The coronavirus (COVID-19) pandemic has dramatically affected our world and our way of living, with dire losses and significant consequences for every aspect of our daily lives. 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 areas within its remit, reflecting recent research, articles and discussions on the socioeconomic impact of the pandemic in Europe and on the various actions and response measures planned and implemented at EU, national, regional and local level.

Since our first bulletin, the numbers of COVID-19 cases and deaths across Europe have reached an alarming level. Even if daily death tolls are at their peak or falling in many EU countries, we are far from the end of the crisis. Our first thoughts are once again with those who have lost loved ones, as well as all those who are working tirelessly to ensure the continuity of the life of our societies and our public services, in particular our health professionals. Now that the most urgent health crisis is stabilising, but with the virus staying with us until we find a vaccine or treatment, we must also look ahead to the post-crisis recovery and the preparedness of the world of tomorrow. A deep economic crisis is starting. According to the European Commission spring economic forecast, the economy is expected to contract by 7.4% in the EU in 2020 (+6% in 2021).

As we face these challenges we must not lose sight of the fact that where there is crisis, there is also an opportunity to change and improve. The opportunity to build a more social, sustainable and green Europe. Now more than ever the European Union must demonstrate its solidarity and its capacity to find innovative solutions to meet all these short- and long-term challenges. And to do this we need an MFF which is ambitious, flexible and able to react to the EU’s challenges! The European Commission is still working on a new proposal for the next MFF, which is expected to include a major tool on supporting recovery after the COVID-19 health crisis. This proposal is expected to be presented by the European Commission in mid-May. Cohesion policy is one of the key instruments for solidarity between EU countries and regions: it has again demonstrated its relevance for the lives of the EU’s citizens in its ability to mobilise EU funds to address the impacts of the crisis. The temporarily permitted flexibility must be ensured both on paper and on the ground. But it should by no means involve a centralisation of the implementation!

This bulletin provides some insight into recent policy developments at EU level. Please continue to share your comments and ideas and keep us informed of the situation on the ground using our email address: coter@cor.europa.eu.

May each of you stay safe and well during these unprecedented times.

– Isabelle Boudineau (FR/PES), Chair of the COTER commission, Vice-President of the Nouvelle-Aquitaine Regional Council
Coronavirus impact and response measures

COTER Bulletin N°2

15 May 2020

Cohesion Policy:

Europe day for cities and regions: "Regions and cities: vital for Europe's recovery" (9 May)

This web-conference, hosted by CoR President Tzitzikostas, was organised with CoR members, #CohesionAlliance members, other selected politicians and VIP guests including Commissioner Elisa Ferreira and European Commission Vice-President Dubravka Šuica. Participants discussed the European recovery strategy to overcome the effects of the current pandemic under 3 sessions:

- Session 1: Recovering from Coronavirus, the future of EU cohesion policy and the new proposal for the EU budget 2021-2027
- Session 2: Regions and cities at work for a resilient and sustainable recovery
- Session 3: EU democracy – future of Europe

Session 1: “Recovering from Coronavirus, the future of EU cohesion policy and the new proposal for the EU budget 2021-2027” was particularly relevant for the work of COTER and focused on the CoR’s approach to recovering from the Coronavirus through cohesion. A number of speakers highlighted the importance of cohesion policy, mentioning examples in border regions. They called for the EU to give the necessary funding to cohesion policy (one third of the MFF resources) and described the best possible European future as one in which the Multiannual Financial Framework was bold in its actions.

These contributions kicked off the preparation of a new Cohesion Alliance Declaration by the Cohesion Alliance partners, with a view to a coordinated reaction to the upcoming new legislative proposals from the European Commission and to the upcoming European Council’s summit. It is envisaged to formally endorse the new declaration in early June. The draft declaration will shortly be published on the Cohesion Alliance’s website and open to comments. The objective is to shape an inclusive new declaration that brings together stakeholders and institutions at European, national, regional and local level, from businesses and civil society.

Isabelle Boudineau, the COTER Commission Chair, had the possibility to share her views on the future Multiannual Financial Framework 2021-2027 and the recovery plan. She explained that Cohesion policy is the only tool for a sustainable recovery that leaves no one behind.

Commissioner for regional policy, Elisa Ferreira, stressed the importance of cohesion policy and regions and cities, stating that without cohesion policy there will be no effective recovery and that there will be no effective cohesion policy, without the regions and cities of Europe. She also warned that the recovery will be uncertain in timing and scope, and uneven at the regional level.

Read the Commissioner’s full speech: https://ec.europa.eu/commission/presscorner/detail/en/speech_20_845
Coronavirus impact and response measures

15 May 2020

For more information and to watch the web conference “Europe day for regions and cities”:

CoR position on the Coronavirus Response Investment Initiative Plus package (CRII+)

In view of the urgency of the matter and the timescale of the consultation, the CoR decided not to issue an opinion on the matter, but to put forward its position in the form of a letter from the CoR President (Rule 67(2) of the CoR Rules of Procedure).

The CoR considers the new package of measures, intended to further increase the flexibility of the European Structural and Investment Funds, as fully warranted in light of the profound impact of the crisis on local communities.

The CoR welcomes the proposal to increase temporarily the co-financing rate to 100%, the exceptional exemption from the thematic concentration requirement, as well as the measures intended to alleviate administrative burden for the implementation of the programmes.

On the other hand, the CoR underlines that the possibilities for additional transfers between the Funds, and in particular for transfers between the categories of regions, should only be used in agreement with the regions concerned, in case there are no other financing possibilities, and only to the extent that is necessary for the immediate response to the COVID-19 outbreak, whilst taking into account the overall objective of economic, social and territorial cohesion. In this respect, the CoR reiterates its position 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.

Last, but not least, the CoR considers that the measures intended to respond to the COVID-19 crisis should not lead to any attempts to centralise the implementation of cohesion policy in the next programming period 2021-2027.

Background on the CRII and CRII+:

Entering into force on 1 April, the Coronavirus Response Investment Initiative (CRII) immediately mobilised the Structural Funds, to allow for a prompt response to the crisis. On 2 April, the European Commission presented a second package of legislative proposals called Coronavirus Response Investment Initiative Plus (CRII+) to complement these measures. The new package includes a number of measures to further increase the flexibility of the European Structural and Investment Funds to allow all non-utilised support from the Funds to be mobilised to address the effects of the COVID-19 crisis, in particular:
to 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 when it comes to thematic concentration;

- a 100% EU co-financing rate for cohesion policy programmes for the accounting year 2020-2021, allowing Member States to benefit from full EU financing for crisis-related measures.

The CRII+ package also simplifies procedural steps linked to programme implementation, use of financial instruments and audit. The new package also provides support to the most deprived by changing the rules for the Fund for European Aid to the Most Deprived (FEAD).

The new measures were adopted by the co-legislators on 23 April 2020 and entered into force the following day

More details in COTER bulletin 1 and under the following links:

**CRII (Coronavirus Response Investment Initiative):**


**CRII+ (Coronavirus Response Investment Initiative Plus package):**

**EC webinar on "ESIF financial instruments under the Coronavirus Response Investment Initiative" (CRII/CRII+)**

The European Commission – DG REGIO, DG AGRI and DG EMPL in partnership with the European Investment Bank (EIB) is organising a webinar on ESIF financial instruments under the Coronavirus Response Investment Initiative, on 11 May 2020.

**Policy statements:**

**Recommendations on CRII from the Council of European Municipalities and Regions (CEMR):** letter from the CEMR President to Commissioners in charge of the CRII Task Force sharing some recommendations with a view to the effective implementation of the new CRII measures.
https://ccre.org

#CohesionAlliance:

On 27 April, the #CohesionAlliance called for cohesion policy to remain a priority, amid talks about the Covid-19 recovery strategy, relying on the experience and knowledge developed by local actors dealing with the pandemic. EU investment must benefit from flexibility and simplification but any centralisation would seriously undermine its effectiveness. A deal on the EU budget and Recovery Fund is needed by June or delay will put citizens’ safety and cohesion in Europe at risk.


On 9 May, on the occasion of the Europe day for cities and regions, the preparation of a new Cohesion Alliance Declaration was kicked off, with a view to a coordinated reaction to the upcoming new legislative proposals from the European Commission and to the upcoming European Council summit. The draft declaration will shortly be published on the Cohesion Alliance’s website (www.cohesionalliance.eu) and open to comments. The objective is to shape an inclusive new declaration that brings together stakeholders and institutions at European, national, regional and local level, from businesses and civil society. It is envisaged to formally endorse the new declaration in early June.

REGI meeting of 20 April 2020 with Vice-President Valdis Dombrovskis and Commissioner for regional policy, Elisa Ferreira

The REGI committee of the European Parliament held a (video) meeting last 20 April to discuss the EU response to the COVID-19 as regards regional policy, in particular the MFF and cohesion policy. There were statements by the REGI Chair, Younous Omarjee, the European Commission’s Vice-President, Valdis Dombrovskis and Commissioner Elisa Ferreira. The discussion focused on the changes to the EU’s plans brought about by the coronavirus, the upcoming recession and the necessary modifications to the next multiannual financial framework (MFF). The EU Green Deal and the use of EU cohesion policy, one of the first policies to react to the crisis, were also discussed.

Flexibility has been introduced for cohesion funds. The capacity of Member States to support each other is essential and convergence must remain a central priority. The MFF needs to be sound and robust in order to relaunch growth. There is now an opportunity to create greener and more digital growth, in order to ensure that future catastrophes do not happen in the same way. Growth must be based on cohesion.
European Solidarity Fund: Italy, first Member State to apply for financial support

Italy, the EU Member State hardest-hit by the coronavirus crisis, is the first State to apply for financial support from the EU Solidarity Fund to address the coronavirus outbreak and its effects. Since 1 April 2020, following the Commission's proposal for a Coronavirus Response Investment Initiative, EU Member States can apply for support from the ESF for health emergency reasons. The Fund is part of the tools the Commission has rapidly put in place to alleviate the burden on Member States' budgets, as a concrete demonstration of European solidarity in these difficult times.

Next steps

The European Commission will collect all coronavirus-related applications up to 24 June 2020 and assess them in a package in order to ensure equitable treatment of all cases. It will then submit a proposal for financial aid to the European Parliament and the Council.

The Commission will deal with all applications in one single package, not on a first come first served basis. This ensures that the available resources are distributed in a fair and equitable manner among all Member States that are hardest-hit by this health emergency.

Background

As part of the Coronavirus Response Investment Initiative, on 13 March the Commission proposed the extension of the EU Solidarity Fund's scope, so that the Fund could not only provide financial support following natural disasters, but also in case of major health emergencies. This proposal was approved in record time by the European Parliament and the Council, and entered into force on 1 April 2020.

For 2020, the Fund has EUR 800 million at its disposal to provide financial aid to the EU countries worst affected by this crisis. The financial support aims to alleviate the financial burden of the immediate response measures, such as provision of medical assistance and purchase of medical equipment, support to vulnerable groups, measures to contain the spreading of the disease, strengthening preparedness, and more. https://ec.europa.eu/commission/presscorner/detail/en/ip_20_753

Budget and Finance:

Discussions on the next and revision of the current MFF:

The European Commission has been working on a readjusted MFF proposal, following the inconclusive outcome of the European Council meeting in February, which solely focused on the
Coronavirus impact and response measures

15 May 2020

negotiations on the next MFF. Its presentation was initially scheduled for 29 April, but then postponed several times. Now the proposal is expected to be adopted in mid-May and the discussions in the Council should take place in mid-June. The European Commission proposal should also cover the expected extension or not of the current MFF.

The CoR is expected to discuss this MFF proposal in the upcoming (video) meeting of the COTER commission on 28 May and at the CoR July plenary session on 1-2 July.


**EU recovery strategy: safety nets and recovery fund**

On 23 April, the European Council endorsed an agreement on an exit and recovery strategy based on 4 elements:

- The setting up of 3 safety nets, amounting to EUR 540 billion, to protect the EU from the short-term economic consequences of the COVID-19 crisis: for workers, businesses and Member States. They should become available as quickly as possible, with the aim to have them operational by 1 June.

- The setting up of an EU recovery fund that should be temporary, targeted and commensurate, helping to spread the COVID-19 costs over time through appropriate financing. Further guidance on this Fund is expected on 9 May as regards crucial details on the size, its precise relation to the budget, and its financing to the commission.

The Commission proposal should clarify the link with the MFF, which in any event will need to be adjusted to deal with the current crisis and its aftermath.

**Transport:**

**Legislative measures to address the impacts of COVID-19**

On 29 April, the European Commission presented a package of measures to address the negative impacts of the COVID-19 crisis in the transport sector. It provides significant relief to the transport sector by solving practical problems, removing administrative burdens, and increasing flexibility. This package includes measures to support the aviation, rail, maritime, inland navigation and road sectors to provide them with instruments to address problems resulting from the COVID-19 crisis. Additional proposals may follow in the coming weeks.
The four proposals address the following measures in detail:

- **COM(2020)176**: The objective of the proposal is to provide flexibility concerning the validity of certain certificates, licences and authorisations and the postponement of certain periodic checks and training in certain areas of transport legislation. Transport is the key enabler of cohesion within the Union. The proposed measures ensure the continuation of transport services in a time when renewal of relevant certificates is difficult.

- **COM(2020)177**: The objective of the proposal is to allow Member States to permit ports to waive, suspend, reduce or defer port infrastructure charges under the current COVID-19 crisis. Port infrastructure charges are levied for the use of infrastructure and services that are provided by the managing body of a port. These port authorities are public bodies set up by local and regional authorities to provide maritime port services on their territory. The proposed measures are therefore of direct relevance to LRAs with maritime links.

- **COM(2020)178**: The objective of the proposal is to allow Member States to maintain the operating licence and air traffic rights for airlines that might experience liquidity problems due to the COVID-19 crisis. Similar provisions are foreseen for ground handling services at airports. Air service connections are important for territorial cohesion, especially for islands, outermost regions and peripheral regions which are often dependent on them to guarantee the right of freedom of movement of passengers and goods. Sufficient mobility connections is the key prerequisite for this universal access to the internal market.

- **COM(2020)179**: The objective of the proposal is a three-month extension to the transposition deadline of parts of the technical pillar of the 4th Railway Package, relating to the interoperability and to the safety of the EU rail system. Member States may continue to apply the existing directives in the relevant areas. This will ensure legal certainty for railway undertakings and the relevant authorities during the current crisis. In its recent opinion CDR/1939/2019, the CoR emphasised the role of the rail sector in ensuring interregional connectivity and cohesion.

The Commission is calling upon the Council and the European Parliament to swiftly approve the Commission proposals. The EP vote is scheduled for the Plenary starting 13 May 2020. The CoR is consulted on four legislative proposals. Given this extremely short deadline which does not allow the adoption of an opinion, the CoR might reply in the form of a motivated renunciation letter, highlighting the regional importance of the proposals.

Exchange of views in the European Parliament’s Committee on transport with the Vice-President, Mr Timmermans, on the future of transport sector in the framework of the Green Deal (11 May)

On 11 May, the EP TRAN committee held an exchange of views with Frans Timmermans, Executive Vice-President of the European Commission. The discussion focused on the need to support and rethink the urban transport system, in light of the need to pursue the Green Deal and invest in a sustainable future.


OECD: report on territorial impacts of COVID


The territorial impact of the COVID outbreak has been very asymmetric at regional and city level. There have been large differences in local unemployment among regions, implying an increase of regional inequality of up to 28%. The OECD research has also shown very high distortion in tourist regions and a very important impact on regions with low tradable sectors. Many citizens and regions have been mobilised and are in the front line of the crisis. The question of MLG is key in the management of the crisis. How national government frameworks adapt and support local actions to the reality which local governments are facing.


OECD note on cities’ responses to COVID-19:

The OECD has been monitoring responses at city level. Three challenges have been faced in cities: to sustain businesses, protect vulnerable groups and ensure the continuity of local public services. Ninety examples from cities have been collected in the OECD paper, which will be complemented with further insights on resilience for long-term measures for recovery, local economic impacts, and national government measures.

**URBAN POLICY:**

**DG REGIO is assessing the Urban Innovative Actions and wants to hear your views.**

The European Commission is conducting an assessment study on the Urban Innovative Actions (UIA) on the implementation and performance in order to make the next generation of Urban Innovative Actions within the European Urban Initiative more efficient and easy to use.

You are kindly invited to respond to the questionnaire by 22 May; please don’t hesitate to share.

The more reviews, the better it can serve our cities!

For more information, please visit:

https://www.uia-initiative.eu/en

**URBACT Newsletter:**

An Interactive map illustrates initiatives from URBACT cities to respond to COVID-19. It can offer a source of inspiration to other cities, showing their resilience.

Send your example with at least one photo to communication@urbact.eu!

http://r.newsletter.urbact.eu/mk/mr/Fj1Do7Z8Zh-bIOYxCwuap7e3ANxuXckXBmaTnK23B7nzu2Y0Qte4F43DSzR3aTIMUqqDG6l6vsqpcV-qYIvu2ErytmDSjC3wIqJWwc

**Share your experience on COVID-19 with UN Habitat**

UN Habitat launched the initiative Local2030 Spotlight Series. Within the context of SDGs, local and regional authorities around the world are invited to prepare and share 2-minute video contributions highlighting their perspectives on the main challenges and innovative solutions developed at the local level to fight the COVID-19 outbreak. Each week there is a different theme (e.g. adequate housing, basic urban services, ...).

Should you wish to share a video, please let us know so that we can forward it to UN Habitat.

https://www.local2030.org/story/view/335
**ADDITIONAL INFORMATION AND USEFUL LINKS:**

**COVID-19 regional statistics:**

Disseminating geographical information

The ESRI's Disaster Response Program is supporting a wide range of geostatistical information concerning the spread of the COVID-19 pandemic. For Europe there are circa 20 EU Member States covered by dashboards with detailed information at sub-national level provided both by official and independent sources. Some regions have also used the application to provide further information.

https://disasterresponse.maps.arcgis.com/home/group.html?id=45e3ccf8fb6f431696ea6a22f4327caf&view=list&categories=%5B%22%2FCategories%2FGlobal%20(Regions)%2FEurope%22%5D

Improving statistical information

The low availability of tests to certify infections by COVID-19 does not allow us to have precise data on infections. Since the majority of infected individuals are asymptomatic and it is not possible to test a significant proportion of the population, one of the possibilities to give an estimate of the total infections is checking the total deaths and from that to extrapolate the number of infections. The medical journal The Lancet provides a model for predicting mortality from COVID-19, according to available data. The estimated values that are closer to reality point to a mortality rate of 0.66%.

Having an accurate number of deaths is again a challenge. One of the hypotheses is to verify the excess deaths during the pandemic, compared with an average of the preceding decade.

The request from the medical community is simple and yet challenging for national authorities:

- a. Collate counts of weekly deaths to expedite the publication of these data and place them in the public domain;
- b. Data dissemination within 3–4 weeks of the period of observation;
- c. Tabulations by gender and 5-year age groups;
- d. Release the equivalent weekly data for every calendar year from 2010 (for calculation of excess deaths in 2020).

The EuroMOMO network, originally supported by DG SANCO as the European Mortality Monitoring Project, and working closely with the European Centre for Disease Prevention and Control (ECDC) and the World Health Organization (WHO) Regional Office for Europe, provides data on excess mortality at national level, though covering only part of the European Union. In the picture: excess mortality in mid-April 2020 by comparison with the ten previous years within EuroMOMO member countries and regions.

https://www.euromomo.eu
2020 ECA award for research on public sector auditing ("EU added-value")

The ECA launched the 2020 ECA Award call for research on public audit-related issues focused on the theme of "#EU_added_value". The deadline for submissions is 31 May!

The ECA award is open to researchers and scholars, for a publication, and to postgraduates who have written a Master’s or PhD thesis published or examined on or after 1 January 2016.

https://www.linkedin.com/posts/martin-weber-68b0257_2020-eca-award-for-research-on-public-sector-activity-6659427736831963137-oYUX

Overview of the EU’s response to the COVID-19 outbreak

The EU’s response to COVID-19 focuses on 4 priorities:

- limiting the spread of the virus
- ensuring the provision of medical equipment
- promoting research for treatments and vaccines
- supporting jobs, businesses and the economy

The EU is also helping EU citizens blocked abroad and fighting disinformation.

These priorities were agreed on by EU leaders who regularly meet by video-conference to discuss and assess the EU’s response to the COVID-19 outbreak.

The EU’s emergency response to the COVID-19 pandemic

Limiting the spread of the virus
Supporting jobs, businesses and the economy
Ensuring provision of medical equipment
Helping EU citizens stranded abroad
Promoting research for treatments and vaccines
Fighting disinformation

KEY AREAS OF ACTION AGAINST COVID-19

EU Exit strategy


On 15 April, Presidents Michel and von der Leyen presented a European roadmap towards lifting COVID-19 containment measures. The roadmap sets out recommendations to Member States, with the goal of preserving public health while gradually lifting containment measures. It is not a signal that containment measures can be lifted immediately but intends to provide a frame for ensuring EU-level and cross-border coordination.

EU roadmap for recovery: "Towards a more resilient, sustainable and fair Europe"

On 21 April, the Council of the EU and the European Commission issued a roadmap for recovery focusing on four areas:

- a fully functioning and revitalised single market;
- an unprecedented investment effort;
- global action;
- a functioning system of governance.


The European Parliament called, in a Resolution adopted on 17 April, for a massive recovery package to support the European economy after the COVID-19 crisis, including recovery bonds guaranteed by the EU budget. Europe needs a massive recovery and reconstruction package to be financed by an increased long-term budget (MFF), existing EU funds and financial instruments, as well as “recovery bonds” guaranteed by the EU budget, MEPs say. It should not, however, involve the mutualisation of existing debt, but focus on future investment. The European Green Deal and the digital transformation should be at its core in order to kick-start the economy, MEPs stress.


Studies and articles

Study on the impact of COVID-19 on cities: the pros and cons of agglomeration economies. How does COVID-19 impact the urban economy and what measures are cities taking to mitigate its effects?

This study discusses the COVID-19 impact on the urban economy and the measures that cities are taking to mitigate its effect. This is an important topic because cities have become the epicentres of new capital, creativity and innovation from which new ideas and opportunities to tackle the pandemic arise. To go more in depth on this issue, Orkestra has, within the framework of the Bilbao Next Lab project, launched a benchmarking exercise to find out what actions and policies are being carried out by other cities.


Study on renewal and reorientation as regional strategies for a post-COVID-19 era: The article argues that more resilient regions that have the ability to react, adapt and recover from the current crisis will have some advantages in the post COVID-19 era. These regions are also more likely to
prevent future crises. The article also highlights that the speed and quality in both quantitative and qualitative terms of the recovery is not only conditioned by the short-term measures implemented during the resistance phase, but also by the measures oriented towards regional renewal and reorientation.


Article: Does the EU convergence machine still work?

This article finds evidence of relatively strong convergence of incomes (GDP per capita) across EU countries and large regions over the long term. However, not always and everywhere. Crisis periods were marked by slowing convergence or even divergence. The global financial crisis in particular heralded a period of severe economic underperformance in much of Southern Europe, undermining overall convergence. There are some tentative signs of renewed, post-crisis income convergence but it is too early to tell whether and when the convergence machine will regain speed, especially in light of the current COVID-19 crisis.


Useful links


Updated figures about the scale of outbreaks and number of deaths around the world. Financial Times: https://www.ft.com/coronavirus-latest

EU local news: https://www.themayor.eu/en
ESPON programme:
Regional Studies Association (RSA):
https://www.regionalstudies.org/about/pandemics-cities-regions-industry/
Eurocities: https://www.eurocities.eu/
European Policy Centre: http://www.epc.eu/en (various policy analyses)
EC learning resources (during the coronavirus crisis):
https://ec.europa.eu/education/resources-and-tools/coronavirus-online-learning-resources_en
CEPS: https://www.ceps.eu/ceps-news/ (various EU policies, incl. coronavirus news)
EURACTIV: https://www.euractiv.com/sections/coronavirus/
Reuters: https://www.reuters.com/subjects/euro-zone
POLITICO.eu: https://www.politico.eu/coronavirus-in-europe/