

COVID-19 impact and response measures



**European Committee** of the Regions

6 April 2020

The COVID-19 pandemic has dramatically affected our world and our way of living with dire losses and substantial consequences on every aspect of our daily existence. The Commission for Territorial Cohesion Policy and the EU Budget (COTER) at the European Committee of the Regions will prepare regular bulletins on the policy fields within its remits reflecting recent research, articles and discussions on the socio-economic impact of the pandemic in Europe and on the different actions and response measures planned and implemented at EU, national, regional and local level.



Writing to you in these most challenging of times, I am reminded that it is more important than ever to reinforce our solidarity, to keep in contact with each other, to share ideas and new practices, to receive clear information on the measures taken by the EU, to inform our citizens and to inform the EU institutions of our evolving needs on the ground. This is the objective of this COTER news bulletin which I am launching

today. It will provide information on key articles, discussions and research on the socioeconomic impact of the pandemic across the Union's territories and on the different economic response measures planned and implemented at EU, national and local level.

The core areas of the COTER commission's remit are all affected by the Coronavirus crisis: from the implementation of the current Multiannual Financial Framework (MFF) to the discussions on the next one, to the urgent redeployment of cohesion policy funds faced with the emerging needs on the ground and the European Commission's initiatives in the transport sector, including measures to ensure smooth circulation of critical equipment and key personnel between the regions and across national borders to reach the areas where they are most urgently needed.

The EU must work closely with national governments and regional and local authorities on the ground and together do all it can to address the crisis; special focus must be given to limiting the impact on the most vulnerable in our societies - the most vulnerable citizens, the most vulnerable sectors of our economy and the most vulnerable regions and cities. All the more so as the crisis is increasing social inequalities.

As regional and local leaders, we find ourselves at the forefront of an unprecedented battle to protect our citizens and to preserve a future of prospects for our communities. May I assure you of my full solidarity at this demanding time and wish you and your constituents strength, courage and resilience in this common battle. I look forward to the time when we will be able to meet in person again. And in the meantime, let's try not to let the distance undermine our determination to continue thinking and working together!

--- Isabelle Boudineau (FR/PES), Chair of the COTER commission, Vice-president of the Nouvelle-Aquitaine Regional Council,



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## **Cohesion Policy:**

## Coronavirus Response Investment Initiative (CRII)

Adopted by the EU on 30 March and entered into force on 1 April 2020

A package of legislative proposals was adopted on 30 March by the EU and entered into force on 1 April to counter the economic impact of the Coronavirus crisis, including a proposal for a Coronavirus Response Investment Initiative (CRII), which aimed at **mobilising still available cash reserves in the 2014-2020 European Structural and Investment Funds to** provide Member States with immediate liquidity to **finance investments related to the COVID-19 outbreak** (e.g investments in the healthcare sector, support for SMEs, and the labour market). It redeploys **€37 billion of cohesion policy funds, that are part of the current financial framework.** 

More information about the CRII:

https://ec.europa.eu/regional\_policy/en/newsroom/news/2020/03/30-03-2020-coronavirusresponse-investment-initiative-adopted Press release: https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_459 Q&A on CRII: https://ec.europa.eu/commission/presscorner/detail/en/qanda\_20\_458 Regulation 20/460 on the CRII: https://data.consilium.europa.eu/doc/document/PE-5-2020-INIT/en/pdf

Position of the CoR on the CRII:

The **CoR communicated its position in form of a letter by the CoR President** (decision of the COTER commission of 25 March, by written procedure, not to issue an opinion, but to respond in form of a letter by the CoR President). The CoR fully supported the proposed measures aiming at accelerating the use of cohesion policy funding to respond to the Coronavirus pandemic, but also recalled the need to ensure that all possible reallocations of resources and modifications of cohesion policy programmes are carried out in line with the principles of partnership and multilevel governance, in order to ensure that the money is spent in the areas of greatest need.

Letters were also sent from the President of the Association of French Regions (ARF) to Commission President Von Der Leyen and French President Macron: in his letter of 1 April, Mr Muselier welcomes the CRII but **calls for a massive shock of simplification in the management and control of ESIF**, without which the regions will not be able to use these funds against COVID-19.





## Coronavirus Response Investment Initiative Plus package (CRII+)

EC proposal for a follow-up legislative package published on 2 April 2020

The European Commission presented on 2 April 2020 a second legislative package of additional measures to mobilise support against the COVID-19 outbreak (Coronavirus Response Investment Initiative Plus).

Among the legislative proposals, there is one proposal to amend the Common Provisions Regulation and the ERDF Regulation (EC Proposal COM(2020) 138 final to amend Regulation (EU) No 1303/2013 and Regulation (EU) No 1301/2013) to introduce **extraordinary flexibility** to allow that all nonutilised support from the European Structural and Investment Funds can be mobilised to the fullest in order to address the immediate impacts of the Coronavirus crisis. The new proposal enables:

- **transfers across the three cohesion policy funds (**European Regional Development Fund, European Social Fund and Cohesion Fund);
- transfers between the different categories of regions;
- more flexibility with regard to thematic concentration;
- **possibility for a 100% EU co-financing rate** for cohesion policy programmes for the accounting year 2020-2021.

The proposal also **simplifies** procedural steps linked to programme **implementation**, **use of financial instruments and audit**. It amends Regulation (UE) n° 1303/2013 laying down common and general provisions on ERDF, ESF, CF, EAFRD, and EMFF.

Furthermore, within the CRII+ package the Commission also aims to facilitate support to the most deprived by changing the rules of the Regulation on the Fund for European Aid to the Most Deprived (FEAD, EC Proposal COM(2020) 141 final to amend Regulation (EU) No 223/2014).

In particular, the proposal eases rules on the eligibility of expenditure for FEAD operations that are fostering crisis response capacities and for protective equipment and suggests to temporarily exempt certain FEAD support measures from the Commission approval. Also, it will be possible to finance measures at 100% (instead of the 85% EU co-financing) for the accounting year 2020-2021.

More information about the CRII+:

https://ec.europa.eu/regional\_policy/en/newsroom/news/2020/04/04-02-2020-coronavirusresponse-investment-initiative-plus-new-actions-to-mobilise-essential-investments-and-resources



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## Position of the CoR on the CRII+

A vote of the European Parliament is scheduled to take place at its next extraordinary plenary session on 16 April and the CoR has been consulted by the EP ahead of this vote.

In view of the urgency of the matter, the CoR envisages to respond to both legislative proposals by means of a motivated renunciation in the form of a letter under Rule 67(2) of the CoR Rules of Procedure.

# European Commission's One stop shop on EC Coronavirus response: ask your <u>questions</u>!

The European Commission has set up a one stop shop dedicated to all information exchange with Member States, regional and local authorities and citizens. They can ask questions, to the Commission, for example on how they can deploy ESF resources under the current restrictions, through the following e-mail address:

EC-CORONA-RESPONSE-INVESTMENT-SECRETARIAT@ec.europa.eu

The Commission has already received 270 questions from Member States, including from regions. Answers are published on a separate Commission web page, accessible to national managing and audit authorities through the SFC system.

#### SURE: EC proposal of a €100 billion solidarity instrument to help workers and businesses

The Commission adopted a proposal to the Council to mobilise **100 billion Euro for supporting** Member States through <u>loans</u> for temporary support to mitigate Unemployment Risks in an Emergency (SURE).

This instrument, outside of the MFF, is a voluntary loan instrument, based on voluntary commitments of the Member States to guarantee the money that the European Commission is raising (via bonds) on the capital market. The exact conditions for the loan such as the amount, the maximum average maturity, pricing, availability period of support and the technical modalities for implementation should be determined in a decision of the Council

More information about SURE (which is under SEDEC remit): <u>https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_582</u>



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## **Revision of the current MFF:**

The European Commission proposes to find additional support for addressing the COVID-19 crisis, in particular through activating, with a budget of EUR 2,7 billion, the Emergency Support Instrument, created in 2016 on the peak of the refugee crisis (legislative proposal COM(2020)174 amending the MFF 2014/2020 Regulation). It also proposes to further reinforce the Union Civil Protection Mechanism/rescEU with an additional budget of EUR 300 million so as to facilitate wider stock-piling and coordination of essential resource distribution across Europe.

More information:

https://ec.europa.eu/info/sites/info/files/mobilisation of the contingency margin reactivation of the esi.pdf

## Discussions on the next MFF:

After a failed extraordinary meeting of the European Council on the MFF held on 20-21 February, the negotiations are being put on hold.

In view of the current circumstances, a strong and flexible seven-years programme is more than needed. Any discussions on the next budget will now need to be seen in that light and be the driver of Europe's recovery. Therefore, the European Commission is expected to come forward with a revised proposal for the 2021-2027 MFF on 29 April.

The European Commission, in a Communication "Coronavirus Response": Using every available euro in every way possible to protect lives and livelihoods" (COM(2020) 143), summarises all the proposals adopted on 2 April to mobilise all resources from the current MFF. The Communication also announces a number of future actions, including concrete simplification measures for farmers and fishermen, but also an indication of its activities related to the next MFF (extension of the current MFF and a deep revision of the MFF 2021-2027 proposals).

https://onepolicyplace.com/2020/04/02/press-release-coronavirus-the-commission-mobilises-all-ofits-resources-to-protect-lives-and-livelihoods/

EC Communication on the Coronavirus response: https://ec.europa.eu/transparency/regdoc/rep/1/2020/EN/COM-2020-143-F1-EN-MAIN-PART-1.PDF



#### **Transport:**

Transport, a key responsibility for local and regional authorities, is a sector much impacted by the COVID-19 crisis. The joint temporary ban of non-essential travel from third countries applied by all EU Member States (except Ireland) and all Schengen countries as well as the various national measures to prohibit non-essential mobility within national borders and across internal EU borders, has a huge impact on the freedom to provide goods and passenger transport. Here is what the European Commission undertakes to ensure a minimal and safe mobility service for the Union and what is important from a regional and local perspective:

- a) **Designating "Green lanes"** on border crossings: checks of goods and persons should take a **maximum of 15 minutes** to ensure the flow of goods. Important from the regional and local perspective: competent authorities should
  - Temporarily suspend road access restrictions (week-end bans, night bans, sectoral bans, etc.);
  - $\circ$  waive travel restrictions and mandatory quarantine of transport workers.

EC guidelines: <u>https://ec.europa.eu/transport/sites/transport/files/legislation/2020-03-23-communication-green-lanes\_en.pdf</u> More information: https://ec.europa.eu/commission/presscorner/detail/en/ip 20 545

b) Facilitating the free movement of workers, especially in cross-border areas: Member States and competent authorities should allow workers (frontier, posted, seasonal) to enter the territory of the host Member State and have unhindered access to their place of work if they exercise essential tasks (e.g. health sector, a full list is available here on page 2: <a href="http://ec.europa.eu/social/BlobServlet?docId=22473&langId=en">http://ec.europa.eu/social/BlobServlet?docId=22473&langId=en</a>) or if the sector concerned is still allowed to function in the bost Member State

or if the sector concerned is still allowed to function in the host Member State.

More information: <u>https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_545</u>

c) <u>Passenger rights</u>: The relevant passenger rights for all modes of transport remain in force. However, the situation counts as "extraordinary" where the relevant passenger rights regulations stipulate that this has an effect on its implementation (e.g. compensation payment for cancelled flights). A passenger rights FAQ has been issued by the European Commission: <u>https://ec.europa.eu/info/sites/info/files/passengers-rights-faq.pdf</u> as well as guidelines for the interpretation of the relevant legislation: <u>https://ec.europa.eu/transport/sites/transport/files/legislation/c20201830.pdf</u>





Recommendations and experiences from EU or international associations and partners:

a) Open letter from Eurocities, the POLIS network of cities and regions for transport innovation and the main transport sector associations, recommending to ensure continuity of public transport. It underlines the need for continuity of the public transport and local mobility services, protecting the health of employees and passengers, and its after-crisis role in revitalizing the economy.

https://www.polisnetwork.eu/wp-content/uploads/2020/03/Final-statement-basiccontinuity-and-survival-of-urban-public-transport-...-1.pdf

- b) **Guidelines** from the **International Association of Public Transport (UITP)** to assist public transport operators in their business continuity: <u>https://www.uitp.org/management-covid-19-guidelines-public-transport-operators</u>
- c) Hands-on experience from public transport operators in Asia affected by the COVID-19: Seoul: <u>https://www.uitp.org/news/guardians-mobility-front-lines-seoul-south-korea</u>. Shenzhen: <u>https://www.uitp.org/news/guardians-mobility-front-lines-shenzhen-china</u>.

#### **Cross-border cooperation:**

**Guidance on cross-border healthcare cooperation** between national, regional and local authorities: <u>https://ec.europa.eu/commission/presscorner/detail/en/ip\_20\_590</u>

The European Commission issued practical **guidance** on 3 April to support cross-border healthcare cooperation between national, regional and local authorities, regarding the treatment of patients and deployment of medical staff.

# Examples of cross-border and transnational cooperation in times of the COVID-19 crisis

https://legrandcontinent.eu/fr/2020/04/01/organisation-du-territoire-europeen-en-temps-de-covid-19-entre-cooperation-et-repli/

Le Grand Continent" has published an interesting analysis of what has been done in cross-border and transnational cooperation in response to the COVID-19 virus. The article shows that despite the current situation, where borders are closed across the European Union, cross-border cooperation on COVID-19 is materialising in a rather quick manner, especially between France, Germany and the



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Benelux countries. This is particularly the case when it comes to transfer of patients and share of resources. The authors produced a very interesting map, detailing this cooperation, which you can find below.

## **Current state of the Schengen area (26 March)**

Most Schengen countries have notified to the European Commission the reintroduction of border controls due to threats related to the spread of COVID-19. European Parliament's Research Service (EPRS) has made a short overview of the current state of the Schengen Area with a cut-off date on 26 March. You can find the briefing here:

https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649347/EPRS\_BRI(2020)649347\_EN.p df

The reintroduction of the border controls, and the temporary limits to the freedom of movement have **re-created obstacles for cross-border cooperation, which have not existed for decades in the European Union**. This new situation poses difficulties for EGTCs, Euroregions and cross-border cooperation in general and puts the border regions into a socially and economically disadvantaged position.

## OECD hub on data and policy responses to COVID-19:

https://www.oecd.org/coronavirus/en/

The OECD compiles data, analysis and recommendations on a wide range of topics to address the COVID-19 crisis (health, economic and societal crisis), facilitate co-ordination, and contribute to the necessary global action. This new series provides guidance on the short-term measures as well as analysis on the longer-term consequences and impacts, paving the way to recovery.

## EUROSTAT:

Eurostat and the National Statistical Institutes continue publishing relevant statistics as planned in the national and Eurostat release calendars. In particular, they are providing statistics that show the changing situation from March 2020 onwards and are most needed to tackle the implications of the COVID-19 outbreak. For that reason, the NSIs have moved from in-person data collection to the phone and on-line interviews and have introduced measures to facilitate the submission. https://ec.europa.eu/eurostat/help/faq/covid-19



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JRC scientists have designed a **new control material that laboratories can use to check the correct functioning of their coronavirus tests** and to avoid false negatives.

https://ec.europa.eu/jrc/en/news/new-control-material-developed-jrc-scientists-help-preventcoronavirus-test-failures

**Misinformation and disinformation in the health space** are thriving, including on COVID-19. The European Commission wants to fight disinformation through a close cooperation with online platforms. They are encouraging them to promote authoritative sources, demote content that is fact-checked as false or misleading, and take down illegal content or content that could cause physical harm.

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/fightingdisinformation\_en

## ADDITIONAL INFORMATION AND USEFUL LINKS:

#### COR activities and meetings:

All COR statutory and non-statutory activities until 15 May, including the May Plenary Session, have been cancelled to help protect the health of members and staff (Decision 0008/2020 of 3 April 2020 by the CoR President).

COVID-19 platform is a supporting online platform for local and regional authorities.

Besides the list of Member States' contact points, the platform offers a possibility to exchange best practices and agree on concrete steps in fighting COVID-19.

<u>COR COVID-19 Platform</u> https://cor.europa.eu/en/engage/Pages/COVID 19-exchangeplatform.aspx





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Overview of the European Commission's response to Coronavirus: https://ec.europa.eu/info/livework-travel-eu/health/coronavirus-response/overview-commissions-response\_en#healthmeasures https://ec.europa.eu/commission/presscorner/detail/en/FS 20 552

EU's response to the Coronavirus (EP news):

https://www.europarl.europa.eu/news/en/headlines/priorities/eu-response-to-coronavirus EPRS and other EP publications: https://www.europarl.europa.eu/thinktank/en/home.html, European Parliamentary Research Service - Coronavirus - Impact and reaction (26 March 2020): https://www.europarl.europa.eu/RegData/etudes/BRIE/2020/649349/EPRS\_BRI(2020)649349\_EN.pdf EU local news: https://www.themayor.eu/en OECD data and policy responses to Covid-19: <a href="http://www.oecd.org/coronavirus/en/">http://www.oecd.org/coronavirus/en/</a> **ESPON** programme: https://www.espon.eu/collecting-experiences-and-evidence-local-and-regional-responses-covid19

#### **RSA:** Regional Studies Association:

https://www.regionalstudies.org/about/pandemics-cities-regions-industry/

Eurocities: https://covidnews.eurocities.eu/

CEMR: https://www.ccre.org/en/actualites/view/3994

**European Policy Centre**: http://www.epc.eu/en (Different policy analyses)

EC learning resources (during the COV-19 crisis):

https://ec.europa.eu/education/resources-and-tools/coronavirus-online-learning-resources en

**CEPS:** https://www.ceps.eu/ceps-news/ (different EU policies, incl. COV-19 news)

Notre Europe (Paris): https://institutdelors.eu/en/tag/covid-19-en/

EURACTIV: https://www.euractiv.com/sections/coronavirus/

**Reuters:** https://www.reuters.com/subjects/euro-zone

EU observer (COV-19 news): https://euobserver.com/coronavirus/

POLITICO.eu: https://www.politico.eu/coronavirus-in-europe/

https://www.politico.eu/article/coronavirus-live-updates-latest-news-blog/