



Brussels, 4 APR. 2020
Ares (2020) 1821337

Dear Prime Minister,

I would like to thank you for your letter of 27 March 2020. These are both difficult and extraordinary times, and I would like to express my wholehearted sympathy for the people of Spain, on whom the pandemic is taking a heavy toll.

The European Commission is doing its utmost to support Member States to face this unprecedented crisis. The first priority is managing the public health crisis and meeting the needs of our health care systems and professionals. With this objective, the EU proposed on 2 April to use all available remaining funds from this year's EU budget to help to respond to the needs of European health systems. EUR 3 billion will be put into the Emergency Support Instrument, of which EUR 300 million will be allocated to RescEU to support the common stockpile of equipment.

The European Commission has also proposed to mobilise all Cohesion policy funds to fight the emergency. With the changes to the regulatory framework applicable to the European Structural and Investment Funds, Member States are provided with significant liquidity and full flexibility to focus resources from European funds on the most needed investments.

To increase liquidity in Spain, the Commission is frontloading EUR 1 850 million corresponding to the recoveries following the acceptance of accounts transmitted in 2020, which Spain will not have to reimburse, and to the annual pre-financing to be paid by the Commission in 2020.

Based on the latest figures regarding Spain, there is approximately EUR 8 billion still available under the European Regional Development Fund (ERDF), which can be allocated to emergency expenditure. Out of this amount, EUR 3 billion can be used immediately without the Commission's prior approval, thanks to the 4% flexibility, and the margins available under the priorities number 1 and 9 of the ERDF programmes.

H.E. Mr Pedro Sánchez Pérez-Castejón
President of the Government of Spain

With the second round of modifications of the regulatory framework proposed on 2 April, the Commission is offering additional financial flexibility. Once adopted, Member States will be able to shift uncommitted resources without any restriction between the thematic priorities of a same programme to tackle the impact of the COVID-19 outbreak. Transfers of resources between different programmes, the three Cohesion policy funds and categories of regions will also be possible, within the limit of the 2020 financial commitments. Moreover, the Commission proposes that if Member States decide so, investments related to emergency actions can be temporarily exempted from national co-financing, for the accounting year starting on 1 July 2020.

Concerning the European Social Fund and the Youth Employment Initiative, the 2020 financial allocation currently amounts to approximately EUR 1.5 billion, which can be reallocated between programmes and categories of regions.

I can also confirm that the Commission agrees with your intention to use these funds to cover the compensation for workers under the extraordinary short-time work schemes Expedientes de Regulación Temporal de Empleo (ERTEs), given the current circumstances, and as anticipated by Commissioner Ferreira and Commissioner Schmit in their letter of 18 March to the Spanish Ministers of Employment and Finances. We hope that the new measures you envisage will also help the most precarious workers. With this same objective, the Commission adopted on 2 April a proposal for a new instrument, SURE, which will support short-time work schemes and similar measures to help Member States protect jobs, employees and self-employed against the risk of dismissal and loss of income. SURE will provide up to EUR 100 billion in loans to countries that need it.

Dear Prime Minister, the Commission will continue to offer advice and all possible support to help Spain get through this hardship. I am confident that the measures we have introduced will facilitate the rapid and efficient use of all the budgetary margins available in the EU programmes, and in doing so provide a decisive contribution to fight the crisis and alleviate its effects on the people of Spain and on the Spanish economy.

Yours faithfully,

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Ursula von der Leyen