.

In total, **13 Member States⁴⁸ implemented healthcare-related actions**. These can be broadly categorised as involving either 'actions to support healthcare workers and patients' or 'actions to support healthcare systems', with a few operations combining both aspects. Amongst the actions to support healthcare systems, Member States commonly used the ESF to increase the prevention, testing and responsiveness capabilities of their healthcare providers, and/or to expand healthcare capacity. Examples of these operations include hiring professionals (including nurses, doctors, technicians, or re-engaging retired staff), improving the infrastructure in hospitals (e.g. oxygen supplies) and financing of PPE and medical equipment to enable healthcare systems to respond to COVID-19. Some operations aimed to support healthcare workers by giving bonuses or providing opportunities to improve their skills and qualifications. In some Member States, operations also provided additional healthcare support for specific target groups that are particularly vulnerable to COVID-19, including older people or persons with disabilities. Other operations aimed to improve awareness of health issues among people at risk of poverty or social exclusion, e.g. by providing information or running campaigns to raise awareness.

Education and training operations were identified in 14 Member States⁴⁹. One third of these aimed to ensure the continuity of education and training, mainly by supporting the development and/or implementation of distance-learning services. Commonly, these operations helped teachers to develop digital education content and the relevant skills to deliver it. Several operations (20 in total) provided more direct financial support by purchasing equipment or through other capital investment to ensure continuity. This typically involved the purchase of laptops and tablets for students, as well as providing funding to develop, for example, the digital infrastructure in education and training institutions at all levels of education. In some cases, financial support to pay for equipment was specifically targeted at disadvantaged students. Other operations included, for example, scholarships or the provision of psychosocial services to support pupils and students affected by the pandemic. Moreover, several actions aimed to support economic recovery after COVID-19 through reskilling and upskilling, including education and training focused on both sector-specific and transversal skills. Likewise, specific operations were developed to provide a training response to the changing labour market context relating to COVID-19 and to support the digital and green transition.

A small number of anti-crisis operations were identified under TO11 during the COVID-19 pandemic (6 operations in total, planned in FR, IT and PL). The majority were not new, but initiatives adjusted to respond to the emergency. Operations focused on

⁴⁸ BE, BG, DE, EL, ES, FR, IT, LT, LV, PL, PT, RO, UK

⁴⁹ BG, DE, DK, EL, ES, FR, HU, IT, LV, PL, PT, RO, SE, SK

supporting employers and workers in public services, in particular by setting up teleworking arrangements and providing health assistance to people. They also focused on increasing the capacity of administrations and public services to develop innovative and experimental administrative practices that help them to modernise and become more efficient. Operations also aimed to improve the delivery of services and enhance smart working during the pandemic; and to increase the participation of social partners in shaping skills strategies and staff development, to better adapt them to the needs of the labour market and the economy.

FEAD anti-crisis operations focused on continuing to provide **food and basic material assistance through electronic vouchers, e-platforms, and other arrangements**. These included home deliveries of food-packages and providing PPE to volunteers in distribution centres. Examples of other types of operations include one in the Netherlands that provided social networking activities for the elderly, while in Spain a FEAD operation worked on modernising (digitalising) the recording and storage of data on individual recipients. In Bulgaria, a FEAD operation combined the delivery of individual food packages with health screening actions and actions to improve awareness of health issues.

Member States differed in the number of anti-crisis operations that they implemented. It is possible to identify three broad groups of Member States: those with over 80 operations,⁵⁰ those with 15 to 40 operations,⁵¹ and those with less than 15 operations.⁵² In general, Member States with more Operational Programmes, i.e., where there is a regionalisation of the ESF, tended to have more operations. Also, countries that were badly hit by the pandemic (e.g. higher infection and mortality rates and a bigger economic downturn) also had a high number of ESF CRII/ CRII+ operations, for example France, Greece, Italy, Poland and Spain. Differences in the need for financial liquidity in the pandemic and the existence of alternative sources of funding were also important factors, alongside the level of unspent resources at the end of the 2014-2020 programming period. The number of operations does not reflect the amount of financing involved⁵³.

Most of the **COVID-19 anti-crisis operations in Member States were based on existing operations** that were topped up with funds to meet increased demand or adjusted/expanded in scope to meet new demands. New operations were less frequent.⁵⁴ Most ESF operations started in 2020 (237 operations) with much fewer (23) starting in 2021⁵⁵. Two thirds of the ESF operations identified were implemented at regional level (280), with the rest implemented at national level (67)⁵⁶. These operations typically covered the whole population of a Member State.

The ESF anti-crisis operations tended to **target the general public that was eligible for ESF support, or organisations serving the general public, rather than specific ESF target groups** (e.g. older workers, persons with disabilities, etc.). Likewise, there was a particular focus on people in ‘technical unemployment’ as opposed to the traditionally defined ‘unemployed’ or ‘economically inactive’. Almost a third of the crisis-response

⁵⁰ IT, PL

⁵¹ DK, EL, FR, ES, PT

⁵² BE, BG, CY, CZ, DE, EE, HU, LT, LU, LV, MT, RO, SE, SI, SK, UK

⁵³ Linking the targets of financial indicators (CV30) to identified operations in the SFC 2014 was not possible as indicators are reported at the level of IPs and not operations.

⁵⁴ 109 out of the 354 identified operations are classified as new.

⁵⁵ For some operations, the starting date could not be identified in the SFC2014 database.

⁵⁶ For seven operations the level of implementation is could not be identified.

operations therefore focused, through STWS, on employed and self-employed people who were forced to reduce their working hours or stop working completely during the pandemic. There were, however, some cases of operations to support specific ESF target groups, such as actions aimed at supporting homeless people, older people, people with caring responsibilities, or persons with disabilities.

4. EVALUATION FINDINGS (ANALYTICAL PART)

4.1. To what extent was the intervention successful and why?

Broad take-up of flexibilities and redirection of resources to meet urgent needs

The Coronavirus Investment Initiatives **reached their objectives** as defined in the intervention logic (Figure 1). At the operational level **the flexibilities were widely used to reprogramme the ESF⁵⁷** and, to lesser extent, the FEAD⁵⁸ in response to the pandemic, as shown in section 3.1. A total of 155 ESF OPs in 24 countries were subject to amendments i.e. 82% of all ESF OPs, which is a higher proportion than in reaction to the financial crisis⁵⁹. While amendments to OPs were relatively common in the pre-pandemic period, the volume of amendments increased following the introduction of CRII/CRII+. The possibility to reallocate resources between Funds was used most often. Member States also took advantage of the option to reallocate funding within the ESF to target specific needs arising from the pandemic.

Around three quarters (37 out of 51) of respondents to the survey of **ESF managing authorities felt that the flexibilities enabled their institutions to respond more quickly to emerging needs by reallocating funding**. Likewise, the rapid response enabled by the CRII, including administrative simplification and the responsiveness of the Commission to requests for amendment, was seen as a key reason for the widely perceived effectiveness of the response initiatives⁶⁰. The in-depth interviews carried out in the framework of the case studies highlighted that the simplified procedures for OP amendments helped ease logistical and staffing constraints. The simplified procedures also enabled quick access to existing financial resources, the rapid redirection of considerable amounts⁶¹ of unspent resources to where they were most needed (see Section 3.2), and the introduction of a substantial number⁶² of new or adjusted operations (see Section 3.3). Again, this very much reflects the specific objectives and expected results of CRII and CRII+ , as detailed in the discussion of the intervention logic of the response initiatives in Section 2.1 (Figure 1).

Flexibilities were used slightly less often for FEAD programming and reprogramming (15 Member States in total used the flexibilities). Evidence from interviews and the FEAD focus group suggests⁶³ that the **FEAD OPs were already relatively flexible** as regards the use of funding, and that the overall broad scope of FEAD (in terms of programming

⁵⁷ See Table 1

⁵⁸ See Table 2

⁵⁹ See point 2.2.2 for comparison.

⁶⁰ See Annex V

⁶¹ See Table 3

⁶² See Figure 4

⁶³ See Annex V

operations and supporting a wide range of target groups) meant that reallocation of funds, or other changes, were required less often than for the ESF.

Simplified and accelerated programming

The CRII and CRII+ facilitated an efficient process for using remaining funds to respond to the COVID-19 pandemic and to the changed priorities that resulted from it. Key flexibilities that helped to support this were permitting expenditure on crisis response measures under cohesion policy rules, retroactive eligibility for expenditure, and simplified procedures to amend OPs.

Nearly three quarters (72%) of amendments were accepted within one month, with 19% accepted between one to two months, and 9% accepted after two months. Compared to the pre-pandemic context, this supports the positive assessment of the efficiency and speed enabled by the CRII and CRII+. Before the pandemic, the Commission had often not approved amendments within the three-month deadline prescribed by the CPR and was just starting to average three-months by the start of 2020.⁶⁴ Again, this acceleration in approving amendments under the CRII and CRII+ is evidence that the Commission's processes became more efficient.

Stakeholders have given positive feedback on the extent to which the reprogramming process was simplified and accelerated because of the CRII and CRII+. For example, more than eight in ten (42 out of 51) respondents to the ESF MA survey said that their institution was able, to a great or a medium extent, to respond **more quickly to needs on the ground because of the flexibilities provided**. Nearly seven in ten (35 out of 51) noted that they were able, to a great or medium extent, to **streamline operations to address the COVID-19 crisis**, while over half (28 out of 51) noted they were able to **simplify the reprogramming process** compared to previous or standard ESF implementation, and to **support different stakeholders more efficiently** (30 out of 51).

Box 3 Developing the skills of laid-off and employed staff in economically vulnerable sectors in Sweden

The COVID-19 crisis response was limited to the ESF-call '*Competence development for laid-off and employed personnel in economically vulnerable sectors*', which was open from 17 April to 5 May 2020 (typically, ESF-calls in Sweden stay open for 2 months). The Ministry of Labour and the Swedish ESF Council (the managing authority) used Article 30.5 of the ESF Regulation to transfer unallocated resources available under CRII to make it possible to launch the call. Applications were processed within 3 weeks (typically, processing takes 8 weeks). Stakeholders reported that this was unusually fast, and that there was a sense of urgency and determination at the time to make a positive difference during a difficult time.

To speed up the process, the ESF Council gathered available funds to make one single joint call for both the national and regional levels. Deviating from the normal procedure, where regional sub-committees meet to award projects, a new committee was formed with the chairperson of each ESF region. This new regional committee oversaw the award of 80% of the projects across all regions. In parallel, a national decision board financed projects with funds available at the national level, awarding 20% of the available funds.

Accordingly, the CRII permitted a swift reallocation of funds so that vulnerable individuals on the labour market could be given priority, allowing the ESF Council to make a call for proposals in a timely and targeted manner. The Ministry also highlighted that the **reprogramming of ESF**

⁶⁴ European Court of Auditors, Special report on 'Adapting cohesion policy rules to respond to COVID-19', February 2023.

under CRII resulted in the fastest use of ESF funding to date and that the most significant difference was the possibility to make programme changes by notifying the European Commission, instead of waiting for their approval.

By way of comparison, a respondent from Slovenia estimated that, without the accelerated reprogramming process, it might have taken an additional couple of months to get amendments approved. Likewise, in the context of the case study undertaken in Greece, it was estimated that, in the absence of the flexibilities, reinforcing health institutions with additional staff would have taken up to 6 months longer. Similarly, the Swedish case study indicated that, as a result of the CRII simplifications and flexibilities, ESF funds were available 7 to 8 weeks earlier than experienced under normal conditions. This gives a clear idea of how the speed of the programming response facilitated through the CRII was often translated into practical implementation on the ground, to mitigate the effects of the pandemic, **much more quickly than would have been the case without the response initiatives**. However, stakeholders also acknowledged that using the flexibilities also created a burden as the formal OP modifications still had to be processed and staff had to familiarise themselves with the new rules using the flexibilities. This was a challenge in the early phase of the pandemic as all actors involved in administering the funds had to respond to the pandemic and develop or adapt their operations rapidly. **The simplification was not applied to the same extent to procedures at the level of beneficiaries**, but there are examples where the Managing Authorities or coordinating bodies made additional efforts to assist implementing bodies with the necessary procedures, which often proved critical to the success of the operations.

Box 4 Reinforcing healthcare institutions with additional staff during the COVID-19 crisis⁶⁵ in Greece

This new operation was coordinated by several government bodies: the Executive Unit of the NSFR – Ministry of Health, the ESF Actions Coordination and Monitoring Authority, and the Managing Authorities of 13 Regional Operational Programmes.

The Executive Unit of the NSFR – Ministry of Health designed the action in record time, compared to the pre-pandemic situation, and stepped up its role as the coordinator in all 13 ROPs. In this capacity, **it took over a critical amount of the administrative burden from over 160 beneficiaries** (hospitals, etc.), which would otherwise have had to file individual applications for the action. This was important, as the overwhelming majority of the action's beneficiaries had no prior experience of the ESF and were under extreme pressure due to the epidemiological situation on the ground. To further reduce the administrative burden on these beneficiaries, the Executive Unit provided targeted support to help them fulfil their administrative obligations, such as registering expenses in Greece's ESIF information system. As a result, even the OPs that programmed the action in October 2020 were able to make payments in the same year.

In turn, the ESF Actions Coordination and Monitoring Authority gave a **clear steering** on programme amendments to the managing authorities of the ROPs. Lastly, primary research conducted for this evaluation suggests that MAs requested a minimum amount of documentation from public healthcare institutions to reduce their administrative burden.

There has been very limited evidence of formal or even informal consideration or assessment of costs and benefits at Member State level from the CRII and CRII+, and their

⁶⁵ In Greek: Ενίσχυση των Μονάδων και Φορέων Υγείας του Υπουργείου Υγείας με επικουρικό προσωπικό για την ανταπόκριση στις ανάγκες λόγω της επιδημίας COVID-19.

use in the contexts of the ESF and the FEAD. Equally, there were very limited plans to evaluate the immediate crisis response on the ground under the CRII and CRII+. Where evaluation arrangements have been put in place, they typically do not focus solely on measures introduced by CRII and CRII+, reflecting the fact that Member States carried out various anti-crisis operations that relied on both EU and national emergency funds.

Monitoring of the ESF’s reaction to the crisis improved significantly compared to the aftermath of 2007-2008 financial crisis, **thanks to the use of indicators developed by the Commission**⁶⁶. The evaluation of the ESF reaction to the economic and financial crisis had concluded that there were very few evidence-based results available on the effectiveness of crisis-related interventions in the labour market.⁶⁷ While the Commission and the Member States exchanged a wide range of information on the financial crisis and the measures that were taken in response to it, the failure to systematically gather data on what use was actually made of the ESF, and the resulting lack of consistent and comparable information, has hampered attempts to evaluate the support provided.

Following their publication in May 2020, and availability in the SFC2014 system, use of the Commission’s indicators increased steadily across ESF OPs and Member States. While only 30 operational programmes (out of 188) and 11 Member States had adopted the indicators by September 2020, by early 2021 this had risen to 91 programmes and 17 Member States. By September 2022, 25 Member States (all, except the Netherlands and Austria) and the UK were using the indicators in 150 OPs i.e. 80% of all ESF-funded programmes⁶⁸. This provides strong evidence, particularly in the context of the voluntary nature of these indicators, that the decision to introduce them has had a positive impact on the ability to measure the COVID-19 response. In so doing, the use of the indicators enhanced the ability to monitor and assess the implementation and effectiveness of the CRII and CRII+, as indicated in other sections of this document.

Enhanced cooperation between institutions involved in the crisis response

Formal governance and implementation structures relevant to the programming and management of operations **largely remained the same** as in the pre-crisis period. Ad hoc working groups with a specific crisis response role were set up in several Member States (BE, DK, EL, FR). In addition, there was close and ongoing cooperation between ministries and other organisations on the COVID-19 response (PT and BE Flanders). **Ad hoc groups and informal collaboration were generally seen as improving the effectiveness of the response** through the ESF, as part of overall national pandemic responses.

The evidence is broadly positive overall on the role that national governance, administrative and implementation arrangements played ensuring the effectiveness of the response measures financed under the CRII and CRII+. Most respondents to the ESF MA survey, for example, indicated that national and/or regional administrative and organisational procedures (43 out of 51 respondents), and the internal coordination process in their country (41 out of 51 respondents), played a positive role in enabling the CRII flexibilities to be used effectively, at least to some extent. However, in a small number of

⁶⁶ European Commission ‘Non-paper: List of programme specific indicators related to the cohesion policy direct response to the COVID-19 pandemic’.

⁶⁷ Evaluation of the reaction of the ESF to the economic and financial crisis, Metis GmbH and wiiw (2012).

⁶⁸ Cohesion Open Data Platform

cases national administrative contexts were seen as having a negative effect on effective use of CRII and CRII+ flexibilities. Although flexibilities were introduced quickly under CRII and CRII+, national laws and structures slowed down or reduced the extent to which they could have a positive effect (LT, GR and PL).

A small number of interviewees at EU and Member State level also noted that social partners became more involved in consultation processes, mainly on employment operations. However, there was a **mixed picture overall in terms of the extent to which social partners were engaged in the ESF and FEAD response**. In cases where this did occur, it was seen as beneficial for effectiveness, in a similar way to the role played by ad hoc working groups and dialogues between ministries and partner organisations. Effective engagement and partnership was particularly highlighted in the Swedish and Portuguese contexts.

There was limited evidence of horizontal principles⁶⁹ being taken into account in the response to COVID-19. Stakeholders generally felt this was due to the need to respond rapidly, which took precedence over a more thorough implementation of the principles⁷⁰.

Provision of liquidity and continued implementation of the ESF and FEAD

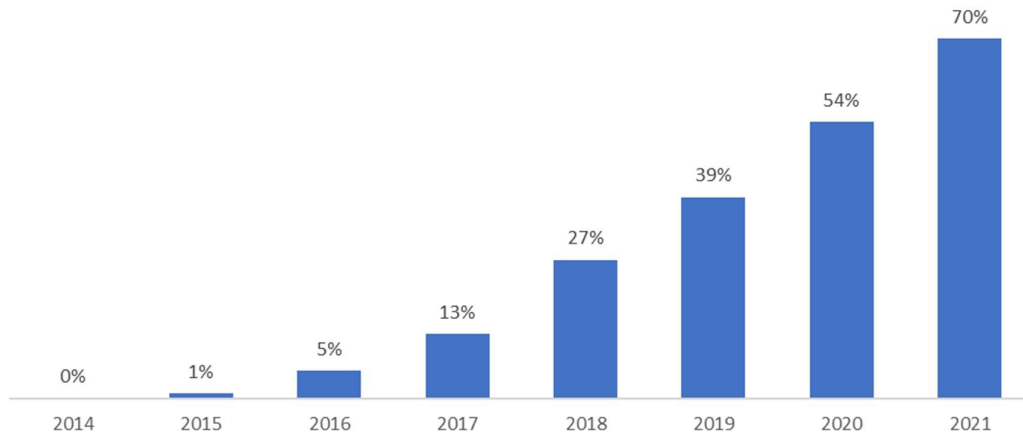
The CRII and CRII+ also allowed the implementation of ESF and FEAD operations to continue, which were often affected by the consequences of the pandemic. This supported, therefore, the goal of the intervention logic to free up money for the crisis response. The core flexibilities offered in the reprogramming process were key to an efficient response to the pandemic, given that they enabled Member States to reallocate unspent funds to target the specific and immediate needs caused by COVID-19. This was an essential part of the response, given that countries would otherwise have had money locked into other operations that were no longer a priority, and would have been restricted in their ability to use key EU funds as part of national responses to the pandemic.

As a result, **the outbreak of the COVID-19 pandemic did not impact the financial performance of the ESF**. Figure 5 shows the development of the overall ESF absorption rate and the increase in overall use of the funding by 15 and 16 percentage points respectively in 2020 and 2021 compared to the preceding years.

⁶⁹ Partnership (Article 5 CPR and Article 6 ESF Regulation), Equality between men and women and non-discrimination (Article 7 CPR and Articles 7 and 8 ESF Regulation), Sustainable development (Article 8 CPR).

⁷⁰ See Annex V

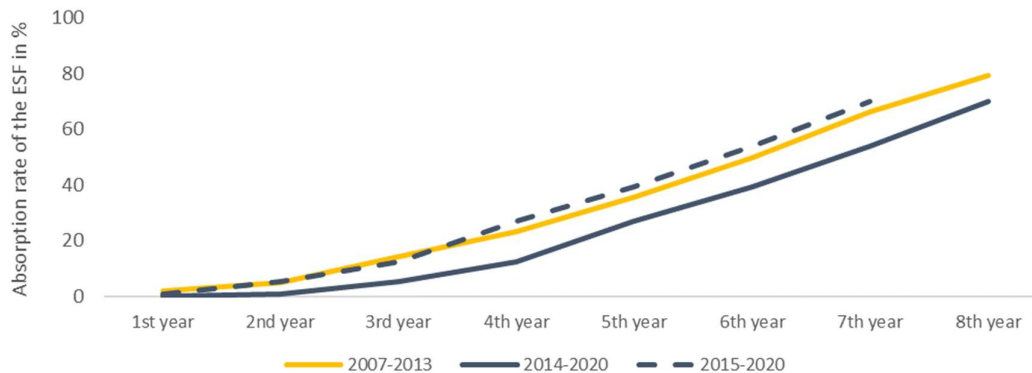
Figure 5 Development of the absorption rate of the ESF, 2014-2021



Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

This trend is confirmed by comparing the ESF absorption rates in the programming periods 2014-2020 and 2007-2013. Figure 6 shows a theoretical dotted line, illustrating the absorption rates for 2014-2020 theoretically shifted to begin one year later, with the result that the financial absorption trends of the two programming periods almost coincide⁷¹. It demonstrates that the absorption rate in 2014-2020 was delayed and slower throughout the entire 7-year period. However, no significant differences in expenditure can be observed between the two programming periods, or even between 2019, 2020 and 2021⁷².

Figure 6 Comparison of ESF absorption rates 2007-2013 and 2014-2020



Source: Cohesion Open Data Platform

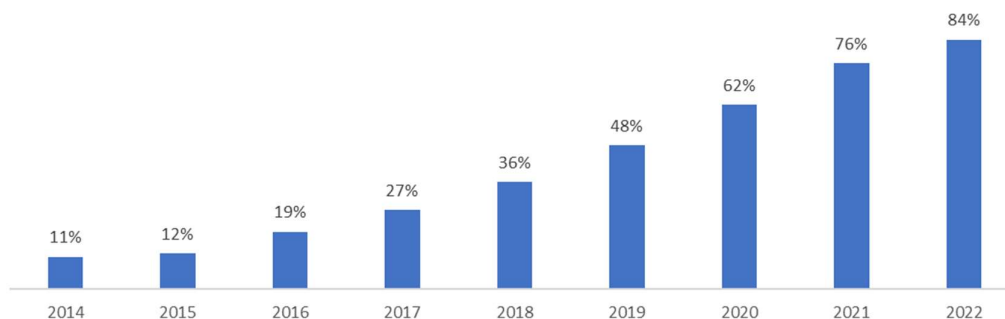
For FEAD, the absorption rate increased continuously, reaching 83.9% in September 2022, with an increase of 14 percentage points from 2020 to 2021, underlining **the importance of FEAD during the COVID-19 pandemic** and the efforts by Member States to help the most vulnerable groups. As with the ESF, the continuous and relatively consistent increase

⁷¹ Spatial Foresight: Kai BÖHME, Sabine ZILLMER. Research for REGI Committee - The Impacts of the COVID-19 Pandemic on EU Cohesion and EU Cohesion Policy - Part I: Overview and First Analysis. European Parliament, 2022.

⁷² Ibid.

from 2019 to 2022 indicates that **financial execution was not affected** by the COVID-19 pandemic. Similarly, it can be inferred that the flexibilities and support offered under the CRII and CRII+ to the pandemic response through the FEAD are likely, at least in part, to have helped Member States to ensure the continuity of their FEAD programming and expenditure. Indeed, 2020 saw an increase in payments to FEAD beneficiaries (EUR 552 million against EUR 477 million in 2019 and EUR 503 million in 2018).

Figure 1. Development of the absorption rate of FEAD, 2014-2022



Source: Cohesion Open Data Platform (data extracted on 29 September 2022)

Internal coherence and complementarity with other EU instruments

Most ESF and FEAD ongoing operations were adjusted to the circumstances imposed by the COVID-19 pandemic. The most important changes in the use of ESF under CRII and CRII+ included: **the broadening of target groups** to the general population rather than the targeting of specific groups; the prioritisation of actions **focusing on health and healthcare**; and an increased **focus on passive support measures** (e.g. measures not aimed at activation, mostly STWSs). An overview of the different types of anti-crisis operations is included in Section 3.3 of this report. The coherence of ESF operations before and during the COVID-19 crisis was maintained at the level of the objectives. The temporary changes to the areas that ESF operations focused on during the pandemic were necessary so that the ESF could pursue its general objectives.

Anti-crisis operations implemented under CRII and CRII+ through FEAD were largely coherent with other FEAD operations programmed before the crisis in terms of their objectives, types of operations and target groups. **FEAD operations were adjusted to respond to the circumstances imposed by the pandemic** and the ensuing lockdowns and social distancing rules. **The main changes were as regards how end recipients were reached** (e.g. the introduction of e-vouchers for the first time or the use of other digital methods to distribute food and other essential items) and in the operational processes of the implementing organisations.

Several instruments were created or adjusted at the EU level to serve the crisis response (ERDF, SURE, EU-REACT – see Section 2.1). The existing procedures and a continuous dialogue between the Commission and the managing authorities allowed Member States

to align operations funded by various instruments and mechanisms, which helped to encourage synergies and avoid double funding.

The ERDF complemented ESF support in several areas, including investments in social, health, research, innovation, business and educational infrastructure. During the pandemic, in healthcare for example, the upskilling and training of healthcare personnel was funded through ESF while support for healthcare infrastructure, transportation of vaccines and the vaccination process was funded through the ERDF. The CRII and CRII+ flexibilities strengthened complementarity through financial reallocation mechanisms between the funds.

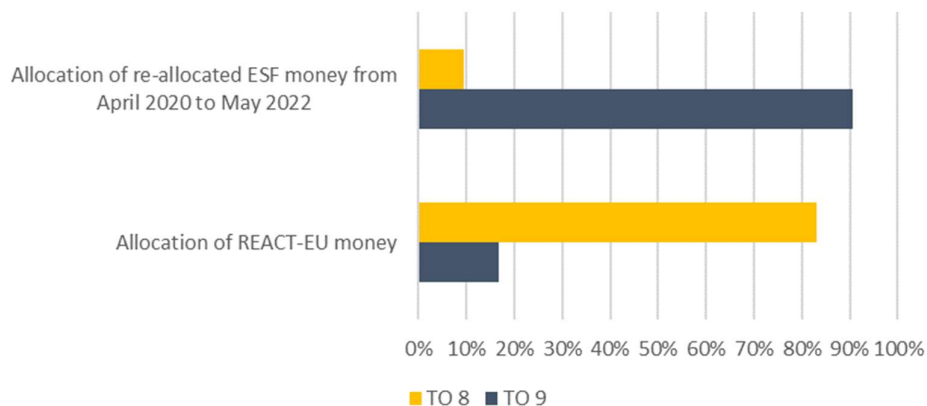
16 of the Member States that used SURE also planned to use the ESF to support STWS through the flexibility offered by CRII and CRII+ (BG, CY, CZ, DE, EL, ES, HU, IT, LT, LU, LV, MT, PL, PT, SI, SK)⁷³. Most countries combined different funding streams. The sectors most supported by SURE loans were accommodation and food services, wholesale and retail trade, and manufacturing. There are indications that the STWS implemented with ESF support under CRII and CRII+ were targeted at a wide range of sectors, without any particular focus. The use of ESF funding in combination with SURE funding for STWS suggests that the funds were complementary and enabled Member States to supplement pre-existing STWS with additional funding or set up new STWS to address the needs created by the pandemic. Given the much bigger budget of SURE, its use indicates that ESF support was not sufficient for the needs on the ground in the countries whose economies and employment situation were most affected by the pandemic.

REACT-EU, in line with its objectives, was often used to extend (in duration and scope) the measures introduced under CRII and CRII+. For example, in Italy REACT-EU funds (EUR 4.7 billion) further complemented CRII and CRII+ operations to create and keep people in jobs, by giving employers tax reductions on social contributions.

The analysis of allocations shows the complementarity between the immediate crisis reaction under CRII and CRII+ and REACT-EU support, which creates a bridge between long-term cohesion policy and COVID-19 crisis measures. Figure 8 illustrates the focus on health and social inclusion operations (TO9) in the immediate response to the pandemic, while in the medium term, the vast majority of additional REACT-EU funding was allocated to TO8, to fund employment-related operations that bring people closer to the labour market and (back) into employment.

⁷³ Based on mapping of the CRII and CRII+ ESF operations identified in the SFC2014 database in the timeline of this preliminary evaluation, based on OP amendments submitted before October 2022.

Figure 8. Comparing the ESF reallocated under CRII and CRII+ and REACT-EU funding



Source: SFC2014-20 and Cohesion Open Data Platform (data extracted on 28 September 2022)

It was a challenge, however, for managing authorities, project beneficiaries (organisations implementing initiatives supported by the ESF and FEAD) and representatives of key target groups **to ensure consistency in implementing the different EU initiatives, funding mechanisms and regulations that were launched in a short period of time (CRII and CRII+, REACT-EU, SURE, CARE) and which overlapped with the beginning of the new programming period.** It led to the perception of an increased administrative burden to manage the instruments and required further detailed guidance about the opportunities they offer and their different priorities.

Integration of ESF and FEAD into national crisis responses

CRII and CRII+ flexibilities increased the opportunities for Member States to integrate the ESF and FEAD into national strategies to respond to COVID-19. Decisions on which funds to use for different measures were taken on the basis of the needs on the ground and the sources of financing available at the time. Flexibilities such as retroactive eligibility allowed Member States to make quick decisions on the needs on the ground and to use the ESF to recover the financial investment later. Without the CRII and CRII+ flexibilities, the integration of ESF and FEAD in national strategies would have been more limited because of the complexity of reprogramming the funds under normal procedures.

Box 5 Healthcare operations in Latvia

In Latvia, the operations ‘Improving the qualifications of medical and paramedical staff’ and ‘Support for medical practitioners who provide treatment for patients to prevent public health crises’ were aligned to national measures in the healthcare sector during the pandemic. **National funding increased the budget available through ESF** (as REACT-EU funding also did later) to help recruit healthcare professionals and top up their salaries. Other measures funded by the national budget focused on healthcare objectives, e.g. by adapting infrastructure to the needs of COVID-19 patients and providing medical equipment and PPE. Stakeholders who were interviewed emphasised that as part of the planning process involving the ESF and other funds, attention was paid to ensuring that each operation or action had its own objectives and that there were no overlaps.

4.2. How did the EU intervention make a difference?

Exceptional speed and flexibility

In terms of process, the CRII and CRII+ gave Member States the flexibility to react swiftly to the COVID-19 crisis and carry out operations through the ESF and FEAD more quickly than would have been possible without them, especially at the beginning of the pandemic (see Section 4.1).

The additional scope available for ESF and FEAD operations in the context of the COVID-19 crisis was also viewed positively by stakeholders. The ESF survey indicates, however, that nearly 40% (20 out of 51) of the Managing Authorities that responded to the question would have used the ESF for crisis response measures even without the CRII and CRII+ flexibilities. Still, 27% (14 out of 51) of respondents indicated that allocations would have been difficult to spend in the absence of the flexibilities introduced by CRII / CRII+. Similarly, half (5 out of 10) of FEAD survey respondents would have used FEAD for crisis response without the CRII and CRII+ flexibilities. No FEAD survey respondents indicated that allocations would have been difficult to spend without the flexibilities. Even in these cases, however, there was wide agreement that CRII/ CRII+ flexibilities simplified and accelerated the process.

One of the **factors that limited the contribution of the CRII and CRII+** to the crisis response was the **limited flexibility in the national procedures** for COVID-19 actions and **a lack of administrative capacity in the implementing organisations** (e.g. in GR, IT). The limited capacity of beneficiaries (e.g. hospitals, schools or SMEs) to manage the reporting and monitoring requirements was a challenge to the effectiveness of operations on the ground (see also Section 4.1).

A focus on results, strategic planning, shared management and bottom-up approaches, as well as the resulting procedural requirements, **are key features of the ESF** and lead to lengthy and complex programming and implementation. In the exceptional COVID-19 circumstances, these procedures were relaxed to ensure liquidity and a rapid response. They were not eliminated altogether however, and were sometimes compounded by national rules, which were often applied without the same kind of flexibility, as discussed above). These national rules also shape and, **to a certain extent, limit the ESF's role in crisis response.** They are nonetheless **critical to supporting the post-pandemic recovery and ensuring that a focus on the long-term socio-economic challenges** in the ESF's key areas of activity can be maintained.

Increasing funding, extending the scope of crisis measures and testing new solutions

The funds made available through the ESF and FEAD under the coronavirus response initiatives **played a role within the wider crisis response,** where actions were also supported by other EU initiatives and financial instruments, as well as national and regional budgets.

The CRII and CRII+ generally added value to crisis response at national level in several fields, rather than in single areas. Some countries with fewer operations focused on one thematic area of intervention: two ESF operations under CRII and CRII+ in Belgium targeted healthcare and operations in Czechia, Cyprus and Estonia focused on

employment (one operation in each country). This approach, however, was not predominant, as Bulgaria's four operations under CRII and CRII+ addressed all four thematic areas, and Lithuania's operations concentrated on employment (one operation) and healthcare (two). Latvia's operations targeted education (one operation) and healthcare (three). Slovenia planned two operations on employment and one on social inclusion. Countries with a higher number of operations addressed at least three (DK, SK) or all four areas (e.g., DE, EL, ES, FR, IT, PL, PT, RO). Among the countries that made the most use of the available flexibility, some have focused more on employment operations (PT, DK, IT), some more on healthcare (FR), while others planned a similar number of operations in all areas (PL).

Flexibility in the CRII and CRII+ also allowed Member States to plan operations that combined several elements, thus responding to the interconnected nature of the challenges. For example, alongside the ESF operations identified by this study that concentrated specifically on healthcare systems and workers (programmed under CRII and CRII+ in 13 countries)⁷⁴, there are social inclusion operations that included a health component, focusing on improving access to services for the most vulnerable people⁷⁵.

The ESF and FEAD under CRII and CRII+ helped alleviate the negative effects of the COVID-19 pandemic by **complementing other EU level and national measures as part of a concerted effort, but they would have been insufficient as stand-alone instruments.** Because the 2014-2020 ESF was at an advanced stage of implementation when the pandemic hit, the unspent funds remaining were limited. However, they could be used rapidly and often served as a test case before upscaling a measure with national or REACT-EU funding.

Box 6 New Skills Fund, Italy

Fondo Nuove Competenze was a new operation introduced in Italy during the pandemic to support businesses that wanted to invest in training and reskilling their employees during the periods of national or regional lockdown. This national operation aimed to increase people's skills and hence facilitate the gradual resumption of work or the reallocation of workers toward more productive jobs following the easing of restrictions. The New Skills Fund, supported by the ESF, reimbursed the cost (including social security contributions) of the reduction in working hours due to participation in training by those workers who could not work because of lockdown measures.

Due to high demand, the initial budget of EUR 730 million, of which EUR 230 million were allocated from Italy's ESF national operational plan for active labour market policies, was increased by EUR 1 billion of funding from REACT-EU and additional national funding of EUR 600 million.

The ESF contribution under CRII/CRII+ corresponded to 10% of the total budget of the operation. Although this is relatively small, **the opportunity to reprogramme the available resources was important in kick-starting the design phase of the operation in the first few months.** The ESF funding under the coronavirus response initiatives made the initial scoping phase possible, which was necessary to test the feasibility of the initiative and gauge the level of interest in it.

⁷⁴ In BE, BG, DE, EL, ES, FR, IT, LT, LV, PL, PT, RO, and the UK.

⁷⁵ In EL (Crete), IT (national OP, Lazio, Sardegna), PL (Kujawsko-Pomorskie), RO and SK.

The **ESF and FEAD made it possible to extend the crisis measures to additional target groups which otherwise would have been excluded from support.** As the ESF and FEAD have the objectives, experience and outreach channels to target and support disadvantaged groups, they often covered needs within broader national strategies. More information on the target groups supported is in Section 4.3.

Box 7 Actions in Spain to maintain young people’s jobs during the COVID-19 crisis

The Temporary Employment Regulation Scheme (Expedientes de Regulación Temporal de Empleo - ERTE) was set up by Royal Decree-Law 8/2020 during the COVID-19 crisis as a labour flexibility measure that would enable companies to reduce or suspend employment contracts. General ERTE schemes were already regulated by the 1980 Workers’ Statute. However, Spain did not have a tradition of using ERTE as a measure to deal with crisis situations.

The CRII and CRII+ flexibilities made it possible to add new specific objectives and reallocate available funds in the Youth Employment OP to finance ERTE, specifically for the target population of young people during the early stages of the pandemic in 2020. This contributed to a faster release of funds, while additional new funds became available through the REACT-EU package. Almost 100,000 participants were reached with the new measure as part of the OP. Overall, the **CRII and CRII+ flexibilities helped to give rapid support to a key target group, which was heavily affected by the pandemic** due to the precarious nature of employment contracts amongst the target group and the nature of the sectors most affected by the pandemic (which employed high numbers of young people). They increased the Member State’s capacity to mitigate fast-rising levels of youth unemployment through ERTE, which it would not have been able to do alone, given the numbers of people affected by the pandemic, the duration of the state of emergency, and the wide-ranging consequences of the pandemic.

4.3. Is the intervention still relevant?

Responding to the needs of the institutions implementing the ESF and FEAD

The broad take-up of CRII and CRII+ flexibilities, and the contributions that the ESF and FEAD made to the general crisis response proves that the flexibilities introduced by **CRII and CRII+ helped Member States to respond quickly to the crisis.** Most respondents to the Managing Authorities’ surveys, both from the ESF and FEAD, indicated that the CRII and CRII+ flexibilities were relevant, either to a great extent or a medium extent, to the needs of their institution in reacting quickly to the COVID-19 crisis.

CRII and CRII+ were, by definition, temporary mechanisms designed to respond to needs stemming from the public health crisis caused by the COVID-19 pandemic. Nevertheless, **some of the flexibilities** (for example the 100% co-financing rate, the flexibility to use the ESF allocation to finance ERDF investment priorities and vice versa) **are still applicable** under REACT-EU and CARE, which demonstrates their **continued relevance** in crisis situations. Moreover, there are **important lessons to be learnt from the process** that enabled a quick response to the pandemic, which have been applied in the context of the Russian war of aggression against Ukraine, although the ESF and FEAD might not have been used to the same extent in the two crisis situations.

Box 8 Street Work Academy in Poland

The objective of this operation, implemented under the national operational programme Knowledge, Education and Growth, was to provide assistance to homeless people in public spaces, in a crisis situation that included the COVID-19 pandemic. The project was implemented between 1 July 2018 and 30 June 2021. Using the CRII flexibilities, the original Street Work Academy project was expanded and quickly adapted in response to the pandemic to include additional activities. The activities to support homeless people took place from June to September 2020. Additional activities included providing street workers with PPE, as well as supporting homeless people or people at risk of homelessness, via access to shelters, to protect them from potentially getting infected and spreading the infection further.

CRII and CRII+ flexibilities enabled rapid support for those in need at a crucial point and responded to significant needs on the ground. The support provided by the project's activities exceeded the initial objectives by far (over 4,000 homeless people were supported, compared to the 250 initially targeted).

The project was tested and implemented under extreme crisis conditions during the COVID-19 pandemic in different cities and parts of Poland. The beneficiary, the St. Brother Albert Aid Society (Towarzystwo Św. Brata Alberta), has 54 offices across Poland. Therefore, it was easy to apply the experience gained during the project in the context of the humanitarian crisis which Poland faced as a result of the Russian war of aggression in Ukraine: **the lessons learnt from the project were highly relevant in view of the unexpected and high number of Ukrainians entering Poland.** The newly organised infrastructure and the knowledge accumulated during the COVID-19 pandemic on how to create safe conditions and spaces for those in need were used to address additional needs that emerged during the refugee crisis.

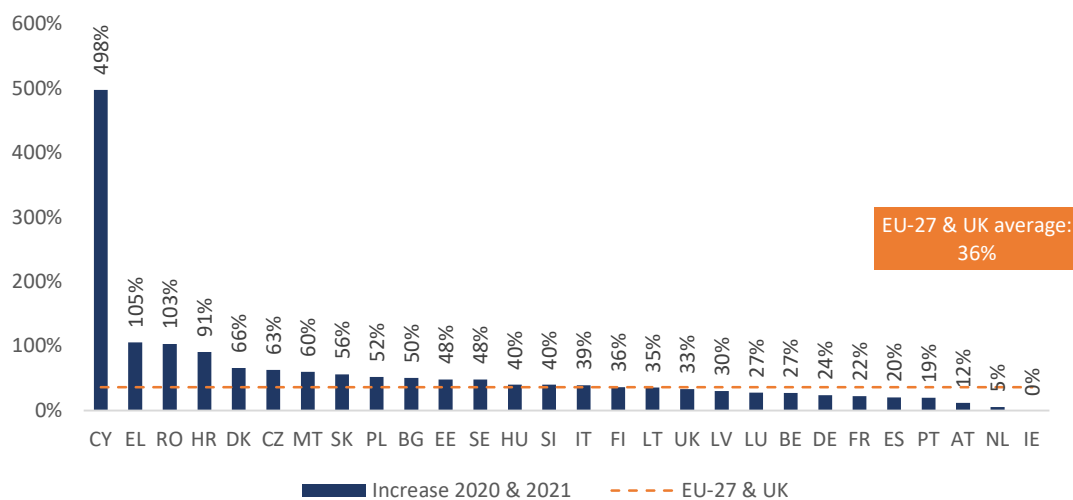
Addressing needs on the ground

Resources were redirected through the ESF under the coronavirus response initiatives to some of the key groups who faced challenges in the pandemic, such as healthcare workers (PL, LV, GR), those at risk of losing their jobs (in the 16 MS supporting short-time work arrangements), inactive people and students engaged in remote learning (IT, PL), people working in the cultural sector (PT), students at risk of poverty or social exclusion (IT, EL), and people living in institutions, older people and persons with disabilities (PL, RO, UK).

The extent of the COVID-19 pandemic and the use that Member States made of the flexibilities under the coronavirus response initiatives impacted the number and characteristics of ESF and YEI participations. **The cumulative number of ESF and YEI participations increased by 36%** in the EU-27 and the UK between the outbreak of the pandemic and the end of 2021.

While the increases are below the average in around one third of the countries, in Cyprus, Greece and Romania the number of participations more than doubled since the outbreak of the COVID-19 pandemic. In Cyprus, for example, the significant increase is due to the short-time working arrangement set up in 2021 under the new IP 9.iv, funded by EUR 36 million reallocated from the Cohesion Fund to the ESF.

Figure 9 Cumulative increase in ESF and YEI participations (end 2021 vs end 2019)

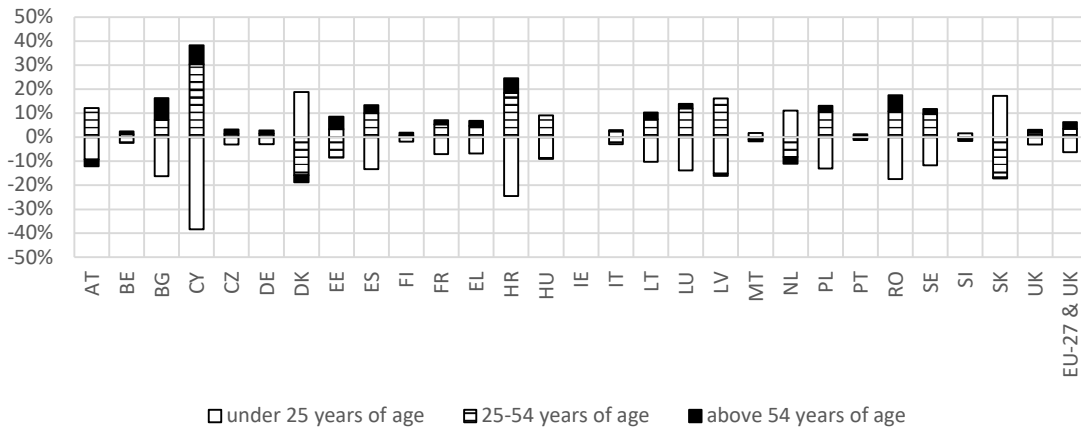


Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

The general population and organisations serving the general population, such as healthcare services, were one of the main targets of the crisis operations under the ESF. The overall lack of specificity of the target groups for the crisis operations indicates that most operations were aimed at benefiting anyone affected by the COVID-19 crisis, rather than focusing specifically or exclusively on certain groups. A small proportion (nearly 40) out of the 354 identified operations under CRII and CRII+ specifically targeted inactive and unemployed people, who are often described as ‘vulnerable’ groups and/or at risk of social exclusion.

Measures focusing on employed people (e.g. STWS) meant that operations across all age groups were reorganised to address urgent needs, and this affected the composition of participants by age group. As can be seen in Figure 10, in 20 countries (AT, BE, BG, CY, CZ, DE, EL, ES, FI, FR, , HR, HU, IT, LT, LU, LV, PL, RO, SE, UK), **the proportion of participations among those under 25 years of age decreased**, which resulted in most of these Member States in an increase in the proportion of those aged 25 to 54, rather than an increase in the proportion of those above 54 years of age.

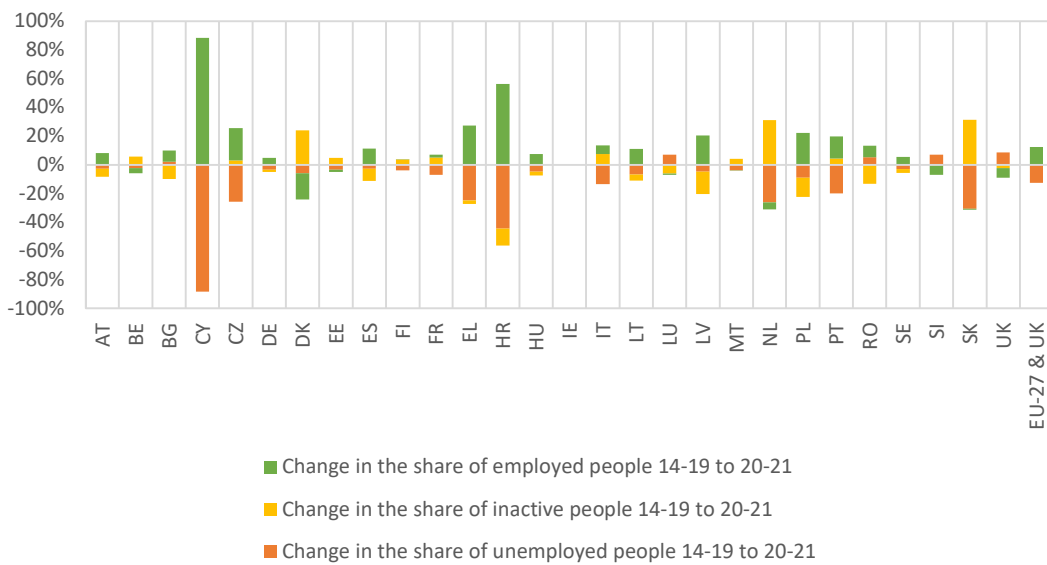
Figure 10. Changes in the proportion of ESF and YEI participations by age group by country (2020-2021 vs 2014-2019)



Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

This analysis of monitoring data also shows that during the COVID-19 pandemic **there was a significant shift in the labour market status of people participating in ESF and YEI initiatives**, with a 12 percentage points increase in 2020-2021 in the number of employees in the EU-27 and the UK, compared to pre-crisis levels (2014-2019). Looking at country-level data, the most significant change is reported in Cyprus where, before the crisis, 91% of people supported by the ESF and YEI were unemployed, while during the crisis 97% were employed. The absolute number of supported inactive participants increased significantly in BG, EE, NL and SK and, to some extent, CZ and SK from 2019 to 2020.

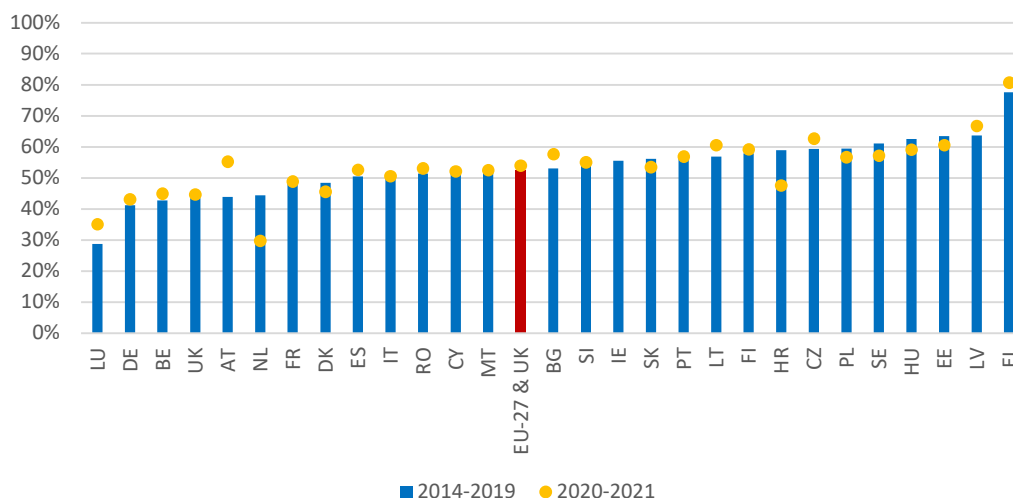
Figure 11 Change in the share of ESF and YEI participations by labour market status 2021



Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

Overall, since the outbreak of the COVID-19 pandemic the share of women increased slightly from 52.5% (2014-2019) to 54.0% in 2020-2021 in the EU-27 and the UK. As shown in Figure 12 below, the differences between countries ranged between a fall of 15 percentage points in the Netherlands and a rise of 11 percentage points in Austria.

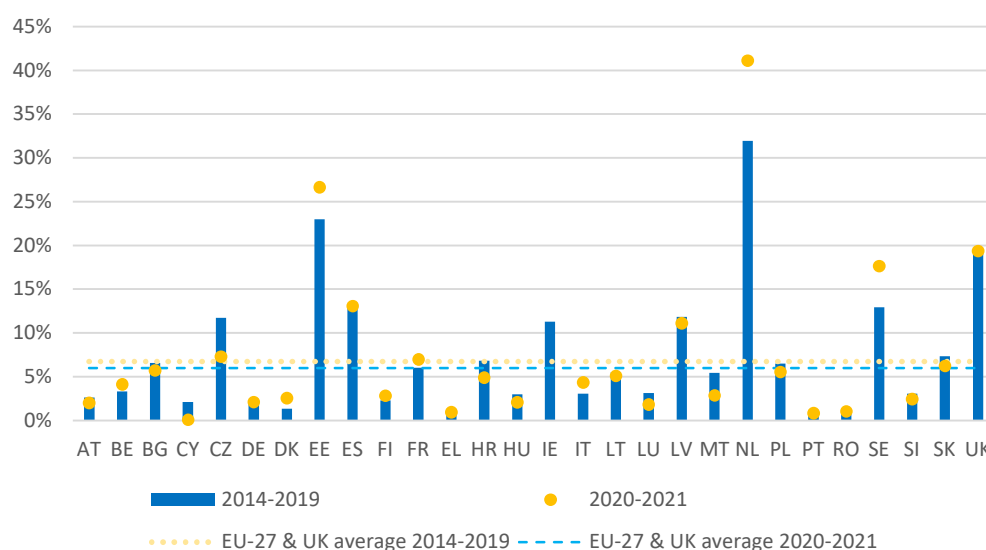
Figure 12 Share of women in ESF and YEI participations (2014-2019 and 2020-2021)



Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

The share of ESF and YEI participants with a disability decreased very slightly, by 0.7 percentage points, from 2014-2019 to 2020-2021 in the EU-27 and the UK. One exception was Italy, where an increase of 22 percentage points under IP 9.iv is directly linked to the regional OP of Campania, where more than 38,000 people with disabilities were supported in 2020, in response to the COVID-19 pandemic.

Figure 13 Share of ESF and YEI participations of persons with disabilities



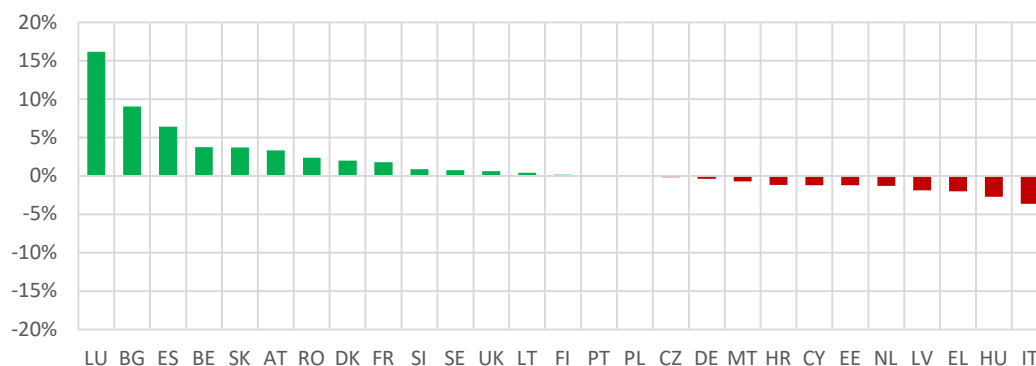
Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

*For IE no participations were reported for 2020-21

The share of migrants supported decreased slightly from 14.9% (2014-2019) to 13.1% (2020-2021) in the EU-27 and the UK. A few COVID-19 operations targeting people with

a migration background (e.g. in DE-Saarland) were identified, while migrants were in some cases included in measures that targeted vulnerable groups or people at risk of social exclusion in general.

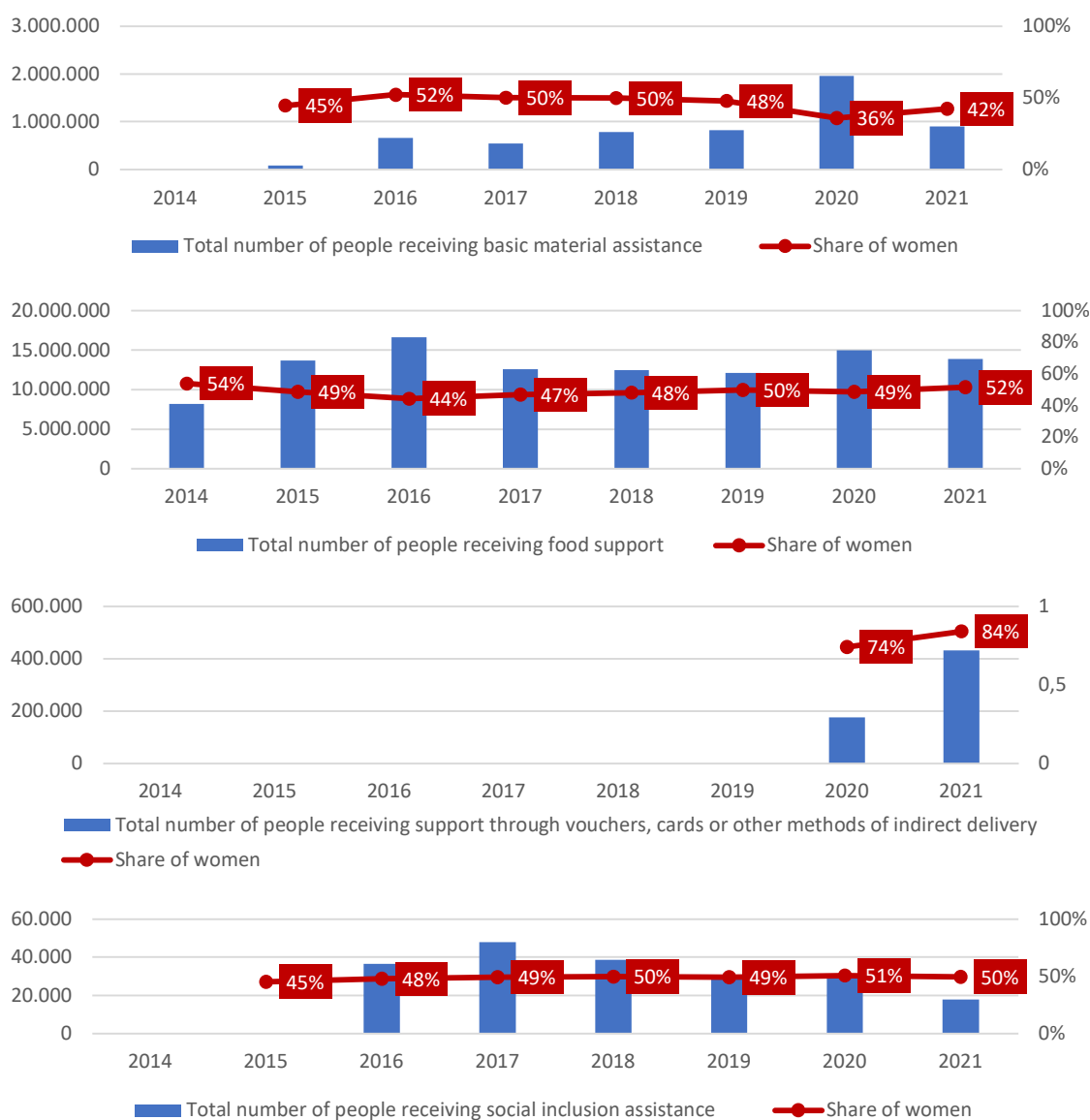
Figure 14 Participations of migrants in ESF and YEI operations (change from 2014-2019 to 2020-21)



Source: Cohesion Open Data Platform (data extracted on 8 September 2022)

The suspension of several economic activities, nationwide lockdowns and the closure of educational institutions increased social exclusion, poverty, and discrimination of disadvantaged groups, such as persons with disabilities, people with a migrant background or homeless people. The negative impacts of the pandemic were disproportionately higher for these groups, both in terms of infection rates and access to social, health and education services. Despite a lack of specific targeting and the addition of measures aimed at people in employment, the share of vulnerable groups in ESF operations did not fall substantially. **Even without specific targeting, the CRII and CRII+ operations have included participants with a vulnerable profile.**

Figure 15 Number of FEAD end recipients per type of assistance, and the proportion of whom were women (2014-2021)



Source: SFC 2014

As regards **FEAD food and material aid**, in addition to the traditional end recipients, **new target groups emerged** during the COVID crisis. Non-traditional groups receiving FEAD-funded aid included people with higher levels of skills or education (e.g. workers who have been furloughed, students who lost summer jobs or scholarships, single parents, self-employed people, workers without an employment contract, etc.) and people with new needs to be addressed (e.g. psychological support, need for information).⁷⁶ However, the **characteristics of the end recipients of food support did not change much** during the crisis. At the level of the EU-27, there was a fall in the number children aged 15 years or

⁷⁶ FEAD Community Thematic Seminar on ‘New beneficiaries of FEAD-funded measures and new practices implemented during the Covid-19 crisis’.

below receiving food support, but this trend was mainly driven by changes in three countries (EE, HU and SK) and reflects amendments to the rules in these countries on additional support for families with children, and an increase in the number of people aged 65 and above.

Operations financed under FEAD continued to be relevant to the needs on the ground and centred on delivering food aid, providing information about social inclusion activities when delivering food packages, and providing basic material assistance. In fact, **the relevance of FEAD support increased during the pandemic, as evidenced by a strong increase in the number of end recipients in 2020**. The number of people receiving basic material assistance more than doubled from 2019 to 2020, reaching a peak of almost 2 million participations in 2020. There were big increases in the provision of basic material assistance in Romania, Italy, Hungary, Croatia and, to some extent, in Greece. The number of people receiving food support increased by 24%, reaching almost 15 million in 2020. The number of people helped by social inclusion measures remained constant from 2019 to 2020. In addition, in 2020 and 2021 0.6 million people in France and Romania received vouchers, cards or other instruments of indirect delivery of assistance. The proportion of people receiving assistance who were women remained relatively constant at around 50% across the EU-27 for food support and social inclusion measures, while the share dropped from nearly 50% to 36% from 2019 to 2020 as regards the provision of basic material assistance. The share of women among people who received vouchers, however, reached 74% in 2020 and 84% in 2021.

The pandemic resulted in an **evolution in the needs of target groups and the emergence of new needs**. Some of these needs were short-term e.g. keeping jobs during lockdowns. However, many of the needs stemmed from systemic problems that were only exacerbated by the pandemic, like the resilience of healthcare systems or inequalities in access to education. CRII and CRII+ operations **continue to be relevant in terms of addressing structural weaknesses and facing new challenges**, such as digitalisation and the shift to the green economy. CRII and CRII+ operations supported, for example: (i) the introduction of digital education technologies in higher education and schools, to prevent dropout (under TO10); (ii) digitalisation processes in SMEs and public services and the upskilling of employees and managers to support telework (under TO8); (iii) access to education for vulnerable people through the acquisition of laptops or tablets and training in the proper use of teleworking equipment; (iv) the improvement of equipment and services in medical establishments (under TO9). The digitalisation challenges that emerged during the pandemic, or that were exacerbated by it, require further investments in the post-pandemic period to help education and training systems, public services, and working conditions to adapt to the digital age.

Box 9 Support for distance education services in Lazio, Italy

In Italy the national long-term closure of schools also highlighted the important role of household resources (e.g., digital equipment, the availability of physical space for the student in the house). In addition, the pandemic and the subsequent closure of schools exacerbated existing inequalities in education and their consequences in terms of educational opportunities. Lazio was in line with the national average in terms of households with a basic fixed-line broadband connection. However, the digital gaps between municipalities were substantial, as was the wide gap between the capital and the rest of country, since almost half of municipalities did not have access to a fast internet connection, which is necessary to access online lessons.

The operation '*Sostegno ai servizi di didattica a distanza*' was enabled by an amendment to the Lazio OP under the coronavirus response initiatives and included the provision of services, educational packages and computer equipment for educational institutions and training organisations based in the region. A key aim was to overcome the digital divide in accessing distance education and vocational training during the COVID-19 pandemic.

The operation was essential in providing equipment and technical material for distance education, grants for university students without the necessary tools and internet connection to participate in online educational activities, and grants for the purchase of computer equipment. Distance learning is still taking place, and many students can't afford to buy the necessary equipment. However, although funding to buy equipment such as tablets or computers for students has been useful, beneficiaries have indicated that in many cases **the lack of infrastructure is the main obstacle to accessing courses and classes online**. In this light, stakeholders considered that the operation was not only an investment in sustaining the education system during the crisis, but also a **longer-term investment in skills and infrastructure**.

Due to the need to respond to COVID-19 in general but also thanks to the adjusted operations, ESF and FEAD were able to **pilot new ways of responding to these challenges**, which will inform future activities in areas such as active labour market measures and training (e.g. in BE Flanders and PT). Therefore, the experience gained with CRII and CRII+ operations will be put to use when implementing operations under ESF+ in 2021-2027.

5. WHAT ARE THE CONCLUSIONS AND LESSONS LEARNT?

5.1. Conclusions

The COVID-19 pandemic has disrupted economies, health and education systems, and the livelihood of millions of people across Europe. Its impacts are still being assessed and are likely to linger for the foreseeable future, albeit to different degrees depending on the magnitude of the shock in different national contexts. The public health emergency mobilised EU and national resources, necessitating faster decision-making in an often uncertain context. In condensed timeframes, the EU and the Member States adopted a host of measures to support economies, healthcare systems and the most affected individuals, ranging from financial instruments that provided liquidity and aid packages, to health and social initiatives.

The ESF and FEAD, alongside other EU funding instruments and mechanisms, adapted rapidly to tackle the socio-economic challenges caused by the pandemic, thus contributing

to the crisis response across Europe at national, regional and local levels, while pursuing their original objectives. This quick adaptation was facilitated by the EU's rapid response to COVID-19 and the adoption of regulations that amended the CPR and FEAD regulations in place during the 2014-2020 programming period, including the Coronavirus Response Investment Initiatives (CRII and CRII+). These were the first such EU-level initiatives, adopted in the early days of the pandemic (March-April 2020).

This preliminary evaluation has focused on an early assessment of the use of CRII and CRII+ provisions in ESF and FEAD-funded programmes, and the role that the ESF and FEAD played in response to the public health crisis caused by COVID-19. **The assessment shows that, compared to the economic crisis of 2008-2009, the EU responded much faster and more extensively to the socio-economic challenges triggered by COVID-19.**

The intervention logic chains setting out how the initiatives intended to support the crisis response (Figure 1), and how ESF and FEAD could address the new needs (Figure 2), **have worked as anticipated.** The programming flexibilities, as envisaged in the intervention logic for CRII and CRII+, meant that it was possible to give support quickly to Member States and the UK by mobilising unused funds from the ESF and FEAD and transferring money from other funds (ERDF and the Cohesion Fund). The intervention logic for ESF and FEAD support under the CRII and CRII+ focused on concrete operations. Here the evidence indicates that CRII and CRII+ have facilitated an effective and efficient use of the ESF and FEAD to address the negative impact of the pandemic on health, labour markets, education, and social inclusion. The results and impacts of the actions undertaken using the CRII and CRII+ flexibilities have not been evaluated by this study, as this is a preliminary evaluation, but will be assessed as part of the broader ESF and FEAD *ex post* evaluations. However, outcomes at the level of beneficiary organisations and end recipients were explored as far as possible through case studies of good practices, and broadly indicate that the types of effects anticipated in the intervention logic have been achieved.

Effectiveness

The CRII and CRII+ have been effective in giving Member States the flexibility to reprogramme the ESF and FEAD to respond to the COVID-19 crisis. The range of flexibilities were used more in the context of the ESF than FEAD, even when accounting for the different sizes of the funds. The possibility provided by the CRII to reallocate money between funds was the most used flexibility within the ESF, followed by reallocation within OPs and 100% co-financing. Within FEAD, the possibility of 100% co-financing was the flexibility used by the greatest number of Member States.

Since May 2020, 23 countries reallocated ESF funding between TOs in response to COVID-19, within or between ESF OPs. At the level of the EU-27 and the UK, **the most significant change has been an increase of funding for TO9 (social inclusion and health)** of almost EUR 2 billion. The increase in allocations to TO8 (employment) was less significant, at nearly EUR 215 million. Allocations to TO10 (education and training) fell by just over EUR 1.3 billion and for TO11 (public administration) by EUR 252 million. This reflects the **focus on employment, health and social inclusion** following the introduction of the response initiatives. The CRII and CRII+ made it possible to adapt operations and, at times, to develop new ones, to address specific effects of the pandemic

(e.g. impacts on health systems, employment and on already vulnerable groups at risk of social exclusion). The reallocation may have potentially negative longer-term effects on education and training, however, given that, generally, this area was not prioritised through the ESF during COVID-19 to the same extent as employment, health and social inclusion.

Compared to the ESF, **FEAD reallocations were less frequent and only requested by a small number of Member States (AT, CZ, HU, RO and SK)**. Evidence shows that CRII+ was however effective in supporting the reallocation of funds in specific national contexts to ensure the continued provision of food and/or basic material assistance to the most deprived people and to accommodate new target groups.

Following the introduction of the CRII and CRII+, the trends in absorption rates remained largely unchanged for both the ESF and FEAD, despite the challenging context of the pandemic. This suggests that the flexibilities played a role in maintaining the support provided by the ESF and FEAD. Minimum threshold for allocation of resources to social inclusion required by the ESF Regulation was also largely maintained.

The CRII and CRII+ contributed to new ways of cooperating between governmental and non-governmental stakeholders across different policy areas (e.g. cross-departmental working groups). They also contributed to greater cooperation between funds under the EU's Cohesion Policy, which helped to better align initiatives at EU, national and regional levels during the pandemic.

Efficiency

The CRII and CRII+ facilitated an efficient crisis response. Facilitating the use or reallocation of unspent funds helped to refocus spending on the specific challenges of the pandemic. The very rapid adoption of the initiatives after the outbreak of the pandemic, compared to the timing of the EU support package after the 2007-2008 financial crisis, was crucial to its effectiveness and relevance and to the role it played in Member States.

The CRII and CRII+ simplified and accelerated the processes to amend operational programmes and reallocate resources, which helped Member States to act quickly. Flexibilities were generally seen as reducing the administrative burden on managing authorities and the resources they needed. However, their use created an initial burden as formal OP modifications were still necessary (though the procedure was simplified) and staff needed to familiarise themselves with the new rules. Moreover, simplification procedures were not always extended to the level of beneficiary organisations, which represented an obstacle, given the need for urgent action, especially at the onset of the pandemic.

In the state of emergency, monitoring and cost-benefit considerations were not the centre of attention for the people and organisations programming and implementing the CRII and CRII+ operations. However, **the new (non-paper) indicators were a significant step forward compared to attempts to monitor (and evaluate) interventions aimed at addressing previous crises** (e.g. the 2008-2009 economic crisis). By September 2022, 25 Member States and the UK were using the new indicators, across 150 OPs (or 80% of all ESF-funded programmes). This shows that although the indicators were not mandatory, they were used extensively and supported the efforts to measure the COVID-19 response. The relatively good take-up was due to the fact that Member States considered that the new indicators were relevant and that they were proportionate to the monitoring required.

Coherence

ESF and FEAD operations under CRII/ CRII+ were largely aligned with previous ESF and FEAD measures and their overall objectives. ESF operations during the pandemic prioritised some existing areas of intervention through operations adjusted to the COVID-19 circumstances, but also new operations that had not been implemented before. Due to the needs created by the pandemic and the need for operational flexibility in a crisis context, ESF CRII and CRII+ operations tended to focus more on the general public eligible for ESF support, or organisations serving the general public, rather than on specific ESF target groups (e.g. older workers, persons with a disability etc). However, ESF operations under CRII and CRII+ continued to support vulnerable groups as well, for example by ensuring that groups such as homeless people or persons with disabilities continued to have access to social and health support services. Under CRII+, FEAD operations continued to provide food and basic material assistance to the most deprived, despite some changes in the characteristics of the end recipients.

ESF and FEAD CRII and CRII+ operations were coherent with operations funded by national budgets and other EU instruments (including the ERDF, SURE and REACT-EU). The study identified many examples of complementarities between the operations implemented through various EU and national financial mechanisms. While some operations received funding from a variety of funding sources (in particular, the support given to companies and workers through short-time work schemes), there are no indications that this resulted in contradictions or duplications, but rather that different resources needed to be pulled together to address substantial needs and avoid mass bankruptcies and unemployment.⁷⁷

ESF and FEAD operations under CRII and CRII+ proved to be well integrated in national pandemic response strategies, providing help in key areas such as the social inclusion of vulnerable groups (e.g. homeless people, older people or persons with a disability), in education and training (by focusing on digital skills), and in supporting healthcare systems and staff.

Apart from continuing or extending CRII and CRII+ operations, the **complementarity with REACT-EU is particularly evident at the level of allocations.** While funds under CRII and CRII+ were reallocated mostly to Thematic Objective 9 (Social inclusion and health), reflecting the most urgent needs stemming from the public health crisis, REACT-EU prioritised employment measures, thus focusing on middle-term crisis repair.

Relevance

The EU's response to the pandemic through the **CRII and CRII+ package was relevant to the needs of the Member States and helped governments** to address the needs of individuals and organisation that emerged from or were exacerbated by the crisis. Due to the simplifications, the acceleration of the reprogramming process, the possibility to reallocate finances, and the retroactive eligibility of expenses, the funds could contribute in a timely and meaningful way to the crisis response in the Member States and the UK. This contribution was particularly important in countries where the pandemic had the

⁷⁷ At the end of April 2020, for instance, in the EU-27 there were more than 42 million applications for support for workers on short-time work or similar schemes, which corresponded to about one quarter of the overall EU workforce. Further details in Müller T., Schulten T. (2020), Ensuring fair short-time work - a European overview. In ETUI, The European Trade Union Institute.

greatest impact, and in those countries where it was a challenge to find the necessary liquidity to deploy crisis mitigation measures. The relevance of the ESF's scope of action is further confirmed by the net increase in ESF allocations of EUR 0.7 billion following the transfers from the ERDF and the Cohesion Fund.

ESF operations under CRII and CRII+ supported and were relevant to the needs of individuals and entities affected by the pandemic (e.g. companies and organisations or institutions providing social and healthcare services). Due to the change in focus of the ESF under CRII and CRII+, there have been changes in the composition of participants, by age group and by employment status. Despite the broad definitions of the target groups in the operations implemented under CRII and CRII+, **the focus on the most disadvantaged groups was not lost**. Vulnerable target groups continued to be supported through the CRII and CRII+ operations during the pandemic even though new priorities and target groups had to be addressed, such as workers at risk of losing their jobs, companies at risk of bankruptcy and workers in healthcare.

FEAD operations during the pandemic continued to target the most deprived people through food and other material aid, with a key difference being the increased support to partner organisations which had to overhaul their standard procedures. This could be because they needed to deliver food to individuals' homes, to develop more targeted outreach activities, and enable access to grocery stores in a way that complied with social distancing rules). The COVID-19 pandemic and the use of CRII/CRII+ flexibilities led to a significant increase in 2020 in the **number of FEAD end recipients**, (linked to the provision of support to the most vulnerable groups), **indicating the relevance of FEAD actions during the pandemic**.

Some of the CRII/CRII+ flexibilities are still necessary and continue to be used under REACT-EU and CARE. The continued relevance of CRII/ CRII+ operations is evidenced by the fact that Member States have continued some CRII/ CRII+ operations through REACT-EU and also plan to continue some of the operations under ESF+, for example in the area of digital skills and e-learning, and to create and safeguard jobs. Furthermore, as the COVID-19 crisis highlighted or exacerbated some long-standing structural challenges, the lessons learned from the process of reacting to the crisis, and from the crisis operations themselves, are useful both to prepare for future crises and to plan long-term structural investments.

Contribution to broader crisis response

By enabling unspent funding from the 2014-2020 programming period to be used quickly, the CRII and CRII+ helped reduce the impact of the pandemic on healthcare systems, companies and individuals. The initiatives meant that different kinds of employment, social inclusion, healthcare, and education and training operations (both new operations and ones that were adjusted relative to the pre-pandemic period) could be planned and carried out in the Member States and the UK. Most CRII and CRII+ operations extended existing initiatives but adjusted them to the pandemic context. CRII and CRII+ operations focused on: (i) initiatives that helped healthcare systems to continue to function (these operations were often new); (ii) access to services for vulnerable individuals; (iii) short-time work-schemes, which focused on passive measures to support workers and employers and to protect jobs; (iv) improving digital skills and digitalisation in education and training, and in public services and businesses.

The broad scope of the operations in most countries shows that the Member States used the ESF to support crisis response across all or most areas facing challenges, rather than concentrating on single areas. This approach is consistent with the intervention logic of the CRII and CRII+ and the widespread negative impact of the pandemic on employment, healthcare, social inclusion and education in all countries.

The results of the survey of the Managing Authorities show that the Member States would have used the ESF and FEAD for their crisis response even without the CRII and CRII+ flexibilities. However, **the initiatives made a difference by accelerating and simplifying the processes involved.** Compared to the response to the 2007-2008 financial crisis, the **CRII and CRII+ also added value through their cross-fund and cross-policy approach**, which increased the money available for crisis operations and extended the scope of these operations.

Overall, due to the relatively limited funds still unallocated at the end of the 2014-2020 programming period for the whole cohesion policy (EUR 37 billion), the role of CRII and CRII+ was not huge in scale, but the **CRII and CRII+ operations increased the scale of national measures, brought attention to target groups that might have otherwise been omitted and allowed new operations or approaches to be tested.**

5.2. Lessons learned

ESF and FEAD objectives **address structural challenges** but have also proved their **added value in supporting crisis response:**

- **ESF and FEAD programmes adapted to the rapidly developing needs caused by the COVID-19 crisis, while continuing to pursue their long-term objectives** of supporting jobs and social inclusion, combating poverty and providing aid to the most deprived and, to a lesser extent, investing in education and (vocational) training.
- The COVID-19 pandemic impacted every country and every human activity. In this context, pursuing the objectives of the ESF and FEAD meant that changes had to be made at the level of actions and that it was often a challenge to maintain the status quo (employment, access to education, healthcare or social services), which justified support for passive measures (in particular through short-time work schemes). Similarly, the broad character of the crisis justified the broad definitions of target groups in operations under the CRII and CRII+. However, **beyond the COVID-19 crisis, the support for passive measures, with insufficient targeting and not in combination with complementary active measures, may have negative implications for achieving the ESF's long-term objectives.**
- One strength of the ESF and FEAD as crisis response instruments was their existing implementation structures, which made it possible to channel funds quickly to the actors on the ground. This was especially true in Member States with limited budgets for ALMPs or social services, where the ESF made a significant contribution to national employment and social policies. Therefore, **the possibility**

to adjust existing operations and flexibility at the level of investment priorities were key to ensuring a rapid reaction to the crisis.

- **Flexibility emerged as the most crucial feature of an effective crisis response instrument.** The stakeholders consulted for this preliminary evaluation acknowledged the value of the CRII and CRII+ flexibilities, and largely supported the idea of making them permanent, so that the ESF and FEAD could be adapted more quickly to needs emerging on the ground in both crisis and non-crisis situations. The new regulations for the 2021-2027 programming period already take this lesson into account by including an emergency clause on their use in crisis contexts. The idea of allowing greater flexibility in implementation in general could be explored in preparation for the post-2027 programming period.

The more active involvement of partners during the pandemic in some cases helped Member States to gather information on the needs on the ground as they emerged and developed, and informed the design of ESF and FEAD operations.

- One of the greatest challenges during the pandemic has been to gather, in real time, reliable information about the needs emerging on the ground (and their likely evolution in the short to medium term) and to design appropriate measures to respond to them. Member States used a variety of channels to gather this information, including the knowledge of social partners and non-governmental organisations about local and regional developments, which provides useful information for similar operations in the future.

The capacities of institutions and organisations, and the extension of EU flexibilities to national and regional rules, are equally important for an effective crisis response.

- Despite simplifications at EU level, the study showed that at times it has been challenging to carry out procedures at an administrative level, especially when corresponding simplifications at national or regional levels were not implemented. It proved difficult in these cases to urgently carry out new operations with new beneficiaries who had to familiarise themselves with the administrative requirements. This implies **the need to continue to focus on simplification and flexibility in delivering support, and extending this approach, where possible, at national level to reflect developments in the use of EU instruments.**
- Likewise, the evidence indicates that, where possible, combining EU flexibilities with national ones to address crises can make operations even more efficient and effective.

Flexibility is needed, but it is also necessary to ensure that **appropriate monitoring and evaluation mechanisms are in place to ensure that operations and their outcomes can be tracked,** even during a crisis.

- **There are inherent trade-offs between providing a wide range of flexibilities in the use of the ESF and FEAD** (which have helped the crisis response to be effective and efficient) **and ensuring that the monitoring of implementation is**

proportionate (which may add some additional burdens, particularly in crisis situations). The introduction of a dedicated priority axis⁷⁸ to amended OPs, as was later the case for REACT-EU, would have made it easier to identify and track the actions implemented by Member States to mitigate the impact of COVID-19. At the same time, it may have limited the scale and the speed of the reaction, as most of the operations under CRII and CRII+ were existing operations that had been adjusted.

- Further considerations about how to set up monitoring and evaluation systems that capture essential information about the implementation of similar flexibility packages, especially in crisis situations, would contribute to a more robust and comprehensive monitoring and evaluation of their outputs, results and impacts. In addition, **discussions and agreement (involving key actors at EU and national level) at an early stage about the monitoring and evaluation of crisis operations could give us a more in-depth understanding of their impact** and of any implications for the objectives and targets as initially set. This approach could also help us to improve how we react to future crises.

Crisis operations have highlighted the areas of investment where ESF+ operations could focus more in the future, **combined with operations supported through other funds** during the pandemic recovery phase. the pandemic.

- **A better response to the needs of existing and emerging vulnerable groups** has been emphasised during the pandemic. The crisis revealed areas where pervasive inequalities still exist, which were not necessarily the focus of previous interventions. **Future programming** can address this by supporting disadvantaged groups, including by **promoting digitalisation and ensuring equality of digital access** (as in the crisis response operations that focused on facilitating distance and online learning, in part by ensuring access to equipment and training).
- The pandemic response also highlights how ESF operations can adopt a **broader approach to supporting the general health of the population** by focussing on the effective functioning and development of healthcare and social care systems. Under ESF+, health actions will continue to focus on strengthening these systems in the pandemic recovery phase.
- Since the 2007-2008 crisis, ESF actions to support workers and employers had focused on active measures (ALMPs), whereas during the pandemic there was a shift to investment in passive measures to preserve jobs and avoid large-scale bankruptcies, due to the crisis situation. However, in some instances passive measures were combined with active ones to promote adaptability and employability skills while also protecting jobs. It is clear that the **ESF+ will support post-pandemic recovery actions** in the area of employment through a

⁷⁸ An operational programme consists of priority axes. In principle, a priority axis concerns one Fund and one category of region. It corresponds to a thematic objective and comprise one or more of the investment priorities of that thematic objective, in accordance with the Fund-specific rules.

renewed focus on active measures, including those to develop skills or to reskill. However, should future crises arise that require support to maintain jobs, as in the pandemic, **the potential to combine passive measures (e.g. STWS) with active measures should be considered.**

- **FEAD operations** were adapted to the crisis conditions mostly in terms of **new ways of carrying them out**, for example through vouchers or home deliveries, and by **integrating new target groups**, such as for people who lost their income due to lockdown measures or non-regularised migrants. However, this **did not change overall the characteristics of the end recipients**. The lessons learnt from these operations can help ESF+ to improve outreach and better address the needs of the most deprived people.
- **As a result of the CRII and CRII+ ESF operations** implemented during the pandemic in the areas of digitalisation and support for employers, workers, and healthcare systems, **Member States have already piloted new ways of working and new kinds of activities that are expected to contribute to the implementation of actions under ESF+**. The pandemic response confirms that alignment between the measures implemented through the different objectives and funding priorities of the EU's cohesion policy can ensure complementarity and help produce effective results.
- CRII and CRII+ flexibilities encouraged synergies between the ESF and other funds, in particular the ERDF, through the opportunity to reallocate unspent funds. Such **synergies between ESF and ERDF funding** can enhance support for structural change in the 2021-2027 programming period, expanding COVID-19 measures to **support sustainable outcomes through investments in people and infrastructure** in the areas of healthcare, digital education or inclusive employment, for example.
- The implementation of of anti-crisis operations under ESF and FEAD supported **the building of capacity at EU, national and regional levels and supported the development of new ways of working** that can contribute to a better targeting and alignment of resources to pursue the priorities of the EU's cohesion policy in 2021-2027.

ANNEX I: PROCEDURAL INFORMATION

This evaluation was carried out by DG EMPL as an initiative published in Decide with the reference number PLAN/2021/10525.

As the general public does not have the specific knowledge on the ESF/FEAD programming process, which was in the focus of this evaluation, a public consultation was not carried out. The public consultations carried out in the framework of ESF and FEAD ex-post evaluations will cover the operations implemented under CRII and CRII+.

An interservice group (ISG) was set up in June 2021, which included the following DGs: EMPL, AGRI, EAC, ECFIN, JUST, MARE, REGIO, SANTE and SG.

The timeframe for the evaluation was as follows:

10 May – 7 June 2021	Publication of the roadmap and feedback period
28 June 2021	1st meeting of the ISG
13 September 2021	Request for services for the external study to underpin the evaluation launched
14 December 2021	Signature of the contract for the study with the consortium Ecorys – 3s
16 December 2021	2nd meeting of the ISG: kick-off meeting for the study
3 February 2022	3rd meeting of the ISG: draft inception report of the study
7 June 2022	4th meeting of the ISG: draft interim report of the study
26 October 2022	5th meeting of the ISG: draft final report of the study
24 March – 17 April 2023	Written consultation of the ISG on the draft staff working document
18 April 2023	Approval of the external study

The evaluation was based on a study carried out by an external team of experts, under contract (VC/2021/00633) through DG EMPL Multiple Framework Contract VT/2020/027 for the provision of services related to the implementation of the Better Regulation Guidelines.

The interservice group assessed the quality of the final report of the external contractor as good. The conclusions and findings of the evaluation are considered to be robust, mindful of the limitations and mitigating measures described Annex 2.

1. Brief overview of the methodology

The study, on which this evaluation report is based, followed mixed-method data collection approach, combining qualitative and quantitative research methods. The study focused on the process of reacting to the crisis through ESF and FEAD, tracing the extent to which implementation has proceeded as anticipated (linking inputs and activities to outputs, and exploring early results). The study did not consider the impacts of ESF and FEAD operations that were enabled through CRII and CRII+. The overall methodological approach was guided by a comprehensive evaluation framework.

Designing the intervention logics and evaluation matrix

Two intervention logics were developed, which underpin the approach to the evaluation. The first intervention logic focuses on the flexibilities introduced by CRII and CRII+ and their use for ESF and FEAD in the COVID-19 crisis context. The second intervention logic describes the specific ESF and FEAD operations enabled by these CRII and CRII+ flexibilities. The intervention logics summarise the needs and rationale of the CRII and CRII+ interventions given the serious consequences of the COVID-19 outbreak, resulting in liquidity shortages and significant negative effects on EU economies and societies, and link objectives to inputs, outputs, results and intended longer term impacts.

Evaluation matrix

An evaluation matrix was designed to address the evaluation questions and guide all subsequent evaluation activities (see Annex III). The evaluation matrix provides main and sub-questions, judgment criteria/ indicators and data sources. It underpins the analytical approach and builds on the description of the evaluation criteria as applied to the scope and purpose of this evaluation, which focuses on process evaluation and early implementation of CRII and CRII+ (as discussed above).

Comparative analysis of the context and crisis reaction

The comparative analysis of the context and crisis reaction across Member States and the UK enabled the mapping of the socio-economic and crisis context and use of CRII and CRII+ in each Member State and the UK. This included an initial assessment of the ESF and FEAD financial contribution to crisis reaction at Member State level, including a preliminary analysis of the financial volumes that were reallocated between and within funds and changes in the levels of these volumes. It also identified types of operations, their objectives and target groups, and assessed the available monitoring arrangements relating to the COVID-19 response, including analysing the current use of the relevant indicators. The analysis, based on a range of data sources, generated findings of the state of play of the financial and operational implementation of ESF and FEAD anti-crisis operations. The main sources of evidence were the System for Fund Management in the European Union (SFC2014) and Cohesion databases, EU Regulations and existing literature.

Typology of operations

The mapping process contributed to the development of a typology of operations enabled by CRII and CRII+ in practice, on the basis of the typology of potential measures that could be used through the ESF to respond to the coronavirus crisis. Given that the list of indicative measures was relatively long and broad, to ensure that the number of different ‘types’ was not too large, some combining of these measures under slightly higher level categories was required, while still being more granular than the overarching ‘thematic focus’ level (i.e., employment, social inclusion, education and training, healthcare). The typology was developed to enable identification and analysis of patterns in the use of ESF and FEAD operations that form part of the coronavirus response. The typology facilitated higher-level analysis concerning the overall thematic focus of ESF and FEAD operations.

Analysis of allocations, common indicators and ESF programme specific Covid-19 indicators

To assess the effectiveness and relevance of the support provided by ESF and FEAD under CRII and CRII+, an analysis of common indicators and allocations was conducted for both Funds in order to provide a preliminary assessment of how the target groups were affected. For the ESF, analysis was undertaken at the Investment Priority (IP) level. The analysis is based on monitoring data reported in the Annual Implementation Reports (retrieved in September-October 2022). ESF programme specific Covid-19 indicators were analysed to estimate the size of the intervention under CRII/CRII+, identify anti-crisis operations and in the case studies to assess the progress in the implementation of the operation.

Stakeholders consultations

Targetted stakeholder consultations informed the study in all its aspects, contributing to answering all evaluation questions. They included in-depth interviews at Member State and EU level, surveys targeting (national and regional) ESF and FEAD Managing Authorities and focus groups. The consultation programme engaged representatives of the Commission, institutions involved in the management of the ESF and FEAD operational programmes, institutions responsible for design and implementation of national strategies and measures aimed at counteracting the effect of the pandemic, organisations involved in the delivery of operations as beneficiaries or project leaders/ partners, and research bodies conducting research on the COVID-19 crisis response and measures undertaken at EU/ national level.

Case studies

To gain deeper insight into the actions taken under ESF and FEAD in response to the COVID-19 pandemic (and facilitated by CRII and CRII+ flexibilities) on the national and regional levels, nine case studies of good practices using ESF and FEAD for mitigating crisis effects were conducted across eight Member States (ES, GR, IT (2 case studies), LV, PL, RO, SE and LU (FEAD case study)) and anti-crisis operations in the areas of employment, social inclusion, healthcare and education and training.

Triangulation of the evidence

The final report of the study brought together all the evidence gathered to address the evaluation questions and provided a summary of the key findings across the evaluation criteria, conclusions and lessons learnt.

2. Limitations, mitigating measures and robustness of findings

There were a number of limitations associated with the research, in particular the quality of available data and the limitations of the mapping methodology that was designed within the constraints of the study resources.

The analysis of the changes introduced by the Member States following CRII and CRII+ adoption:

The research team of the supporting study reviewed all ESF and FEAD operational programmes (available in the SFC2014 database), identified the amendments that were submitted by the Member States for the different programmes following the adoption of CRII and CRII+, thus identifying the anti-crisis operations and their characteristics, and categorised them according to the typology of operations that was developed as part of this study. The allocation of operations based on the typology required some evaluative judgement, given that operations frequently combine several types of activities that can fit under two or more different types within the typology. To ensure consistency and reliability, the provisional allocation of operations to types has been subject to a consistent process of quality assurance and re-allocation where necessary. The allocation of operations to the typology was based on a clear rationale, taking into account Member States' decisions about which thematic objective operations were programmed under, the core results the operations seek to achieve, and how they are described in the SFC database and ancillary sources (for example, ESF websites, calls for proposals concerning the operations, etc.).

However it was not possible to identify all anti-crisis operations nor calculate precisely their total budget. Based on information received through stakeholder consultations, it is possible that not all amendments to programmes have been submitted under CRII/ CRII+ operations during the timeline of this study (while operations have already been planned and/or implemented). Moreover, there was no earmarking of CRII/ CRII+ operations due to the crisis context, when exceptional flexibility was needed to ensure liquidity and that needs on the ground were met quickly and effectively. Finally, most of the anti-crisis operations under CRII and CRII+ were adjusted, and for some, there was no need for an official amendment. As a result, some anti-crisis operations programmed under CRII/ CRII+ might not have been captured by the mapping exercise conducted in this preliminary evaluation. This also means that the actual target values captured through the coronavirus indicators might not be entirely accurate to illustrate the total amount and outreach of the anticrisis operations implemented under ESF, especially as not all Member States are using these indicators to track COVID-19 operations. The overall size of the CRII/CRII+ response under ESF and FEAD was probably higher than estimated by the supporting study.

Lack of representativeness of the online surveys targeting the ESF and FEAD Managing Authorities

Despite resource-intensive stakeholder engagement activities, the sample size of the online surveys cannot be considered as fully representative. The ESF survey received 60 responses covering 20 Member States and 79 out of the 187 OPs. For FEAD 15 responses covering 14 Member States were received. Although the variation of responses enabled reliable inferences to be drawn, which were confirmed through other methods, findings are nonetheless not representative for the whole population of ESF and FEAD Managing Authorities.

Capturing any changes in monetary or non-monetary costs and benefits following the programming of operations under CRII/ CRII+ relative to the pre-pandemic context

Given the scope of this preliminary process focused evaluation, efficiency was assessed in terms of how, and the extent to which, CRII and CRII+ enhanced the efficiency of the reprogramming process through simplifying and accelerating it. Efficiency was assessed from the perspective of whether Member States integrated efficiency considerations into this reprogramming; specifically, whether, and how, non-monetary and monetary costs and benefits occasioned by use of the CRII/CRII+ provisions were identified for different stakeholders and any comparison undertaken with existing ESF and FEAD implementation. Stakeholder consultations revealed that the Member States and organisations that participated in the study have not assessed any differences in costs and benefits resulting from reprogramming under CRII/CRII+ relative to the usual programming process. While quantitative information was challenging to obtain, the consultations provided useful qualitative assessments of how CRII and CRII+ contributed to simplifying and accelerating the programming process and thus enabled a quicker response to the needs emerging during the pandemic.

Despite the above limitations, the mixed-methods evaluation design, the triangulation of the data resulting from different tasks and methods, and the peer-review process involving representatives of relevant institutions in the Member States have enabled a reliable and comprehensive analysis of the support of ESF and FEAD under the CRII and CRII+ to crisis response in the Member States and the UK.

ANNEX III. EVALUATION MATRIX AND, WHERE RELEVANT, DETAILS ON ANSWERS TO THE EVALUATION QUESTIONS (BY CRITERION)

Evaluation criterion	Main questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	1a. What was the take-up of the CRII and CRII+ flexibilities? Why did not all Managing Authorities decide to use the CRII facilities? To what extent were existing flexibilities in the programmes used to respond to the crisis?	<ul style="list-style-type: none"> • Value of ESF actions to combat or counteract the effects of the COVID-19 pandemic (total public cost) • No. of additional responses using flexibilities without formal OP amendments (ESF). • No. of Member States and no. of amendments using simplified OP amendment process (ESF). • No. of programmes that benefit from the 100% co-financing rate (ESF). • No. of Member States making programme amendments and no. of amendments (FEAD): • No. of programmes that benefit from the 100% co-financing rate (FEAD). • No. of programmes that introduce emergency measures to respond to the COVID-19 pandemic (including introduction of indirect delivery through vouchers), through uploading of amendment in SFC (FEAD). • Number of participants supported in combating or counteracting the effects of the COVID-19 pandemic (ESF) • Number of entities supported in combating or counteracting the effects of the COVID-19 pandemic (ESF) <p>(Evaluative judgment on basis of evidence collected re key reasons for non-take-up and (extent of) use of existing flexibilities within crisis response.</p>	<p>OPs, AIRs, SFC 2014-2020 database, Coronavirus dashboard</p> <p>Monitoring systems (and databases) of Managing Authorities</p> <p>Eurostat statistics on socio-economic context</p> <p>MS evaluations and studies</p> <p>Primary research through targeted consultations (interviews and surveys)</p> <p>Primary and secondary research for case studies</p> <p>Focus-groups</p>
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	1b. How did the absorption rates evolve?	Percentage of total funding committed that has been paid at different time points post CRII and CRII+ introduction (absorption rate).	

Evaluation criterion	Main questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	1c. How did governance issues and socio-economic context influence the achievement of CRII and CRII+ objectives?	Evaluative judgment on types and extent of influence of governance issues and socio-economic context in achieving objectives on basis of evidence collated and analysed.	
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	1d. How are the horizontal principles (art. 5, 7 and 8 of the CPR) taken into account in the reprogramming process?	No. of programme amendments referencing horizontal principles Evaluative judgement on basis of all evidence collated on extent horizontal principles taken into account.	
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	e. What monitoring and evaluation arrangements are made to enable an assessment of anti-crisis operations? Did the COVID-19 programme specific indicators proposed by the Commission prove relevant for the anti-crisis operations and do they allow for a proportionate monitoring?	Review of monitoring and evaluation adopted at Member State level and assessment of proportion of: adoption of specific measures to monitor implementation, use of COVID-19 programme specific indicators. Evaluative judgement on basis of evidence collated as to whether these indicators are perceived as and can be judged as proportionate.	
Effectiveness	1. How effective were CRII and CRII+ in providing additional flexibility to the MS and deploying quickly the available resources?	1f. What were the effects of reprogramming under CRII and CRII+, in particular on the level of allocations per categories of region, territorial dimension, thematic objectives/investment	Evaluative judgement on extent to which reprogramming reflects territorial dimension considerations (Level of) changes in funding allocations per category of region (less developed, transition, more developed) using financial data from AIR Table 7	

Evaluation criterion	Main questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
		priorities and thematic concentrations?	<p>(Level of) changes in funding between and across thematic objectives and investment priorities</p> <p>Extent to which the minimum thematic concentrations specified in Article 4 of the ESF Regulation were maintained (at least 20% of total resources allocated to TO9 at MS level; for developed regions, at least 80% of resources to be allocated to up to 5 of the IPs set out in Article 3(1) of the ESF Regulation, for transition regions 70%, and for developed regions 60%).</p>	
Efficiency	2. Did the CRII and CRII+ enable an efficient process to use the remaining funds in view of the changing priorities?	2a. Was the reprogramming process simplified and accelerated thanks to CRII and CRII+?	<p>Time taken to institute changes as a result of CRII and CRII+, assessed through tracking the growth over time in:</p> <ul style="list-style-type: none"> • Value of ESF actions to combat or counteract the effects of the COVID-19 pandemic (total public cost) • No. of additional responses using flexibilities without formal OP amendments (ESF). • No. of Member States and no. of amendments using simplified OP amendment process (ESF). • No. of programmes that benefit from the 100% co-financing rate (ESF). • No. of Member States making programme amendments and no. of amendments (FEAD): • No. of programmes that benefit from the 100% co-financing rate (FEAD). • No. of programmes that introduce emergency measures to respond to the COVID-19 pandemic (including introduction of indirect delivery through vouchers), through uploading of amendment in SFC (FEAD). <p>Additional evaluative judgement on extent of simplification and acceleration based on collation of evidence (perspectives and desk-research).</p> <p>(To extent possible and with caveats) contextual comparison with changes in allocation levels in the 2014-2020 programming period.</p>	<p>OPs, AIRs, SFC 2014-2020 database, Coronavirus dashboard</p> <p>Monitoring systems (and databases) of Managing Authorities</p> <p>MS evaluations and studies</p> <p>Primary research through targeted consultations (interviews and surveys)</p> <p>Primary and secondary research for case studies</p> <p>Focus-groups</p>

Evaluation criterion	Main evaluation questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
	2. Did the CRII and CRII+ enable an efficient process to use the remaining funds in view of the changing priorities?	2b. Were changes, in the process of implementation including monetary and nonmonetary costs and benefits, stemming from the amendments under CRII and CRII+, identified for the different stakeholders in comparison with ESF and FEAD implementation without CRII provisions?	Evaluative judgement on the basis of evidence gathered concerning whether, and the extent to which, non-monetary and monetary costs and benefits occasioned by use of the CRII/CRII+ provisions were identified for different stakeholders (e.g., Managing Authorities, Intermediary Bodies, beneficiary organisations, organisations implementing operations on the ground), and any comparisons were undertaken with existing ESF and FEAD implementation.	
Relevance	3. Were CRII and CRII+ relevant for the immediate reaction to the crisis?	3a. Were the changes introduced by CRII and CRII+ relevant to MS/MA needs to react quickly to the crisis? Which were the most relevant? Which additional changes would have been relevant?	Evaluative judgement on the basis of evidence collated as to the degree of relevance to MS, and any additional changes that would have been relevant, assessment of difference in relevance of specific flexibilities on basis of levels of use derived from evidence base collated.	OPs, AIRs, SFC 2014-2020 database, Coronavirus dashboard Monitoring systems (and databases) of Managing Authorities MS evaluations and studies
Relevance	3. Were CRII and CRII+ relevant for the immediate reaction to the crisis?	3b. How relevant are the operations programmed following the adoption of CRII and CRII+ to the needs emerging on the ground? Were resources redirected to where they were mostly needed (including territorial and thematic aspects)?	Use of common indicators concerning participation to assess changes in the proportions of the ESF specific target groups, relating to the total number of participants per IP, to examine the thematic aspect of resource redirection. Evaluative judgement on the basis of evidence collated as to the degree of relevance to participant/end recipients. Evidence of extent of alignment between reprogramming of resources and levels of socio-economic effects of COVID-19 (geographically and thematically). I.e. extent to which resources were diverted to those regions most affected in terms of e.g., employment effects, economic output etc.	Primary research through targeted consultations (interviews and surveys) Primary and secondary research for case studies Focus-groups

Evaluation criterion	Main evaluation questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
Relevance	3. Were CRII and CRII+ relevant for the immediate reaction to the crisis?	3c. (How) have the needs of the traditional ESF and FEAD target groups, in particular people in vulnerable situations including people with a migrant background, marginalised Roma people, persons with disabilities or chronic diseases, homeless people, children and elderly people, evolved and did the ESF/FEAD adapt to potentially new needs? Are new target groups addressed?	Evaluative judgement on the basis of evidence collated as to the degree of relevance to participant/end recipients by target group (including 'traditional' and new) and the extent to which evolving needs are addressed.	Eurostat data on socio-economic effects at geographical and thematic levels.
Coherence	4. Are the operations implemented under CRII and CRII+ coherent with other actions in the areas of employment, social inclusion, education and health?	4a. Are the immediate anti-crisis operations supported following CRII and CRII+ adoption coherent with operations implemented so far by ESF and FEAD?	Evaluative judgement on extent of internal coherence between anti-crisis operations and existing ESF and FEAD operations on the basis of evidence collated, including assessment of (level of) complementarities, synergies, overlaps and contradictions.	Primary research through targeted consultations (interviews and surveys) Primary and secondary research for case studies Focus-groups
Coherence	4. Are the operations implemented under CRII and CRII+ coherent with other actions in the areas of employment, social inclusion, education and health?	4b. How do operations implemented under CRII and CRII+ interact with other actions undertaken under other EU instruments e.g., ERDF, SURE? Are there complementarities, synergies, overlaps or	Evaluative judgement on extent of external coherence between anti-crisis operations and relevant other actions on the basis of evidence collated, including assessment of (level of) complementarities, synergies, overlaps and contradictions.	MS evaluations and studies

Evaluation criterion	Main questions	Sub-questions	Potential judgement criteria/indicators	Data source / method task
		contradictions between them?		
Coherence	4. Are the operations implemented under CRII and CRII+ coherent with other actions in the areas of employment, social inclusion, education and health?	4c. Is there a coherence between the immediate anti-crisis operations supported following CRII and CRII+ adoption, and middle- and long-term plans to use ESF and FEAD (under EU-REACT and ESF+)?	Evaluative judgement on extent of coherence between immediate anti-crisis operations and the broader crisis response through REACT-EU and the ESF+ on the basis of evidence collated, including assessment of (level of) complementarities, synergies, overlaps and contradictions.	
Contribution to crisis reaction	5. What was the contribution of ESF and FEAD under CRII and CRII+ to crisis reaction?	5a. What are the types, objectives, target groups and targets of the anti-crisis operations funded by ESF and FEAD?	Review of (re-)programming allocations and focus using SFC2014-2020 database, OPs, AIRs and additional primary/secondary evidence.	Primary and secondary research for case studies Focus-groups MS evaluations and studies OPs, AIRs, SFC 2014-2020 database
Contribution to crisis reaction	5. What was the contribution of ESF and FEAD under CRII and CRII+ to crisis reaction?	5b. How are the ESF and FEAD operations fitting into the national/regional anti-crisis reactions and what role do they play in strategies aimed at mitigating the effects of the crisis?	Evaluative judgement based on evidence gathered principally through targeted consultations, case studies and focus groups as to the (extent of) the role played by the CRII and CRII+ in national and regional anti-crisis responses.	

ANNEX IV. OVERVIEW OF BENEFITS AND COSTS

Table 7. Overview of costs and benefits identified in the evaluation

		Citizens/Consumers		Businesses		Administrations		Organisations implementing ESF/FEAD	
		Quantitative	Comment	Quantitative	Comment	Quantitative	Comment	Quantitative	Comment
[Cost or Benefit description]:									
Administrative costs related to understanding CRII/CRII+ flexibilities and their effects on implementation scope and processes	One -off	NA	NA	NA	NA	No reliable data identified	CRII and CRII+ required familiarisation time and resources for MAs and associated Ministries with a role in ESF and FEAD programming. No reliable or usable evidence on quantification could be gained from stakeholders due to a lack of consideration and formal assessment of additional costs. Qualitative data indicate that administrative costs varied between Member States and regions according to 1) level of take-up of flexibility; 2) extent of formal amendments requested; 3) extent to which national legislative and/or perceived audit requirements/risk influenced the resource MAs felt they were required to provide. Qualitative data also indicate that these costs were generally not seen to be onerous and were outweighed by the administrative benefits gained from simplification and administrative waivers associated with CRII and CRII+	NA	NA
Administrative costs related to communicating CRII/CRII+ flexibilities and their requirements to organisations involved in the delivery of operations responding to the pandemic and other interested stakeholders	One-off	NA	NA	NA	NA	NA	MAs had to use resource to communicate opportunities generated through the CRII and CRII+ to delivery organisations, whether in the form of Calls for Proposals or via dialogue on the administrative requirements of operations adjusted or developed through CRII and CRII+ flexibilities. Communication to other stakeholders – e.g. sectoral bodies, employer representative organisations etc. was also cited as requiring resources. No reliable or usable evidence on quantification could be gained	NA	NA

							from stakeholders due to a lack of consideration, formal assessment and/or quantification of these additional costs. Stakeholder feedback from MAs suggests that these costs were generally not seen to be onerous and were outweighed by the administrative benefits gained from simplification and administrative waivers associated with CRII and CRII+.		
Implementation of new monitoring requirements (e.g. COVID-specific indicators)	Recurrent	NA	NA	NA	NA	NA	NA	No reliable data identified	Delivery organisations felt that the flexibilities came with additional requirements concerning data monitoring and new indicators, occasioning some administrative burden. This could not be consistently estimated and appeared to vary according to delivery context, including the nature of the operation concerned, and the extent of use of new indicators and monitoring requirements on the part of MAs in particular.
Direct benefits: Reduced administrative burden relative to standard ESF and FEAD implementation as a result of CRII and CRII+	One-off	NA	NA	NA	NA	No reliable data identified	CRII and CRII+ have reduced administrative burden through flexibilities relating to simplification and waivers of administrative requirements. While no reliable or quantifiable data was available, MA stakeholders acknowledged the light touch requirements for agreeing amendments to OPs, and felt that there were time savings, relative to standard programming processes, due to: simplification of procedures (including approval procedures) and shorter processing times..	NA	NA

ANNEX V. STAKEHOLDERS CONSULTATION - SYNOPSIS REPORT

Consultation strategy

This report presents an overview of the stakeholder consultation activities for the “Study supporting the preliminary evaluation of ESF and FEAD under the Coronavirus Response Investment Initiatives (CRII and CRII+)”. In line with the technical specifications, due to the technical nature of CRII / CRII+, the evaluation did not include a public consultation. Instead, the evaluation relied on targeted consultations that were adapted to the specific types of stakeholders involved in the design, programming or implementation of COVID-19 anti-crisis operations enabled by CRII / CRII+ and aimed to gather stakeholder views at the EU, national and regional levels. The table below presents an overview of all stakeholder consultation activities including the stakeholder types that took part in them. All stakeholder consultation activities were informed by the Evaluation Matrix and provided evidence across the study’s five evaluation criteria. The remainder of the section provides a summary of each stakeholder consultation activity.

Different consultation activities were conducted to engage a variety of stakeholders, including interviews with EU, national and regional-level stakeholders, two online surveys targeting (national and regional) ESF Managing Authorities and national FEAD Managing Authorities and two online focus groups. Other targeted consultations were conducted as part of nine case studies of good practices of ESF and FEAD operations implemented to mitigate the impact of COVID-19 in the Member States. These included in-depth interviews with key stakeholders involved in the programming and implementation of the selected operations. A summary of the consultation activities is included below, followed by an analytical summary of the results of the consultations across evaluation criteria.

Table 8 Overview of stakeholder types across consultation activities

Type of stakeholder	Interviews	Online surveys	Case studies	Focus Groups
Representatives of the European Commission	✓			✓
EU-level social partners	✓			✓
National ESF and FEAD Managing Authorities		✓	✓	✓
Regional ESF Managing Authorities		✓	✓	✓
Relevant ministries involved in the reprogramming of ESF/ FEAD under CRII/ CRII+	✓			✓
ESF Committee Members	✓			
FEAD Expert Group Members	✓			
Other relevant government bodies	✓		✓	
National Public Employment Services	✓		✓	
National social partners			✓	✓

Organisations delivering ESF-funded projects	✓		✓	✓
FEAD Partner organisation	✓		✓	✓
Civil society organisations	✓		✓	✓
Research organisations conducting research on COVID-19 response at EU level	✓			

Overview of consultation activities

The targeted consultations aimed to gather the views of stakeholders involved in the programming and implementation of ESF and FEAD anti-crisis operations enabled by CRII and CRII+ flexibilities. The targeted consultations consisted of several activities, as described below.

Interviews

During March - June 2022, 32 interviews took place with several stakeholder types across a sample of 10 EU countries that has been selected while an additional 9 interviews took place with EU-level stakeholders. The sampling criteria sought to ensure effective representation at EU and national levels within Europe, and cover both governmental and non-governmental organisations relevant to the task.

Interviews were used to inform the five evaluation criteria and capture insights that were not available in secondary sources and were impossible to retrieve through the survey's close-ended questions. As part of the stakeholder consultation strategy, the research team did not involve the same stakeholders in subsequent activities to avoid stakeholder fatigue.

Online Surveys

In March 2022 a survey was administered to all national and regional MAs of ESF (hereafter, ESF survey) and to the national authorities of FEAD (hereafter, FEAD survey). The surveys remained open until 10 June 2022 and sought to collect quantifiable, and qualitative evidence around the five evaluation criteria. Table 9 shows the distribution of regional and national MAs' responses to the ESF survey, which collected 60 responses covering 20 Member States and 79 out of the 187 OPs.⁷⁹ Table 10 shows the distribution of national MAs' responses to the FEAD survey, which collected 15 responses covering 14 MS and the same number of OPs. To increase the response rate, a total of five reminders have been sent to managing authorities on behalf of the contractor and DG EMPL.

⁷⁹ The discrepancy between the number of respondents and the number of OPs is due to the fact that respondents could select multiple OPs.

Table 9 Distribution of regional and national MAs responses to the ESF survey

Countries	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SK	SI	UK
	1	2	1	-	-	1	-	-	8	3	3	9	1	2	-	4	3	1	1	-	-	9	5	-	1	2	1	1

Table 10 Distribution of national MAs responses to the FEAD survey

Countries	AT	BE	BG	CY	CZ	DE	DK	EE	EL	ES	FI	FR	HR	HU	IE	IT	LT	LU	LV	MT	NL	PL	PT	RO	SE	SK	SI	UK
	-	1	1	-	-	1	-	-	1	1	1	-	1	-	-	-	1	-	1	-	-	1	1	-	1	2	1	-

Case studies

During August – October 2022, nine case studies took place aiming to collect evidence across the five evaluation criteria through looking at specific examples of ESF and FEAD operations enabled under the Coronavirus Response Investment Initiatives. Based on the technical specifications, the research team has conducted eight case studies for ESF operations in ES, GR, IT⁸⁰, LV, PL, RO, SE and one case study for a FEAD operation in LU. The sample of countries sought to include operations from different parts of the EU and cover both national and regional operations focusing on a wide range of thematic areas and target groups. To evidence the case studies, the research team used both primary research and a total of 23 interviews involving 27 stakeholders from governmental bodies relevant for the design of actions, managing authorities, and organisations implementing the actions on the ground.

⁸⁰ Two ESF operations enabled by the Coronavirus Response Investment Initiative have been selected from Italy as case studies.

Table 11 Case studies for ESF operations 2022

Country	OP	Name of operation	Level	TO	IP
Greece	ESF Regional Operational Programmes (All)	Reinforcing the Capacity of Health Institutions with additional staff during the COVID-19 crisis (Ενίσχυση των Μονάδων και Φορέων Υγείας του Υπουργείου Υγείας με επικουρικό προσωπικό για την ανταπόκριση στις ανάγκες λόγω της επιδημίας COVID-19)	Regional	9	9iv
Italy	2014IT05SFOP005	Support for distance learning (Sostegno ai servizi di didattica a distanza)	Regional	11	11i
Italy	2014IT05SFOP002	New Skills Fund (Fondo nuove competenze)	National	8	8v
Latvia	2014LV16MAOP001	Improving the qualifications of medical and paramedical staff, in terms of Covid and any other health crisis (Uzlabet ārstniecības un ārstniecības atbalsta personāla kvalifikāciju (Covid un citām veselības krīzēm)) Support for medical practitioners who provide treatment for patients to prevent public health crises (Atbalsts ārstniecības personām, kas nodrošina pacientu ārstēšanu sabiedrības veselības krīžu situāciju novēršanai)	National	9	9iv
Luxembourg	2014LU05FMOP001 (FEAD)	Food support and/or basic material assistance (Aide alimentaire et/ou assistance matérielle de base)	National	-	-
Poland	2014PL05M9OP001	Street working Academy project (Akademia streetworkingu)	National	9	9i
Romania	2014RO05M9OP001	Support for vulnerable people in the context of the COVID-19 epidemic (Sprijin pentru persoanele vulnerabile in contextul epidemiei COVID-19)	National	9	9ii
Spain	2014ES05M9OP001	Actions aimed at preserving employment during the COVID-19 crisis of young workers (ERTE) Youth Employment - ES - ESF/YEI Operational programme (Acciones encaminadas a preservar el empleo durante la crisis del COVID-19 de los trabajadores jóvenes (ERTES))	National	8	8ii
Sweden	2014SE05M9OP001	Competence development for laid-off and employed personnel in economically vulnerable sectors	National	10	10iii

Focus groups

During September 2022, two validation focus groups (FGs) took place aiming to validate the study's findings and cover any remaining gaps.

The first FG took place on 27/09/2022 and was dedicated on the use of ESF under CRII/CRII+. The FG gathered in total 21 participants, including representatives of Managing Authorities in eight Member States,⁸¹ representatives of organisations that implement ESF operations,⁸² as well as representatives of the European Commission and the contractor. All participants were provided with an input paper and an agenda ahead of the FG meeting, to facilitate a fruitful discussion.

The second FG took place on 28/09/2022 and was dedicated to the use of FEAD under CRII/CRII+. The FG gathered in total 14 participants, including representatives of Managing Authorities in three Member States,⁸³ representatives of organisations that implement FEAD operations,⁸⁴ as well as representatives of the European Commission and the contractor. Similar to the ESF FG, all participants were provided with an input paper and an agenda ahead of the FG meeting, to facilitate a fruitful discussion.

Methods, limitations and robustness of stakeholder consultation activities

All stakeholder interview notes across all consultation activities were incorporated in a pre-filled MS Excel File. To minimise biases, interview-data analysis was conducted by other researchers than the ones conducting the interviews. Interview data-analysis was an iterative process, with researchers synthesising the responses of different stakeholders across each evaluation question and cross-checking this information with other sources (i.e., SFC2014 database, Annual Implementation Reports, surveys, focus groups). For the focus-group data, no MS Excel File was used as the relatively small number of participants made possible to include the notes in a Word document. Similarly to interview data analysis, proceedings were reported under each evaluation question.

Survey administration has been conducted through EUSurvey while survey-data analysis has been conducted using EUSurvey's automatic functions and MS Excel. Percentages and counts have been retrieved for all numerical variables while open-ended answers have also been exported in a MS Excel.

Overall, the information retrieved through stakeholder consultations was triangulated vis-à-vis the information of the SFC2014 database, the Annual Implementation Reports and the Cohesion Database, as appropriate.

⁸¹ BE, EE, GR, HU, IT, LU, PL, SK

⁸² PL (Foundation Institute of Regional Development (FIRR)), PT (Institute for Employment and Vocational Training (IEFP))

⁸³ HR, LT, RO

⁸⁴ FR (Restos du Coeur), ES (Red Cross)

An overall challenge of the stakeholder consultation activities was ensuring a representative sample of Member-States in the stakeholder consultation process. To overcome this challenge, several e-mail and telephone reminders have been sent to stakeholders. This resulted in stakeholder activities including the input of a total of 64 interviews and 75 survey responses from a wide cast of stakeholders across 22 Member-States. Despite this, these stakeholders are not representative of the full ESF and FEAD Managing Authorities and implementing organisations population. For example, the ESF survey responses covered 42% or 79 out of the 187 OPs and the FEAD survey responses covered 50% or 14 out of the 28 OPs. Overall, both surveys were answered by a broad range of Managing Authorities (including regional in the case of the ESF) across a range of countries across the EU, including those that made most use of the ESF and FEAD flexibilities, those that used them less and the few that did not use them at all. The survey responses thus also captured responses from countries that were affected by the COVID-19 pandemic to different degrees.

Overview of consultation activities: Main findings

To what extent was CRII and CRII+ successful?

Based on the evidence collected through all stakeholder consultation activities, CRII and CRII+ are largely viewed as an effective intervention in terms of helping Member-States respond to the COVID-19 crisis.

Across all stakeholder consultation activities, stakeholders from 22 Member States, EU bodies and EU-level organisations largely share the view that the speed at which CRII and CRII+ were adopted and the range of flexibilities they enabled in the use of ESF and FEAD were effective in supporting a more rapid anti-crisis response at the national and regional levels across a large majority of the Member States and the UK. Stakeholders also shared the view that flexibilities enabled time savings by reducing administrative burden involved in the reprogramming process and facilitated a quicker roll-out of operations compared to standard processes and timings. The consultations conducted for this study indicated, however, that such time efficiencies were not necessarily transferred at the level of the operations' beneficiaries, as the management and auditing system for implementing organisations remained in general as they had been before the COVID-19 pandemic. CRII / CRII + operations were reported by stakeholders as being coherent with previous ESF and FEAD operations, as well as with the Member States' efforts to address COVID-19 needs through national/ regional and other EU instruments (ERDF, SURE, REACT-EU). Stakeholders also largely agreed that the ESF and FEAD anti-crisis operations under CRII/ CRII+ were relevant to the needs of the Member States and also to the needs of individuals and entities most affected by the pandemic. Overall, the consulted stakeholders' had a positive perception of the contribution of ESF and FEAD under CRII and CRII+ to crisis response in the Member States and the UK, in particular related to providing necessary liquidity, the flexibility to programme operations in line with emerging priorities, and a notable reduction of administrative procedures.

Effectiveness

The evidence collected through the stakeholder consultation activities suggests that CRII and CRII + are viewed as effective measures to respond to the COVID-19 crisis.

In particular, 72% or 37 out of the 51 of respondents to the ESF survey who reported to use CRII / CRII+, noted that as a result of the coronavirus response initiatives they were able to respond quicker to emerging needs on the ground either to a great extent (49% or 25 out of the 51) or to a medium extent (23% or 12 out of 51). In addition, over half of respondents in the same survey noted that as a result of CRII / CRII+, they could, to a medium or great extent:

- more easily access funds for measures / projects related to COVID-19 anti-crisis response (70% or 36 out of 51)
- enable new or adjusted operations (70% or 36 out of 51)
- streamline operations and respond more efficiently to the COVID-19 crisis (59% or 30 out of 51) and
- more quickly re-direct unspent resources where they were most needed (59% or 30 out of 51)

Just under half of respondents (47% or 24 out of 51) noted that they were able to simplify the application procedures and rules for project implementation to a great or medium extent, while approximately a third of respondents reported that as a result of CRII / CRII+ flexibilities they were able to decrease administrative burden (37% or 19 out of 51) or ease logistical and human resource resource constraints (33% or 17 out of 51).

Respondents to the FEAD survey who reported to use CRII / CRII+, replied in a similar fashion. In particular, 90% or 9 out of the 10 respondents to the FEAD survey who reported to use CRII / CRII+, noted that as a result of the coronavirus response initiatives they were able to respond more quickly to emerging needs on the ground either to a great extent (50% or 5 out of 10) or to a medium extent (4 out of 10). Half of the respondents to the same survey noted that as a result of CRII / CRII+, they could, to a medium or great extent, more easily access funds for measures / projects related to COVID-19 (50% or 5 out of 10) and decrease administrative burden (50% or 5 out of 10).

Targeted interviews corroborate the evidence on the effectiveness of CRII and CRII+ in helping Member-States respond to COVID-19 crisis. Both EU and national interviewees have commented that the coronavirus response initiatives were in place extremely quickly, with interviewees involved in ESF programming and/or implementation in IT, GR, LT, PL and SI highlighting the role of specific CRII/ CRII+ flexibilities (such as the re-allocation of funds within the OPs and the simplified procedures for OP amendments) in easing administrative burden, enabling quick access to existing financial resources, the rapid re-direction of unspent resources to where they were most needed, and the introduction of new or adjusted operations.

Interviewees consulted in the framework of the case studies also positively rated the speed and range of the flexibilities provided. For instance, stakeholders from Greece highlighting the usefulness of CRII / CRII + flexibilities in speeding-up the programming and implementation of an horizontal operation supporting with over 6,000 professionals public healthcare providers across all Greek regions. Stakeholders in the validation focus groups also highlighted

the importance of the flexibilities in providing necessary liquidity and enabling a rapid crisis response in the Member States, especially at the onset of the pandemic.

These findings are consistent with the survey results. Based on these, 73% of respondents (37 out of 51) to the ESF survey, reported to have used CRII / CRII + flexibilities to adjust operations and respond to the COVID-19 crisis to a great or medium extent. An overview of the flexibilities that were most used from Member States is available in the main report.

Consultation activities examined the governance/ implementation structures that have been established or used for the reprogramming process under CRII and CRII+ and identified external factors that influenced the effectiveness of the CRII and CRII+ initiatives. In this context, stakeholders reported that national and/or regional administrative and organisational procedures (43 out of 51 respondents), and the internal coordination process in their countries (41 out of 51 respondents), were a positive force in enabling an effective use of CRII flexibilities to at least some extent. The same holds for Member States' pre-crisis preparedness, with over half of respondents to the ESF MA survey noting that the level of pre-crisis preparedness played a positive role in enabling the effective use of CRII flexibilities to at least some extent (31 out of 51), as did the regionalisation of ESF (29 out of 51). These positive drivers were confirmed by stakeholders through the rest of the stakeholder consultation activities. For example, an interviewee from Italy noted that the work one region had done prior to the COVID-19 crisis around examining expenditure on health personnel and simplifying health related indicators helped that region manage their spending levels during the crisis.

The picture is less clear about the role of social partners in reprogramming. While the evidence from the ESF survey suggests that horizontal principles⁸⁵ were taken into account in the use of CRII/ CRII+ flexibilities to a great extent (13 out of 51), to a medium extent (13 out of 51) or at least to some extent (15 out of 51), evidence from the sequential consultation activities and primary research suggest that there might still be some scope for further improving this area in future crisis situations. However, this finding appears to be country-specific, as social-partner involvement varies across Member States, and in some reported cases social partners were involved in substantial ways in ESF reprogramming processes under CRII (e.g., in SE). Stakeholders noted that the main barrier to further taking into account the horizontal partnership principles of the Common Provision Regulation in the case of the ESF and the FEAD regulation⁸⁶ principles was the crisis situation itself and the need to make decisions as quickly as possible.

Finally, stakeholders also shared their views on the extent to which other ESF horizontal principles⁸⁷ and the FEAD regulation principles⁸⁸ have been taken into account in the reprogramming process. In this respect, over half of the respondents in ESF and FEAD surveys reported that these principles were considered to at least some degree. Interviewees at EU and Member-State level have given different responses that are in generally in line with the above

⁸⁵ The Common Provisions Regulation horizontal principles are: Article 5 - Partnership and multilevel governance, Article 7 - Promotion of equality between men and women and non-discrimination; Article 8 - Sustainable development.

⁸⁶ The FEAD principles are: Article 5 (9) FEAD Regulation - Partnership; Article 5 (11) FEAD Regulation - Equality between men and women and non-discrimination; Article 5 (14) – FEAD Regulation – Dignity of the most deprived persons: “The Commission and the Member States shall ensure that aid provided in the framework of this Fund respects the dignity of the most deprived persons”.

⁸⁷ Article 7 (equality between men and women and non-discrimination); Article 8 (sustainable development)

⁸⁸ Article 5 (11) FEAD Regulation - Equality between men and women and non-discrimination; Article 5 (14) – FEAD Regulation – Dignity of the most deprived persons

findings. For example, some countries (GR, SI) noted that as beneficiaries of EU funds, they were obligated to take these principles into account; as such, their responses were guided by each of these principles. CZ, FR, and PL similarly noted that the articles continued to be taken into account. SI noted that while article 8 was considered, health and safety measures took priority, with the Member State using funding to buy face mask which must be thrown away after the use; a measure which didn't contribute to their sustainable development targets.

Efficiency

Stakeholder consultation activities inquired about how, and to what extent, CRII and CRII+ helped ESF and FEAD Managing Authorities to redirect the unspent resources where needed, as well as the extent to which the coronavirus response initiatives simplified and accelerated the reprogramming process. On both occasions, stakeholders reported a positive picture, albeit hard evidence on changes in monetary and non-monetary costs and benefits was not provided.

In particular, more than half of the 51 ESF-survey respondents reported that making Coronavirus crisis related expenditure eligible under cohesion policy rules (38 out of 51 respondents), Article 25a (7) retroactive eligibility (35 out of 51 respondents), and Article 25a (6): simplified procedure for OP amendments (31 out of 51 respondents) helped them respond more efficiently (process wise) to the COVID-19 pandemic to a great or medium extent. Targeted interviews corroborate these findings with stakeholders from BG, LT, SI, GR, for instance, noting that CRII and CRII+ enabled the rapid re-direction of unspent resources to where they were most needed. Greece, for instance, highlighted the use of retro-active eligibility in using approx. EUR 332 million of unspent resources from its regional operational programmes to fund healthcare operations.

CRII/CRII+ flexibilities have also been reported as efficient in simplifying and accelerating the ESF and FEAD reprogramming process compared to standard timings. In particular, over eight in ten respondents to the ESF MA survey (42 out of 51) reported that as a result of CRII / CRII+ they were able to respond quicker to the needs on the ground to a great or medium extent. Nearly seven in ten (35 out of 51) noted that they were able to streamline operations to address the COVID-19 crisis to a great or medium extent, while over half (28 out of 51) noted they were able to simplify the reprogramming process relative to previous/standard ESF implementation to a great or medium extent, and to support different stakeholders more efficiently to a great or medium extent (30 out of 51).

Feedback from the open-response questions of the ESF survey provides examples of how the reprogramming process was simplified and accelerated. Respondents in this survey (for instance in PL and HU) reported the time efficiencies resulting from the European Commission's flexibility in communicating in advance in an informal way that an amendment will be possible, or, equally, from the rapid response of the European Commission to amendments (e.g., UK). Targeted interviews and focus groups provide similar evidence, with Member States (e.g., LT, PL in interviews, and BE in focus groups) highlighting the role of CRII / CRII+ in simplifying and accelerating the reprogramming process. Case studies also showcase several examples backing the above findings. For example, in Sweden, CRII flexibilities simplified and accelerated the support given to employees working in vulnerable sectors, laid off individuals, and individuals using the short-term work scheme, with stakeholders agreeing that CRII enabled a quicker reprogramming

process relative to the standard processing times. As the sample size in the FEAD-survey is small, the evidence supporting the aforementioned statements is limited, but overall supports the same conclusions as in the case of the ESF. Given the greater flexibility of the FEAD operational programmes, however, stakeholders often noted that there was already flexibility inbuilt in the programmes to enable a quick reaction to the pandemic, but even in these cases stakeholders indicated that the flexibilities offered under the amended FEAD regulation further accelerated the programming and implementation of anti-crisis operations and enabled their adaptability to the new circumstances. On some occasions, despite the procedural simplifications which decreased administrative burden on the one hand, they resulted in additional time spent by staff in understanding the new procedures and implementing them. No Managing Authorities involved in the study reported having increased their staff during the pandemic, but the crisis situation often resulted in a higher workload for the existing staff (e.g., in LU, HU, reported during the focus group).

Despite the positive picture in terms of efficiency, stakeholder consultations also pointed to some issues that can be improved in the future. For example, some stakeholders noted as negative drivers in terms of efficiency the fact that ESF's management and auditing system for beneficiaries largely remained as it had been before the crisis (e.g., the administrative requirements of beneficiaries such as submitting documentation including expenses, etc.). At the same time, other stakeholders pointed to delays stemming from national legislation (e.g., procurement law).

Coherence

Across all stakeholder consultations, participants reported a good level of coherence between ESF and FEAD anti-crisis operations and other actions in the areas of employment, social inclusion, education and health. In addition, stakeholders reported that ESF and FEAD anti-crisis operations were broadly aligned with these Funds' existing operations, while noting that some types of investments and actions were prioritised in recognition of the higher needs on the ground (e.g. supporting workers, employers and the self-employed through subsidies, often in the form of short-time working schemes; and supporting healthcare institutions and personnel, e.g. through the acquisition of medical and protective equipment). Equally, anti-crisis operations were reported as being aligned with other actions funded by national and/or regional budgets and through other EU instruments (ERDF, SURE, REACT-EU). Some stakeholders also emphasised that there were plans to continue some of the CRII/ CRII+ operations implemented under ESF+ and thus contribute to the sustainability of the investment during the pandemic and reinforce its outcomes (e.g. continuing investments in digital skills for teachers and learners).

More concretely, over half of ESF and all FEAD Managing Authorities reported in the relevant surveys that their anti-crisis operations are coherent with their existing operations to a medium or great extent (32 out of 51 for ESF, 10 out of 10 for FEAD). This coherence relates to several aspects including the operations' objectives, scope, and target groups. For example, as a response to COVID-19, some FEAD anti-crisis operations expanded their scope (e.g., through accompanying measures in Bulgaria). In Greece, health operations for specific target groups were already in place before COVID-19 and expanded to the general population during the crisis.

CRII and CRII+ operations were also largely aligned with national level policies to mitigate the effects of the pandemic in the four policy domains relevant for this study, with 10 out of 24 respondents to the ESF MA survey indicating that national measures were complementary to some, medium or great extent.⁸⁹

Most EU and national stakeholders consulted also considered that the ESF and FEAD operations implemented under CRII and CRII+ are aligned with other operations financed through other EU funding mechanisms (e.g., ERDF, SURE) and that there is no duplication or overlap at the EU or national level. This was also confirmed by respondents to the ESF survey of MAs, who indicated that there were no contradictions between the operations enabled by CRII and CRII and other actions undertaken under the other EU instruments (22 out of 51 respondents),⁹⁰ and corroborated further in the specific examples of operations during the case-studies.

Finally, stakeholder consultations also pointed to a good level of coherence between the immediate crisis response measures introduced under the CRII and CRII+ and the medium to long term response that Member States plan to facilitate through ESF+ and REACT-EU. Respondents to the survey of the ESF Managing Authorities indicated that CRII and CRII+ operations were aligned to the use of ESF under REACT-EU and ESF + to some (11 out of 51 responses), a medium (12 out of 51 responses) or great extent (14 out of 51 responses). For instance, post-COVID recovery for the employers supporting e-businesses will be funded through REACT-EU in Lithuania, complementing operations enabled by the coronavirus response initiatives. Some stakeholders noted that some immediate crisis responses would be discontinued in ESF +, acknowledging the role of CRII/ CRII+ in enabling immediate crisis response and the role of other instruments to address post-crisis recovery needs sustainably.

How did CRII and CRII+ make a difference and to whom?

All in all, the stakeholder consultation suggests that CRII and CRII+ made a difference to Member States' responsiveness to the COVID-19 crisis, enabling them to respond quicker than their standard time to the emerging needs on the ground. The contribution of CRII and CRII+ can also be seen through looking at indicators such as its target financial value, which, at the time of writing, was EUR 5.1 billion.⁹¹

Contribution to crisis reaction

The evidence collected from the consultation activities shows that CRII and CRII+ contributed to Member States' capacity to provide a more rapid crisis response to the negative effects of the COVID-19 pandemic, using ESF and FEAD for anti-crisis measures across policy areas and target groups. However, the extent of the contribution to the crisis varies across different Member States.

⁸⁹ 11 respondents could not answer the question.

⁹⁰ In total, 23 out of 51 respondents could not answer the question and only 2 out of 51 respondents indicated that the operations were contradictory to a great extent.

⁹¹ Cohesion Database, Coronavirus Dashboard. Data extracted 11/10/2022

ESF survey findings indicate that nearly 40% of the Managing Authorities that responded to the question on contribution to the crisis reaction (20 out of 51) would have used ESF for anti-crisis measures without the CRII and CRII+ flexibilities. Equally, 50% of FEAD survey respondents (5 out of 10) would have used FEAD for anti-crisis measures without the CRII and/or CRII+ flexibilities. Among respondents of the ESF survey, 24% of respondents (12 out of 51) indicated allocations would have been spent as planned initially for ESF operations, but a similar ratio of respondents (15 out of 51 respondents) said allocations would have been difficult to spend in the absence of the flexibilities introduced by CRII / CRII+. Among FEAD survey respondents, 60% indicated allocations would have been spent as planned initially for FEAD operations (6 out of 10 respondents to the question). Nonetheless, there is wide agreement that CRII and CRII+ flexibilities enabled ESF and FEAD funds to be deployed more quickly.

Targeted interviews at the national and EU levels also provide a mixed picture of the CRII and CRII+ contribution to the crisis reaction. In Lithuania, an interview respondent indicated the measures for employment couldn't have been implemented in the absence of CRII due to the new target group (employees in furlough), while the healthcare measures could have been implemented in the same manner given there were no changes to the OP. Interview respondents from France reported they would have implemented the measures without the CRII flexibilities. EU level interviewees reported that the CRII and CRII+ flexibilities were important in the contribution to the crisis and absorbed many of the unexpected socio-economic costs of the pandemic. Social partners highlighted, in particular the possibility to move around and reallocate funds. This flexibility was very useful in the contribution to the crisis reaction. However, other EU-level stakeholders mentioned it would have been useful to enable mechanisms to distribute funds directly to the implementing organisations rather than only at the national level, as the funds may not always necessarily have gone where they were most needed (e.g., in cases where the information about local needs was not available to national stakeholders in time).

Overall, most interview respondents (both national and EU level) nevertheless indicated that the flexibilities introduced by the CRII and CRII+ contributed to a quicker response to the situation on the ground. Indeed, as highlighted in the Polish case study, the reallocation of funds, reprogramming of the OP, the possibility of adjusting projects, simplifying procedures and paths for approving projects, etc., contributed to a quick response to the crisis caused by the COVID-19 pandemic and the preparation of ESF funds - such as the support for the homeless. Both the ESF and FEAD focus groups also confirmed that the flexibility of the CRII and CRII+ measures were key to their ability to react to the crisis situation.

Is CRII and CRII+ still relevant?

Consultation activities suggest that CRII and CRII+ were relevant in providing Member-States with the necessary flexibility to reprogram their OPs and respond to the needs that emerged or accentuated due to the COVID-19 crisis. Consultations also suggest that such flexibilities can also be relevant in future crisis but also in a non-crisis context.

Relevance

Targeted consultation activities showed that CRII and CRII+ were relevant in terms of supporting the immediate reaction to the crisis.

From the ESF survey, when asked how relevant the CRII and CRII+ flexibilities were to the needs of their institution to react quickly to the COVID-19-induced crisis, 78% of respondents (40 out of 51) said that the CRII and CRII+ flexibilities were relevant to a great or medium extent. From the FEAD survey, when asked how relevant the CRII and CRII+ flexibilities were to the needs of their institution to react quickly to the COVID-19-induced crisis, 60% of respondents (6 out of 10) said that they were relevant to a great or medium extent, with a further 20% (2 out of 10) saying that they were relevant to some extent.

Reasons given by respondents in the ESF survey for the relevance of the CRII and CRII+ measures include the fact that the flexibilities have enabled the reprogramming of resources towards measures targeted at responding to the COVID-19 crisis, from a health, social and economic perspective. The most relevant flexibilities used by respondents in the FEAD survey were the 100% co-financing rate for the 2020-21 accounting year, the use of FEAD to purchase personal protective materials and equipment for partner organisations, the simplified procedure for OP amendments, the use of lighter control and audit trail requirements and the postponement of the deadline for the submission of Annual Implementation Reports (AIRs).

When respondents to the ESF survey of Managing Authorities were asked which types of new operations⁹² financed under ESF at national/ regional level were the most relevant for the needs on the ground, the most commonly cited operations were actions to protect jobs, actions to support workers (both cited by 25 respondents), actions to support healthcare systems (cited by 22 respondents), and actions to support employers and the self-employed (cited by 20 respondents). Actions to support healthcare workers and patients was also cited by 13 respondents. In the FEAD survey when Managing Authorities were asked about the relevance of new operations financed under FEAD for the needs on the ground, the most cited operations were delivery of food aid to those at risk (cited by 3 respondents) and the provision of information about other social inclusion activities upon the delivery of food packages, such as counselling and knowledge development (cited by 3 respondents).

Consulted stakeholders through interviews show agreement with the findings of the survey, with both national and EU level stakeholders confirming the relevance of the CRII and CRII+ measures in terms of supporting the immediate reaction to the crisis. This included ensuring continuous support to existing target groups of ESF and FEAD funding as well as assisting new target groups, such as technically unemployed people. Respondents to the ESF survey in Poland, for instance, noted that the focus was on job protection, which has helped to protect many jobs in the market and thus provided a livelihood for many families affected by COVID-19.

A majority of the MAs interviewed commented how quickly the funding was made available to them. This was also confirmed in the Luxembourg case study by the FEAD MA, who were able to set up an online platform, for FEAD recipients to order their food and basic material aid products remotely, by the end of March 2020 thanks to the rapid availability of funds through CRII and CRII+. An interviewee in Italy noted that although the flexibilities were

⁹² New operations are actions that have been implemented at national/ regional level specifically to mitigate the effects of the COVID-19 pandemic as a result of the flexibilities introduced by the CRII and/or CRII+ and which have not been implemented before. They are different from adjusted operations, which are actions that have been adapted or adjusted from their previous form or focus specifically as a result of the COVID-19 crisis and the flexibilities introduced by the CRII and/or CRII+.

useful, a process of negotiation, albeit very rapid, was needed with the European Commission, which somewhat slowed down the reaction to the crisis. EU level interviewees emphasised that the extra funding was made available quickly to Managing Authorities, but distribution to implementing organisations took longer.

Implementing organisations interviewed were generally unable to comment on the relevance of the CRII and CRII+ measures due to a lack of knowledge about the flexibilities and how they were implemented. However, during the ESF focus group, a representative from Portugal, highlighted that they had to upskill trainers to deliver courses online in just one month at the onset of the COVID-19 crisis and this was done through CRII, which was highly relevant to the needs on the ground.

