



**European Committee  
of the Regions**

## **ECONomic Bulletin No. 7**

### COVID-19 impact and response measures

3 July 2020



*The COVID-19 pandemic is having substantial repercussions on European economies. The Commission for Economic Policy (ECON) at the European Committee of the Regions (CoR) prepares regular economic bulletins on recent research, articles and discussions on the socioeconomic impact of the pandemic in Europe and on the different economic response measures planned and implemented at EU, national, regional and local level.*



*"As we now publish this, the seventh edition of the ECON Bulletin, we already held the first of the CoR's hybrid commission meetings. I would like to again thank members for their participation while they juggle many commitments in their own regions and localities. Together, we ensured the continuity of our commission. Meanwhile, in terms of major policy developments, Member States are negotiating both the ambitious proposal of the Commission for the recovery package and the EU budget for the next seven years. The 19 June European Summit set the tone for tough negotiations as some national positions on key economic principles differ significantly. The stakes are high; be it in terms of the overall financial volume and striking a balance between grants and loans. Stumbling blocks – as important as they may be – will have to be overcome quickly given that a swift and targeted response is needed. The extraordinary*

*European Council on 17 and 18 July will give us an idea of progress leaders make.*

*As we gradually move from a "crisis management mode" to "recovery-planning", we have a unique opportunity to take stock and think about the takeaway points from this unprecedented crisis. One of them is the necessary fuller adaptation of Europe to the digital age. During the lockdown, digital instruments were critical to help families stay in touch, for businesses continuing to operate and for governments to provide basic public services to citizens. Digitalisation is an important engine for innovation, job creation and competitiveness and therefore an essential element of Europe's recovery. In this vein, I wish to dedicate this bulletin's thematic focus to digitalisation: you will find hereinafter a link to the Commission's ongoing work in this regard – as well as a selection of articles summarising some interesting topical developments.*

*Everyone is already aware of the ghastly economic forecasts for 2020 and the years to come be it from the IMF or our own EU forecasts. However, we must now resolutely turn towards the future and shaping the recovery. Concrete projects – highly visible at the regional and local levels – are all the more important in this regard given that they bring concrete and immediate relief to people and businesses alike. That is why I am glad to see that the list of COVID-19 related policy measures at regional and local levels is ever growing. You will find a selection in the second part of this bulletin, as well as the usual summary table listing these measures. I hope that these examples will continue to encourage exchanges and mutual learning.*

*I hope we can see each other soon. As ever, my wish for you is to stay well and stay safe."*

*--- Michael Murphy (IE/EPP), Chairperson, Tipperary County Council, Chair of the ECON commission*



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#### EU policy response

##### [EU leaders reaffirmed their differences on economic policy principles during the budget summit](#)

**On 19 June, EU heads of State and Government discussed for the first time the Commission's Recovery plan for Europe.**

The 27 EU leaders joined a virtual summit to start discussing the proposal from the European Commission President for the [€ 750 billion "Next Generation EU" rescue fund](#) (*more information in ECON bulletin No 6*). This first round of discussions was mostly an opportunity for Member States to reaffirm their well-known and long-standing differences on some fundamental issues such as the total size of the initiative; the so-called "rebates" (that offset the global payments by some major contributors to the Union's budget) or the prospect of new "own resources". There was however a consensus on the need for an ambitious response to the economic impact of the COVID pandemic, but negotiations are expected to be long and complicated. The President of the European Council will convene a summit in Brussels on 17 and 18 July to discuss the recovery package and the EU's next multiannual budget.

##### [Additional funds to the EU budget already made available](#)

**On 3 June, the Commission proposed modifications to its budget for 2020 to make €11.5 billion for recovery available already in 2020 to help the regions most in need, support businesses and those in need outside EU borders.**

This is a technical follow-up to the major recovery plan that the Commission put forward at the end of May (the "Next Generation EU" package and the revised 2021-2027 MFF). The draft amending budget aims to ensure that the additional € 11.5 billion for REACT-EU, the Solvency Support Instrument and the European Fund for Sustainable Development (EFSD) will be available as soon as possible this year.

##### [Review of the EU's trade and investment policy](#)

**On 16 June, Commissioner Hogan launched the review of the European trade and investment policy via a [speech](#) at the European University Institute in Florence.**

As announced in its recent proposal on Europe's post-COVID-19 recovery, the Commission is launching a review of the EU's trade and investment policy. Two key objectives are driving this process: (i) first, an assessment of how trade policy can contribute to Europe's socio-economic recovery by *inter alia* reinforcing EU competitiveness in the post-COVID environment. (ii) Second, to see how trade policy can help build a stronger EU, based on a model of "Open Strategic Autonomy"; reaping the benefits of openness for businesses, workers and consumers - while protecting them from unfair practices. A public consultation was started on 16 June (until 15 September 2020) to help formulate the direction of the future EU trade policy in an ever more challenging global environment and to use the lessons learned from the crisis.



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#### [Commission's proposal to expand the "State Aid Temporary Framework"](#)

The European Commission is consulting Member States on its proposal to expand the State aid Temporary Framework to further support micro, small and start-up companies and encourage private investments.

Micro and small companies have been particularly affected by the liquidity shortage caused by the economic impact of the current coronavirus outbreak, exacerbating their existing difficulties to access financing compared to medium-sized and large enterprises. If left unaddressed, these difficulties could lead to a large number of bankruptcies of micro and small companies, causing serious disturbances for the entire EU economy. The Commission is therefore now proposing to further extend the scope of the Temporary Framework by enabling Member States (i) to support certain micro and small enterprises, including start-ups that were already in difficulty before 31 December 2019, and (ii) to provide incentives for private investors to participate in coronavirus-related re-capitalisation measures.

#### Thematic focus: EU digital transformation in the context of the post-COVID-19 period

Background to this edition's thematic focus on the EU digital transformation: the European Commission's [Digital Strategy](#) that was adopted on 19 February 2020 has gained additional importance in the face of the coronavirus crisis. Please click [here](#) for general information on how the Commission is using its digital policy as an additional tool to fight the virus and support recovery.

#### [Europe's digital future and post-COVID-19 commitments](#)

**On 9 June, the Council adopted conclusions on Europe's digital future.**

The Council conclusions highlight the impact of the digital transformation on the fight against the pandemic - and its critical role in the post-COVID recovery. Member States have reaffirmed their willingness to accelerate EU digital transformation as an "essential component of the EU's response to the economic crisis generated by the pandemic". The commitments include the creation of a common framework for digital identity (safe electronic identification), the transformation of e-health (development of a European Health Data Space), the deployment of high-capacity connectivity (5G/6G) across rural areas, the broader availability of online public services and the digital "up-skilling and re-skilling" of the EU workforce.

#### [2020 Digital Economy and Society Index](#)

**On 11 June, the Commission published the results of the Digital Economy and Society Index (DESI).**

The document monitors Europe's digital performance and follows the progress of EU Member States with regard to their digital competitiveness. The lessons drawn from the 2020 DESI indicators relevant



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for the recovery are largely in line with the Council Conclusions adopted two days before. Indeed, the 2020 DESI indicates that Member States should step up their efforts to improve the coverage of Very High Capacity Networks; facilitate the commercial launch of 5G services; improve citizens' digital skills and further digitise businesses and the public sector. As part of the recovery plan for Europe, the 2020 DESI will inform country-specific analysis to support the digital recommendations of the European Semester. This will help Member States to target their reform and prioritise their investment – consequently facilitating their access to the Recovery and Resilience Facility.

#### **EU's new competition tool adapted to the digital transformation**

**The Commission will present a new competition tool "fit for the digital age" by the end of the year.**

Gaps have been identified in the current competition framework and a new tool is required to help a "timely and effective intervention against structural competition problems across markets". It would allow problems to be addressed which cannot be tackled in the most effective manner based on the current competition rules (e.g. preventing markets from tipping). After establishing a structural competition problem through a rigorous market investigation during which rights of defence are fully respected, the new tool should allow the Commission to impose behavioural and, where appropriate, structural remedies. However, there would be no finding of an infringement, nor would any fines be imposed. In a nutshell, the aim is to improve the conditions of markets rather than to penalise specific anticompetitive practices. The new tool admittedly has a general objective but its application is likely to be the most obvious for digital markets (often characterised by "extreme economies of scale and scope, strong network effects, zero pricing and data dependency").

On 2 June, the Commission launched a [public consultation](#) on this possible new competition tool "fit for the digital age". Stakeholders have until 8 September to respond.

#### **Economic impact analysis**

#### **Joint CoR/OECD webinar on the impact of COVID-19 on regions and cities**

**On 18 June, the CoR and the OECD organised a joint seminar on the impact of the COVID-19 pandemic on regions and cities.**

Despite the difficulty of producing impact analyses in the current context (the constant evolution of COVID-19 and the resulting highly volatile context make forecasts quickly outdated); participants presented the ongoing work of their respective organisations:

- The [Joint Research Centre of the Commission \(JRC\)](#) insisted on the asymmetrical impact of the pandemic on EU territory and on the fact that the epidemiological impact map does not coincide with the economic impact map. Some sectors – like tourism – are particularly affected



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and confirm the asymmetrical territorial impact. For instance, regions that rely heavily on extra-EU tourism will be seriously affected economically (e.g. some regions in Portugal) whereas regions that rely to a larger extent on domestic tourism (e.g. some regions in France) will be less vulnerable.

- The OECD presented its online dedicated platform on COVID as well as its report titled "[The territorial impact of COVID-19: Managing the crisis across levels of government](#)". The report analyses the territorial impact of the health and economic crisis engendered by COVID-19 and identifies nine actions to mitigate it (e.g. supporting SMEs and the self-employed; reducing regulatory constraints for subnational governments).
- [Spatial Foresight](#) focused on the territorially diverse implications of COVID-19 policy responses and assessed both the exposure and vulnerability of regions to the pandemic and to lock-down measures.

This event was accompanied by a [joint consultation](#) of the CoR and the OECD aimed at gathering the views of local and regional government representatives on the challenges brought about by the COVID-19 pandemic. You are invited to participate in the consultation until 6 June.

#### **[The International Monetary Fund's revised forecast for 2020](#)**

**The IMF's June 2020 World Economic Outlook forecasts that the world economy will shrink by 4.9% and that the Eurozone will be the worst hit advanced economy with an expected shrinkage of 10.2%.**

Unsurprisingly, the forecasts of recession for France's, Italy's and Spain's economies are particularly sombre given that their economies are expected to shrink by 12.5% for France and by 12.8% for both Italy and Spain. German's forecast economic decline is set to be less harsh (7.8%) and relatively similar to that suffered by the United States (8%). It is however interesting to highlight that this IMF forecast - that indicates that the economic fallout is even more severe than previously anticipated- is much more pessimistic for Europe than those of other economic institutes such as the [European Central Bank](#) or the [OECD](#).

#### **[DG Trade's new analysis of the impact of COVID-19 on EU trade](#)**

**On 27 May, DG Trade's Chief Economist team published an in-house analysis that assesses the trade effects of the reduction in economic activity after the pandemic.**

DG Trade estimates a "decrease in global trade for 2020 between 10%-16%. For the EU27, the predicted reduction is expected to be between 9%-15% for extra-EU27 exports", meaning a reduction of between € 282 and € 470 billion in absolute terms. The reduction for extra-EU imports is predicted to be around 11% to 14%; which amounts to a decrease of between € 310 and € 398 billion in absolute terms (goods and services combined). DG Trade also indicates that exports of primary sectors (other



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than energy) and services are less affected than manufacturing sectors (transport equipment and electrical machinery exports are particularly hard hit).

#### Policy debate

[Neil Shearing, "In Navigating the Economic Recovery, One Size Does Not Fit All", Chatham House, 8 June 2020](#)

**Neil Shearing tackles the growing concern about the longer-term consequences of massive government and central bank support packages.**

He specifically addresses the risk of (i) a surge in inflation and of (ii) an unsustainable rise in public debt. He acknowledges the difficulty of finding the right timing to withdraw policy stimulus as central banks will receive political pressure to maintain their support - especially in a context of generalised higher public debt burdens and wider acceptance of the monetising of debt in certain circumstances. However, Shearing argues that both inflation and public debt can be controlled with timely and adapted policy decision-making. He is also convinced that "failure to respond to such a huge collapse in activity and output with substantial policy loosening would have resulted in even bigger economic, social and financial costs overall".

[Darvas Z., "Next Generation EU: 75% of grants will have to wait until 2023", Bruegel Blog, 10 June 2020](#)

**Speed in the disbursement of the proposed "new recovery facility" will be of the essence to support economic recovery from the recession created by the outbreak of the COVID-19 pandemic.**

However, due to obstacles in the design, approval and implementation of EU programmes, less than 25% of the € 438 billion in grants under the new EU recovery instruments is expected to be spent over the next two and a half years – that is to say when the need is greatest. The author indicates that well-functioning financial markets can help bridge the gap between urgent spending needs and late-arriving EU disbursements but that additional efforts will be required to frontload EU payments.

[Grégory Claeys and Guntram B. Wolf, "Is the COVID-19 crisis an opportunity to boost the euro as a global currency?", Bruegel, June 2020](#)

**Grégory Claeys and Guntram B. Wolf insist on the difficulty of promoting a more important role for the euro and present the important changes that it would involve for the monetary union in the aftermath of the COVID-19 crisis.**

The EU has some – but not all – of the characteristics of countries that traditionally issue dominant currencies (e.g. a large and growing economy, free movement of capital, aspiration to play an international role, stability). The only solution for the EU monetary union to play a greater international role is to improve its institutional setup. First, the supply of euro-denominated safe assets from the



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monetary union should be increased: in this regard, the authors think that "the Commission's proposal to issue up to € 750 billion in EU debt to finance its recovery plan is a step in the right direction". Second, Europe needs greater central control of spending and revenues, but the current treaty base is insufficient for real change. Third, the EU must ensure that there is a strong recovery for all countries after the crisis by inventing a new growth model to boost productivity and innovation. This would thereby make the euro area an attractive destination for investment and boost ratings of weaker countries.

[Pepijn Bergsen, Alice Billon-Galland, Hans Kundnani, Vassilis Ntousas and Thomas Raines, "Europe After Coronavirus: The EU and a New Political Economy", Chatham House, 8 June 2020](#)

**The unprecedented scale of the effect of the COVID-19 crisis could prompt a far-reaching re-evaluation of the role of the state in relation to the market in Europe and could have significant implications for the European project.**

The authors began their reflection with the following observation: "The coronavirus crisis has exposed large vulnerabilities in Europe's economies and raised fundamental questions about the legitimacy and sustainability of the current economic settlement. (...) the post-coronavirus European political landscape could be marked by demands for a new social and economic contract" - with citizens demanding more of the state. As a consequence, the COVID-19 crisis can lead to a new balance between the state and the market, with a more interventionist role for the state and a reduced openness to market forces. Such a major paradigm change would have seminal implications for the governance of the EU as it would potentially clash with the fundamental principles of the EU (European integration being historically inspired by liberalist thinking). However, the authors argue that "the EU could be adapted and reformed to accommodate a more interventionist model".

[Nikola Simic, "Does This Change Everything? Digitalisation, small businesses and coronavirus", European Investment Bank, April 2020](#)

**In this interview, Aris Pofantis (from the Digitalisation and Small Businesses division at the European Investment Bank) argues that the COVID-19 crisis could have a dual effect on digitalisation.**

On the one hand, it will most likely accelerate the pace of digitalisation among SMEs, especially in more traditional areas where consumers are more hesitant to use digital solutions. On the other, a crisis of this magnitude is likely to delay the investment needed to develop new digital solutions or to push major digital transformation projects.



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#### Responses at regional and local level

##### **Valencian Region (Spain)**

The Valencian Region has managed to convert a moment of crisis into a drive for transformation, by embracing [Smart Specialisation strategies](#) for several local manufacturing sectors. As a result, there has been a maturation of collaborative environments between different regional actors, such as businesses, public entities and knowledge institutions, which foster the creation of strategic, social and sustainable value chains in the different clusters. This is the case with the textile industry, which had been experiencing many difficulties due to fierce foreign competition and, taking advantage of problems in the supply of healthcare material, reacted by creating a transformed textile-sanitary cluster. In addition to these initiatives, regional authorities have also created a [platform to facilitate business collaboration](#) to address the health crisis. Several actions have also been taken to support economic actors financially, such as: [credit lines](#) by the regional credit institute (IVF) at very advantageous terms for liquidity and investment purposes and adapted to different company sizes, including the self-employed, and adaptation of the existing ones offering additional advantages; offering non-repayable [grants for the self-employed](#) (€ 57.5 m) up to € 1 500 if they have suspended their activities and € 750 for the rest if the turnover has decreased by more than 75%; € 150 [grants for workers affected](#) by the Spanish labour adjustment plan (ERTE), etc.

##### **Opolskie Region (Poland)**

The Opolskie Voivodeship has progressively announced measures to mitigate the economic impact of COVID-19. For instance, companies in the region can obtain [free legal advice](#), co-financed from EU legal assistance funds, through their regional Economic Development Centre. Financial support was also made available to entrepreneurs through [liquidity loans](#) up to approximately € 112 000, without commission or fees, and even with zero interest rates, and with a grace period of up to 12 months and, more recently, through [non-refundable grants](#) from approx. € 5 000 to € 37 000 if their revenues have fallen by at least 30% due to the pandemic; approximately € 11.5m and € 5.5m have been allocated to both measures, respectively. Healthcare centres have also been supported and distance learning equipment has been purchased for 22 orphanages, 26 secondary schools and 54 vocational schools. [A total of some € 67 million](#) has already been channelled to the inhabitants of the region.

##### **Friuli-Venezia Giulia (Italy)**

A comprehensive list of the measures adopted by the Friuli-Venezia Giulia Region to support its economic fabric can be read [here](#). In [early March](#), it announced [subsidised loans](#) both under de minimis conditions, at a 1% fixed rate up to € 1.5 million or € 300 000 depending on whether they are addressed to investment, credit or debt needs, and without de minimis conditions, from € 5 000 to € 300 000 which may even be disbursed without guarantee. It also allocated an additional € 4 m to [regional](#)



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[guarantee institutions](#), provided contributions in the form of [tax credit](#), extended the payment deadline for [regional corporate taxes](#) and suspended instalments on revolving funds. Other measures include different types of non-refundable grants: up to € 4 000 for the [tourism, commercial and craft sector](#) (€ 34 m), 20% [rent contributions](#) up to € 1 000 (€ 7.5 m), aimed to [develop smart working business plans](#) (€ 2.4 m), to encourage hiring (€ 3.5 m), etc.

#### **North Karelia (Finland)**

The North Karelia region has presented an [economic plan to strengthen the economic vitality of the region after the crisis](#) in cooperation with municipalities and business organisations and operators. The plan addresses areas such as economic restructuring, internationalisation, skills improvement, business growth acceleration or local demand revival. Companies also receive [support from Business Joensuu](#), its regional development agency, which offers information about existing support schemes and advisory services, having also held webinars in this regard. In addition, sole entrepreneurs of ten municipalities in North Karelia can apply for [€ 2 000 grants](#) through the Business Joensuu website.

#### **Centre-Val de Loire (France)**

The region has mobilised almost [€ 46.8 million](#) to support the regional players across all areas. In terms of [financial support for businesses](#), it allocated € 16.4 m to the National Solidarity Fund (grants for VSEs), € 2 m to the regional fund for the prevention of business difficulties, € 1 m to the CAP Rebound loans with the BPI (French public investment bank), generating € 5.4 m in support through zero rate loans without required guarantee, and also € 1 m to the zero rate loans offered by Adie (non-profit micro-credit organisation) to relaunch the activity of VSEs. Besides, it has also increased to 80% the ceiling of the Regional Guarantee Fund with the BPI and postponed by six months the repayment of advances made by the region (EUR 3 m). The [culture, sports and social economy](#) sectors have also been supported: for example associations will receive payment of all the subsidies announced for planned events and economic support for certain initiatives. Two collaborative platforms have been launched: “[Produits frais locaux](#)” (fresh local products) brings together producers, distributors and consumers in the region and the other connects suppliers, producers and providers of [personal protective equipment](#).

#### **Madrid Region (Spain)**

The Madrid region has taken several measures to support businesses in the region, mobilising more than € 220 m. [Addressed to the self-employed](#) in particular, it has offered direct grants under the Plan Impulsa (€ 17 m), up to € 3 200, and the Plan Continua (€ 38.2 m), around € 534, equivalent to their social security contributions for March and April. In addition, € 20 m will be allocated through Avalmadrid to ease access to finance for the self-employed and SMEs by offering guarantees for their operations, providing financing for around € 150 m. The region has also taken further measures to



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support the [audiovisual and performing arts sector](#) and the [agricultural and food industry](#). The recently launched [Plan de Reactivacion](#) includes 30 additional measures, including: € 20 m for an Extraordinary Contingency Fund for the most vulnerable groups, € 8 m for funding research projects aimed at combating COVID-19, different actions to support the tourism sector and the Madrid Guarantee Programme, which certifies that a given establishment meets or exceeds the required quality and safety standards. The [Madrid Conecta platform](#) has also been created to connect supply and demand for products and services, and has already brought together more than 250 users.

#### **Ústecký Region (Czech Republic)**

The Ústecký Region is offering the self-employed and micro-enterprises with less than five employees a [regional grant subsidy](#) of up to CZK 25 000 (€ 915), complementary to the national state subsidies. The programme is endowed with CZK 70 m (approximately € 2.7 m), which will be evenly distributed within the seven districts of the region. The [Regional Innovation Centre](#) provides information and assistance about this and other national support schemes. It also prepares interactive seminars on learning how to revive or start a business or how to embrace social media and business digitalisation.

#### **Póvoa de Varzim (Portugal)**

In addition to the support measures at national and regional level, the municipality of Póvoa de Varzim has [created an interactive map](#) aimed at promoting small and medium-sized businesses in the municipality (available [here](#)). Also open to the rest of the county, the map already includes more than 250 establishments, divided by sector, which operate by appointment, take away, home delivery and/or online sale.

#### **Vilnius (Lithuania)**

The city of Vilnius has launched the “[Vilnius’ Plan 4x3](#)”, a very comprehensive package of measures covering four main areas: aid for individuals, businesses and culture, and embracing opportunities. Some of these measures had already been taken, such as social assistance in the form of allowances for people in hardship, deferment of utility bills, exemptions for businesses of rentals and real estate and street closure fees, giving outdoor cafés freedom to set up without paying fees, establishing vouchers for restaurant services for the future, etc. Many other measures have been planned, including: rental assistance to people with disabilities and left without parental care, extension and generation of contracts with enterprises, promotion of job creation and local tourism, information packages for companies or an extensive plan to support the culture sector amounting to € 1 m and with 21 new measures. The plan aims to transform the crisis into an opportunity, apparent in the changed traffic in the Old Town, the positive side of teleworking, the creation of the competitiveness consultation group, the remote training of teachers or the push towards business digitalisation. Several proposals have also been addressed to the government.



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#### **Frankfurt (Germany)**

At the beginning of the COVID-19 crisis, the city of Frankfurt enabled [tax support measures](#) in the form of reductions of corporate tax prepayments and deferrals of trade tax. Tenants of municipally-owned property were also granted [deferrals and individual relief in their rents](#) in the event of liquidity shortages, and experts representing the main stakeholders teamed up into the “[Frankfurt crisis team](#)”, which has been meeting periodically. Finally, a programme known as “[Frankfurt am Start](#)” was launched with the objective of supporting local businesses. Its website includes interesting tips for them and also a comprehensive overview of available platforms and initiatives to support local trade.

#### **Rijeka (Croatia)**

In line with national efforts, the city of Rijeka has taken several [measures to support small and medium-sized companies](#). It exempted businesses and taxpayers which were forbidden to operate from paying rent for city businesses premises the fees for the use of public space and the utility fees. Those allowed to operate will be granted reductions, or also exemptions, depending on the drop in their turnover. All operators were also exempted from paying the monument rent and will have their waste collection fees postponed. Catering facilities can expand their terraces without additional payment and have been granted a 50% exemption on the contractual rent for indoor space. In addition, following a decision by the Government of the Republic of Croatia to defer the payment of income tax, the city is postponing surtax payments, which together with the above-mentioned measures will have major repercussions on the city budget. The city also approved a 25% increase in the income threshold for determining eligibility for [social assistance](#), which will certainly help more citizens in difficulty to receive social assistance.

#### **Gabrovo (Bulgaria)**

The [city of Gabrovo](#) exempted tenants of municipal premises from paying the rent during the lockdown period, suspended fees for the use of public space and approved a 5% reduction in the municipal waste tax. A [Municipal Social COVID-19 Fund](#) was created with some € 26 500, in order to provide vouchers to purchase food products for families in great financial difficulty. Citizens and companies can also [make donations](#) in support of the battle against COVID-19.

#### **Aveiro (Portugal)**

The City of Aveiro has launched an “[Action Programme to Support Social and Economic Activity / Operation Anti COVID-19](#)”. It is structured in three phases, which complement and overlap each other and will be implemented at three different times. Already in Phase 2, the city has allocated a budget of approximately € 5m for a total of 21 Actions and 66 measures and a special operation, consisting of the expansion and upgrading of Aveiro Hospital. These measures include: exemption from payment of fees and rents for local operators with businesses in public spaces (e.g. terraces), municipal buildings



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(concessions), municipal markets and the regional business incubator; immediate payment of all validated invoices to city suppliers regardless of the contractual term; supporting Business Associations and SMEs so that they are aware of the available aid schemes; exemption from payment of municipal waste fees, etc. Further support has also been provided to families in difficulty, the tourism and culture industry, health services and the university, among others.

#### **Haarlem (Netherlands)**

In order to support its local entrepreneurs and local initiatives, the city of Haarlem gathered all the [corona projects on a single website](#), where citizens can find initiatives ranging from culture to shopping. One of them is the “Help the Horeca” platform, where [coupons for future catering services](#) can be acquired by citizens. The city also offers up to [€ 300 to those developing solidarity initiatives](#) to support their neighbours in coping with the consequences of COVID-19. The city has also [supported businesses](#) by, among other things, postponing property, tourist and advertising taxes, and reimbursing eligible costs incurred in events subsidised by the municipality when they were cancelled.

#### **Summary tables of regional & local measures by type of response**

*The following tables outline some of the measures taken by different local and regional governments, those covered in ECONomic Bulletins no. 1, 2, 3, 4, 5, 6 and 7. This is not meant to be an exhaustive list. We are interested in finding out about economic measures of any kind, adopted or planned by other local and regional governments, to contribute to this collective learning exercise, to help create synergies while suggesting potential lines of action. Your contribution is welcome and can be sent to [econ@cor.europa.eu](mailto:econ@cor.europa.eu).*

Regional responses	Regions
Direct aids (grants) to the self-employed and/or SMEs	<a href="#">North Rhine-Westphalia</a> , <a href="#">Catalonia</a> , <a href="#">Basque Country</a> , <a href="#">Murcia</a> , <a href="#">Pays de la Loire</a> , <a href="#">Malopolska</a> , <a href="#">Corsica</a> , <a href="#">Valle D’Aosta</a> , <a href="#">Flanders</a> , <a href="#">Azores</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Wallonia</a> , <a href="#">Hesse</a> , <a href="#">Asturias</a> , <a href="#">Hauts-de-France</a> , <a href="#">Bavaria</a> , <a href="#">Bretagne</a> , <a href="#">Région Sud</a> , <a href="#">Silesia</a> , <a href="#">Sicily</a> , <a href="#">Galicia</a> , <a href="#">Andalusia</a> , <a href="#">Lazio</a> , <a href="#">Baden-Württemberg</a> , <a href="#">Friuli-Venezia Giulia</a> , <a href="#">Centre-Val de Loire</a> , <a href="#">Ústecký Region</a> , <a href="#">Valencian Region</a> , <a href="#">Opolskie</a> , <a href="#">Madrid Region</a>
Establishment of credit lines with advantageous terms	<a href="#">Murcia</a> , <a href="#">North Rhine-Westphalia</a> , <a href="#">Navarra</a> , <a href="#">Sicily</a> , <a href="#">Pays de la Loire</a> , <a href="#">Podkarpackie</a> , <a href="#">Malopolska</a> , <a href="#">Lubelskie</a> , <a href="#">Catalonia</a> , <a href="#">Basque Country</a> , <a href="#">Łódzkie</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Wallonia</a> , <a href="#">Hesse</a> , <a href="#">Lombardy</a> , <a href="#">Bavaria</a> , <a href="#">Bretagne</a> , <a href="#">Région Sud</a> , <a href="#">Zuid-Holland</a> , <a href="#">Silesia</a> , <a href="#">Lazio</a> , <a href="#">Baden-Württemberg</a> , <a href="#">Friuli-Venezia Giulia</a> , <a href="#">Centre-Val de Loire</a> , <a href="#">Valencian Region</a> , <a href="#">Opolskie</a>
Expansion of the guarantee schemes for loans	<a href="#">Pays de la Loire</a> , <a href="#">Navarra</a> , <a href="#">Corsica</a> , <a href="#">Valle D’Aosta</a> , <a href="#">North Rhine-Westphalia</a> , <a href="#">Catalonia</a> , <a href="#">Flanders</a> , <a href="#">Łódzkie</a> , <a href="#">Wallonia</a> , <a href="#">Hesse</a> , <a href="#">Asturias</a> , <a href="#">Lombardy</a> , <a href="#">Hauts-de-France</a> , <a href="#">Bavaria</a> , <a href="#">Bretagne</a> , <a href="#">Région Sud</a> , <a href="#">Sicily</a> ,



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Regional responses	Regions
	<a href="#">Galicia</a> , <a href="#">Andalusia</a> , <a href="#">Tuscany</a> , <a href="#">Lazio</a> , <a href="#">Baden-Württemberg</a> , <a href="#">Friuli-Venezia Giulia</a> , <a href="#">Centre-Val de Loire</a> , <a href="#">Madrid Region</a>
Support systems for the granting of loans at 0% rate	<a href="#">Pays de la Loire</a> , <a href="#">Corsica</a> , <a href="#">Basque Country</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Central Bohemia</a> , <a href="#">Bretagne</a> , <a href="#">Région Sud</a> , <a href="#">Sicily</a> , <a href="#">Murcia</a> , <a href="#">Lazio</a> , <a href="#">Centre-Val de Loire</a> , <a href="#">Valencian Region</a> , <a href="#">Opolskie</a>
Refinancing, adaptation or extension of existing funding in repayable advances	<a href="#">Corsica</a> , <a href="#">Basque Country</a> , <a href="#">Pays de la Loire</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Hauts-de-France</a> , <a href="#">Bretagne</a> , <a href="#">Région Sud</a> , <a href="#">Lazio</a> , <a href="#">Centre-Val de Loire</a>
Exemption, discount, deferment or fractionation of regional taxes	<a href="#">Lombardy</a> , <a href="#">Valle d'Aosta</a> , <a href="#">Istria</a> , <a href="#">Catalonia</a> , <a href="#">Navarra</a> , <a href="#">North Rhine-Westphalia</a> , <a href="#">Murcia</a> , <a href="#">Flanders</a> , <a href="#">Klaipėda</a> , <a href="#">Hesse</a> , <a href="#">Asturias</a> , <a href="#">Zuid-Holland</a> , <a href="#">Offaly</a> , <a href="#">Sicily</a> , <a href="#">Andalusia</a> , <a href="#">Lazio</a> , <a href="#">Friuli-Venezia Giulia</a>
Postponement or exemption of rent payments of business premises linked to the government	<a href="#">Lubelskie</a> , <a href="#">Istria</a> , <a href="#">Basque Country</a> , <a href="#">Klaipėda</a> , <a href="#">Asturias</a> , <a href="#">Virovitica-Podravina</a>
Creation of a virtual marketplace promoting business collaboration to face the health emergency	<a href="#">Zwolle</a> , <a href="#">Catalonia</a> , <a href="#">Navarra</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Rhineland-Palatinate</a> , <a href="#">Murcia</a> , <a href="#">Centre-Val de Loire</a> , <a href="#">Valencian Region</a> , <a href="#">Madrid Region</a>
Creation of a support team for businesses to disseminate information on existing support and offer consultancy services	<a href="#">Zwolle</a> , <a href="#">Catalonia</a> , <a href="#">Nouvelle-Aquitaine</a> , <a href="#">Hauts-de-France</a>

Local Responses	Cities
Exemption, suspension, deferment or discount of rent payments	<a href="#">Utrecht</a> , <a href="#">Barcelona</a> , <a href="#">Lisbon</a> , <a href="#">Luxembourg</a> , <a href="#">Nantes</a> , <a href="#">Debrecen</a> , <a href="#">Gothenburg</a> , <a href="#">Tallinn</a> , <a href="#">Lille</a> , <a href="#">Hamburg</a> , <a href="#">Lodz</a> , <a href="#">Ghent</a> , <a href="#">Warsaw</a> , <a href="#">Stuttgart</a> , <a href="#">Valencia</a> , <a href="#">Valenciennes</a> , <a href="#">Mafra</a> , <a href="#">Zagreb</a> , <a href="#">Vienna</a> , <a href="#">Sofia</a> , <a href="#">Mannheim</a> , <a href="#">Sintra</a> , <a href="#">Hradec Králové</a> , <a href="#">Lappeenranta</a> , <a href="#">Katowice</a> , <a href="#">Espoo</a> , <a href="#">Tampere</a> , <a href="#">Nice</a> , <a href="#">Lyon</a> , <a href="#">Torres de Vedras</a> , <a href="#">Częstochowa</a> , <a href="#">Frankfurt</a> , <a href="#">Vilnius</a> , <a href="#">Rijeka</a> , <a href="#">Gabrovo</a> , <a href="#">Aveiro</a>
Exemption, suspension, deferment or discount of taxes/fees collection	<a href="#">Utrecht</a> , <a href="#">Madrid</a> , <a href="#">Nantes</a> , <a href="#">Barcelona</a> , <a href="#">Lisbon</a> , <a href="#">Berlin</a> , <a href="#">Braga</a> , <a href="#">Amsterdam</a> , <a href="#">Gothenburg</a> , <a href="#">Bilbao</a> , <a href="#">Tallinn</a> , <a href="#">Lille</a> , <a href="#">Hamburg</a> , <a href="#">Lodz</a> , <a href="#">Ghent</a> , <a href="#">Cork</a> , <a href="#">Pirovac</a> , <a href="#">Valencia</a> , <a href="#">Valenciennes</a> , <a href="#">Florence</a> , <a href="#">Mafra</a> , <a href="#">Zagreb</a> , <a href="#">Sofia</a> , <a href="#">Mannheim</a> , <a href="#">Sintra</a> , <a href="#">Kungsbacka</a> , <a href="#">Hradec Králové</a> , <a href="#">Katowice</a> , <a href="#">Sibiu</a> , <a href="#">Torres de Vedras</a> , <a href="#">Częstochowa</a> , <a href="#">Rundāle</a> , <a href="#">Frankfurt</a> , <a href="#">Vilnius</a> , <a href="#">Haarlem</a> , <a href="#">Rijeka</a> , <a href="#">Gabrovo</a> , <a href="#">Aveiro</a>
Creation of a support team available via online or hotline to disseminate information on existing support or consultancy services	<a href="#">Nantes</a> , <a href="#">Lisbon</a> , <a href="#">Braga</a> , <a href="#">Stuttgart</a> , <a href="#">Gothenburg</a> , <a href="#">Bilbao</a> , <a href="#">Valencia</a> , <a href="#">Mafra</a> , <a href="#">Vienna</a> , <a href="#">Mannheim</a> , <a href="#">Kungsbacka</a> , <a href="#">Katowice</a> , <a href="#">Espoo</a>



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Financial aid or increase of existing funds addressed directly or indirectly to local companies or the self-employed	<a href="#">Vienna</a> , <a href="#">Dusseldorf</a> , <a href="#">Lisbon</a> , <a href="#">Berlin</a> , <a href="#">Hamburg</a> , <a href="#">Amsterdam</a> , <a href="#">Valencia</a> , <a href="#">Valenciennes</a> , <a href="#">Mannheim</a> , <a href="#">Sintra</a> , <a href="#">Espoo</a> , <a href="#">Nice</a> , <a href="#">Lyon</a>
Compensation schemes for SMEs and entrepreneurs having contracts with the municipality	<a href="#">Utrecht</a> , <a href="#">Barcelona</a> , <a href="#">Tallinn</a> , <a href="#">Espoo</a> , <a href="#">Nice</a> , <a href="#">Vilnius</a>
Payment of damages (e.g. cancelled events)	<a href="#">Utrecht</a> , <a href="#">Berlin</a> , <a href="#">Tallinn</a> , <a href="#">Haarlem</a>
Creation of a website gathering local initiatives	<a href="#">Zaragoza</a> , <a href="#">Ghent</a> , <a href="#">Lodz</a> , <a href="#">Pinzgau</a> , <a href="#">Florence</a> , <a href="#">Mannheim</a> , <a href="#">Nice</a> , <a href="#">Lyon</a> , <a href="#">Częstochowa</a> , <a href="#">Frankfurt</a> , <a href="#">Haarlem</a> , <a href="#">Póvoa de Varzim</a>
Loan guarantees	<a href="#">Berlin</a> , <a href="#">Hamburg</a> , <a href="#">Sofia</a> , <a href="#">Vienna</a>

#### Useful links

- Eurostat webpage devoted to Covid-19 <https://ec.europa.eu/eurostat/web/covid-19/overview>
- [European Commission's dedicated Coronavirus response website](#)
- [European Commission, Policy measures taken by the EU Member States against the spread and impact of the coronavirus \(update 28 May\)](#)
- OECD Digital hub on data and policy responses to Covid-19: <http://www.oecd.org/coronavirus/en/>
- IMF, Policy Responses to Covid-19. Policy Tracker <https://www.imf.org/en/Topics/imf-and-covid19/Policy-Responses-to-COVID-19#U>
- [Oxford COVID-19 Government Response Tracker](#) The Oxford COVID-19 Government Response Tracker (OxCGRT) aims to track and compare government responses to the coronavirus outbreak worldwide rigorously and consistently.
- Fondation Robert Schuman, COVID-19: LES RÉPONSES EUROPÉENNES, UN TABLEAU COMPLET, Lettre Spéciale (Update 18 May 2020) <https://www.robert-schuman.eu/fr/doc/actualites/covid19-26032020-fr.pdf>
- The fiscal response to the economic fallout from the coronavirus, Bruegel Datasets <https://www.bruegel.org/publications/datasets/covid-national-dataset/#belgium>



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- The EP's EPRS is publishing a series of Briefings on the emergency measures adopted by individual Member States. So far, two Briefings were published, concerning
  - [Belgium, France, Germany, Hungary, Italy, Poland and Spain](#)
  - [Bulgaria, Estonia, Latvia, Malta, Austria, Romania, and Slovenia](#),
- A summary of national measures to support SMEs <http://www.eurada.org/covid-19/>
- CPMR Special newsletter <https://mailchi.mp/crpm/covid19news>
- ESPON programme pooling local experiences and territorial policy responses: <https://www.espon.eu/collecting-experiences-and-evidence-local-and-regional-responses-covid19>
- Regional Studies Association, evidence about how regions, cities and industry are dealing with the impact of the Coronavirus: <https://www.regionalstudies.org/about/pandemics-cities-regions-industry/>
- Eurocities online platform (with response actions undertaken by members): <https://covidnews.eurocities.eu/>
- OECD database on regional government accounts and a technical report presenting key findings: [https://stats.oecd.org/Index.aspx?DataSetCode=REGION\\_DEMOGR](https://stats.oecd.org/Index.aspx?DataSetCode=REGION_DEMOGR) and [http://www.oecd.org/cfe/regionaldevelopment/REGOFI\\_Report.pdf](http://www.oecd.org/cfe/regionaldevelopment/REGOFI_Report.pdf)
- COVID-19 EU PolicyWatch database on responses from governments at national level with 29 cases also at regional and local level: <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>
- CEMR National associations as essential information hubs for local governments on the coronavirus: <https://www.ccre.org/en/actualites/view/3997>
- Association of European regions COVID-19 Hub: <https://aer.eu/covid19/>
- Association of Cities and Regions for Sustainable Resource Management: <https://www.acrplus.org/en/municipal-waste-management-covid-19>
- [ERSA Forum on multiple impacts of Coronavirus](#): The European Regional Science Association (ERSA) is the supranational grouping of national regional science associations across Europe. On this page, ERSA publishes interesting scientific points received by regional scientists and in relation to the current pandemic. It can be existing researches, or starting ones, or scientific reflections good to exchange.