

Financing Facility Support

What help is available?	What does the help entail?	Which companies are eligible?	What is the criteria (if any) for applying?	How to apply	When will the finance be available?	Relevant links
<p>Coronavirus Response Investment Initiative (CRII)</p>	<ul style="list-style-type: none"> Initiative proposed by the European Commission to provide a coordinated approach for member states to manage the public health emergency. A total of €102 billion is envisaged: <ul style="list-style-type: none"> €37 billion European Structural Investment Fund (ESIF) €65 billion divided into: (i) €7.9 billion from the EU budget, (ii) €29 billion of structural funding across the EU and (iii) €28 billion of as of yet unallocated structural funds On 2 April 2020, the European Commission launched the CRII+, which is a new set of measures to mobilise support against the COVID-19 outbreak. These are flexible measures that would allow for: <ul style="list-style-type: none"> Transfer possibilities across the three cohesion policy funds (the European Regional Development Fund, European Social Fund and Cohesion Fund) Transfers between the different categories of regions Flexibility related to the thematic concentration of funds Simplification of procedural steps linked to programme implementation, use of financial instruments and audit 	<ul style="list-style-type: none"> The measures are addressed to member states. The respective federal or regional authorities allocate the funds. Particular focus should be given to: <ul style="list-style-type: none"> Provide support to the healthcare sector Provide liquidity to corporates (e.g. SMEs) Support short time national working schemes 	<ul style="list-style-type: none"> The eligibility criteria are set out through the principle pieces of legislation (and their proposed amendment by Regulation on CRII): <ul style="list-style-type: none"> Regulation (EU) 1301/2013 on the European Regional Development Fund Regulation (EU) 1303/2013, for the various EU Structural Funds Regulation 508/2014 on European Maritime and Fisheries Fund The specific criteria on the allocation of funds to regions are determined in partnership agreements and programs negotiated between the European Commission and the respective member states. The federal or regional authorities direct the funds to their regions according to the needs and based on the criteria determined by each individual partnership agreement. 	<ul style="list-style-type: none"> The European Commission has set up a task force to coordinate the allocation of funds between member states. This will determine the funding each region will be receiving to allocate to businesses in need. 	<ul style="list-style-type: none"> Funds available from 1 February 2020. The co-legislators (Council of the EU and European Parliament) have approved the proposal. 	<ul style="list-style-type: none"> European Commission Communication on the broader coordinated response for the COVID-19 outbreak European Commission Press Release on the CRII measures European Commission Q&A on the CRII+ Regulation (EU) 2020/460 on the Coronavirus Response Investment Initiative published in the Official Journal of the EU on 31 March 2020 and entered into force on 1 April 2020; it is directly applicable to member states

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Financial Aid under the European Union Solidarity Fund	<ul style="list-style-type: none"> Financial assistance under the European Union Solidarity Fund (major public health emergency) to assist countries negotiating their accession to the EU. Immediate financial assistance up to €38 million announced for the Western Balkans' public health systems to tackle the health emergency caused by COVID-19 and reallocation of €374 million to help the socio-economic recovery¹ of the region. The public health need is divided between: <ul style="list-style-type: none"> Albania and North Macedonia - up to €4 million each Bosnia and Herzegovina - €7 million Montenegro - up to €3 million Kosovo - up to €5 million Serbia - up to €15 million 	<ul style="list-style-type: none"> Available to countries negotiating their accession to the EU to assist with public health systems and socio-economic recovery. Respective countries to decide on allocation of funds. 	<ul style="list-style-type: none"> A country is eligible if major natural disasters are striking its regions. In particular the Regulation (EU) 2020/461 extends the legislation to "major public health emergency".² Respective country's authority to decide how to allocate funds. 	<ul style="list-style-type: none"> Application criteria for countries to apply for the European Union Solidarity Fund can be found on the website. Applications need to be submitted to the European Commission within 12 weeks of the date of the first official action against the emergency. 	<ul style="list-style-type: none"> Funds available from 1 February 2020 (funds can be applied retroactively). The European Commission would accept applications under the European Solidarity Fund until 24 June 2020. Co-legislators (Council of the EU and European Parliament approved the legislation. 	<ul style="list-style-type: none"> European Commission press release Regulation (EU) 2020/461 on the Financial Aid for countries negotiating accession to the EU published in the Official Journal of the EU on 31 March 2020 and entered into force on 1 April 2020; it is directly applicable to member states
Liquidity Measures for SMEs	<ul style="list-style-type: none"> €1 billion available in an EU budget guarantee to the European Investment Fund (EIF) via the European Fund for Strategic Investments (EFSI). The EIF will provide liquidity and guarantees to banks, mobilising €8 billion in working capital financing. In addition, the European Investment Bank (EIB) proposed to mobilise another €40 billion of financing divided into: €20 billion of financing Dedicated guarantee schemes to banks based on existing 	<ul style="list-style-type: none"> Small and medium enterprises (SMEs) defined under EU recommendation 2003/361 (further information available here). 	<ul style="list-style-type: none"> Eligibility criteria unclear for the time being. The EIB is working with the European Commission to adapt existing product features. 	<ul style="list-style-type: none"> The EIB is working with the European Commission to adopt a faster approval process. 	<ul style="list-style-type: none"> Funds available from 1 February 2020 (retroactive application). 	<ul style="list-style-type: none"> European Commission Communication on the broader coordinated response for the COVID-19 outbreak European Investment Bank Press Release

¹ €46.7 million to Albania, €73.5 million to Bosnia and Herzegovina, €50 million for Montenegro, €62 million to North Macedonia, €78.4 million to Serbia and €63 million to Kosovo.

² Defined as "any life-threatening or otherwise serious hazard to health of biological origin in an eligible State seriously affecting human health and requiring decisive action to contain further spreading resulting in a public financial burden inflicted on the eligible State for emergency response measures estimated at over EUR 1 500 000 000 in 2011 prices, or more than 0.3% of its GNI."

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	<p>programmes for immediate deployment</p> <ul style="list-style-type: none"> • €10 billion of financing dedicated liquidity lines to banks to ensure additional working capital support for SMEs and mid-caps • €10 billion support dedicated asset-backed securities (ABS) purchasing programmes to allow banks to transfer risk on portfolios of SME loans 					
Temporary Framework for State Aid	<ul style="list-style-type: none"> • State aid (i.e. government support that gives a company a competitive advantage over other companies) is prohibited, unless there are justified reasons of general economic development. • The framework provides flexibility to the existing state aid rules and the European Commission has approved various state aid schemes. 	<ul style="list-style-type: none"> • All companies requesting state aid from their governments. • Among others: <ul style="list-style-type: none"> - Three French support schemes related to commercial loans and credit lines (here) - Danish guarantee scheme for SMEs (here) - German loan programs within promotional bank (here) - Italian support scheme for supply of medical devices and PPE (here) - UK CBIL scheme to support SMEs (here)³ 	<ul style="list-style-type: none"> • The relaxation of state aid rules is available for: <ul style="list-style-type: none"> - Direct grants, selective tax advantages and advance payments - Member states can set up schemes to grant up to €800,000 to a company in order to address urgent liquidity needs - State guarantees for loans taken by companies from banks - Member states can provide guarantees to ensure banks keep providing loans to customers who need them - Subsidized public loans to companies - Member states can grant loans with favourable interest rates to companies to cover immediate working capital and investment needs - Safeguards for banks that channel state aid to the real 	<ul style="list-style-type: none"> • Application for state aid ordinarily follows the broader state aid procedures under Article 107 of the Treaty of Functioning of the EU. • There is, however, a much faster procedure of approval under these flexible rules: <ul style="list-style-type: none"> - Member state submits a state aid scheme - European Commission will respond within days (thus far it has been 48 hours upon receipt) 	<ul style="list-style-type: none"> • Available from 1 February 2020 until the end of December 2020. 	<ul style="list-style-type: none"> • Communication for a Temporary Framework for State Aid measures • European Commission press release

³ Considering that the UK is currently under the transition period of its withdrawal from the EU, EU law remains applicable to the UK. Thus, the UK's eligibility for such funding remains and, as such, it is aligned with the remaining UK's contribution to the EU budget.

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Temporary Framework for State Aid			<p>economy - Some member states plan to build on banks' existing lending capacities, and use them as a channel for support to businesses, particularly SMEs; the communication clarifies that such aid is considered as direct aid to the banks' customers, not to the banks themselves, and gives guidance on how to ensure minimal distortion of competition between banks</p> <ul style="list-style-type: none"> - Short-term export credit insurance - Designation of countries as "not-marketable risks"⁴, enabling short-term export credit insurance to be provided by the state 			
RescEU stockpile	<ul style="list-style-type: none"> • Increase in the total budget of rescEU⁵ stockpile of medical equipment (ventilators, protective masks and essential medical gear) to €80 million. • The proposal includes further COVID-19 related financial support: <ul style="list-style-type: none"> - €350 million of migration management assistance to Greece - €3.6 million for the European Centre for 	<ul style="list-style-type: none"> • Reorganisation of EU spending for the year in line with the latest priorities to secure funding for these operations. 	<ul style="list-style-type: none"> • The Commission will finance 90% of the stockpile. • The Emergency Response Coordination Centre will manage the distribution of the equipment to ensure it goes where it is needed most based on a fast-track public procurement process. 	<ul style="list-style-type: none"> • The stockpile will be hosted by one or several member states. The hosting state will be responsible for procuring the equipment. • Member states that host rescEU stockpiles can apply for a direct grant from the European Commission. 90% of the grant covers costs of the stockpile and the remaining 10% will be 	<ul style="list-style-type: none"> • Available from 20 March 2020. 	<ul style="list-style-type: none"> • Amended Budget here • European Commission press release

⁴ As marketable risks can be temporarily unavailable due to the current crisis, member states may use the exemption for non-marketable risks of paragraph 18 (d) of the [Communication](#) from the Commission on short-term export-credit insurance: "if the Commission, after having received a notification from a Member State, decides that due to a shortage of export-credit insurance, certain risks are temporarily non-marketable for exporters in the notifying Member State." A marketable risk as defined under the communication is "commercial and political risks with a maximum risk period of less than two years, on public and non-public buyers of all Member States, Australia, Canada, Iceland, Japan, New Zealand, Norway, Switzerland, United States of America."

⁵ EU Civil Protection Mechanism.

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	<p>Disease Prevention and Control</p> <ul style="list-style-type: none"> – €100 million to help Albania recover from the devastating earthquake on 26 November 2019 – €3.3 million additional funding for the European Public Prosecutors' Office (EPPO) to boost its 2020 budget 			covered by the respective member state.		
Emergency Support Instrument for the healthcare sector	<ul style="list-style-type: none"> • The European Commission decided to directly support the healthcare systems of EU member states. The Commission will thus mobilise: <ul style="list-style-type: none"> – €3 billion from the EU budget, of which €2.7 billion will be channelled through the Emergency Support Instrument – €300 million through the rescEU medical equipment capacity • These funds are available under the EU's General Budget. • Additional contributions will be possible from member states and also individuals, foundations and even crowd funding. 	<ul style="list-style-type: none"> • Addressed to member states' healthcare systems. 	<ul style="list-style-type: none"> • European Commission to manage the funding process and set out the criteria for funding based on partnership agreements with respective member states, as laid out in the humanitarian aid framework (Council Regulation (EC) 1257/96). • Indicative (but non-exhaustive) actions in scope can be found on ANNEX 1 of the Proposal for a Council Regulation to activate emergency support. 	<ul style="list-style-type: none"> • Member states to request funding from the European Commission. Further application criteria to be determined by partnership agreements between a member state and the European Commission. 	<ul style="list-style-type: none"> • From 1 February 2020 applicable until 31 January 2022. (retroactive application). • Council of the EU needs to approve the proposal for a Regulation to become official EU law. 	<ul style="list-style-type: none"> • Second version of Amended Budget here. • Proposal for a Council Regulation to activate emergency support. • European Commission press release.
Support to mitigate Unemployment Risks in an Emergency (SURE)	<ul style="list-style-type: none"> • Temporary measure introduced in response to the COVID-19 crisis by the European Commission. The temporary fund would provide: <ul style="list-style-type: none"> – Up to €100 billion will provide loans granted on favourable terms from the EU to member states – Up to €25 billion of guarantees voluntarily committed by member states to the EU budget to leverage the financial power of SURE. 	<ul style="list-style-type: none"> • Addressed to member states to focus on short-term work schemes for employees or similar measures for the self-employed. 	<ul style="list-style-type: none"> • This fund will be based on a system of voluntary guarantees from member states. Thus, a minimum amount of committed guarantees will be needed (25%). • Funds to be given to member states to complement national measures to mitigate the direct economic and negative social effects due to the COVID-19 crisis. 	<ul style="list-style-type: none"> • Member state submits a request to the European Commission together with appropriate evidence of the need to access funds. • The member state can, upon receipt of the funds, allocate them accordingly. 	<ul style="list-style-type: none"> • Funds available from 1 February 2020 (retroactive application). • The co-legislators (Council of the EU and European Parliament) have to approve the proposal before it can become official EU law. 	<ul style="list-style-type: none"> • European Commission Press Release. • Proposal for a Regulation on the establishment of a European instrument for temporary support to mitigate unemployment risks in an emergency (SURE).

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Pandemic Emergency Purchase Programme (PEPP)	<ul style="list-style-type: none"> • €750 billion stimulus package announced by the European Central Bank (ECB) to buy government and corporate bonds to assist sovereign debt markets. 	<ul style="list-style-type: none"> • Available to the Eurosystem's Central Banks. • This will include all the asset categories eligible under the existing asset purchase programme (APP) currently supporting Central Banks. 	<ul style="list-style-type: none"> • The PEPP enables the Eurosystem central banks to purchase⁶: <ul style="list-style-type: none"> – Eligible marketable debt securities – Eligible corporate bonds and other marketable debt instruments – Eligible covered bonds – Eligible asset-backed securities 	<ul style="list-style-type: none"> • No application required by companies - purchases will be carried out flexibly to achieve monetary policy objectives. 	<ul style="list-style-type: none"> • Purchases will be conducted until the end of 2020. 	<ul style="list-style-type: none"> • The information on the ECB's response is available here. • The European Central Bank's Decision is available here.

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⁶ The eligibility of the marketable assets listed are financial instruments that are admitted to trading on a market and that fulfil the eligibility criteria laid down in Part Four of the [ECB's Guidelines \(ECB/2014/60\)](#) on the implementation of the Eurosystem monetary policy framework.