



Welcome to the NAT Bulletin!

In this fourth edition, we will try to summarise the latest developments in the policy areas under the NAT remit. You can also read about experiences in our regions that have reached us via the CoR #Covid19 Exchange Platform.

Since the beginning of the Covid19 crisis, EU Member States and the European Commission have introduced series of measures aiming to curb both the disease and its impact on public life beyond health. While opinions on possible exit strategies might differ, one thing is clearly visible in all contributions made on our Covid19 Exchange platform: cities, regions and communities have fought hard for their citizens in the last two months.

I hope you will enjoy reading our news digest. Please, continue to use our e-mail address nat@cor.europa.eu to share your comments and ideas. And most importantly, stay safe!

Ulrika Landergren (SE/RE), NAT Commission Chair

A total of €3.08 billion from the EU budget for the Emergency Support Instrument (€2.7 billion) and rescEU (€380 million) adopted via budget amendment

In a development of our story on the €3 billion Emergency Support Instrument, published in the second edition of the NAT bulletin, the Budgetary Authority has already taken a positive decision.

On April 17, after approval by the Council (April 14), the EU Parliament passed a regulation to enable direct aid from the EU for the health sectors of the member states via a second amended EU budget with over € 3 billion. € 2.7 billion will go through the **Emergency Support Instrument**. The remaining € 300 million is earmarked for the **rescEU** capacity for medical equipment. In this way, the Commission plans to (1) purchase emergency services directly on behalf of the Member States and to provide medical supplies such as masks and respirators, (2) to fund urgent needs such as the transportation of medical equipment and patients to border regions; and (3) to support the construction of mobile hospitals. The commission can award contracts directly.

Link: <https://www.europarl.europa.eu/news/en/press-room/20200415IPR77110/covid-19-meps-free-up-over-EU3-billion-to-support-eu-healthcare-sector>

<https://www.consilium.europa.eu/en/press/press-releases/2020/04/14/tackling-covid-19-council-adopts-amended-eu-budget-for-2020/>

https://ec.europa.eu/commission/presscorner/detail/en/QANDA_20_577

COVID-19: More flexibility for deploying EU budget money

The Council adopted on 22 April a second legislative act in less than a month amending the rules on the use of EU structural funds, which underpin EU cohesion policy. These changes allow member states to refocus resources on crisis-related operations. In addition, member states will be able, for the period between 1 July 2020 and 30 June 2021, to request 100% financial support from the EU budget. In normal

circumstances, cohesion policy programmes are financed jointly by the EU budget and contributions from member states. The measures will help alleviate the burden on national budgets by providing targeted investment in healthcare, struggling SMEs, and temporary employment schemes. Farmers can also benefit in the form of favourable loans and guarantees of up to €200,000 to help them with liquidity or compensation for losses. The act is due to enter into force on 24 April 2020.

Link: <https://www.consilium.europa.eu/en/press/press-releases/2020/04/22/covid-19-more-flexibility-for-deploying-eu-budget-money/>

EU mobilises support for Italy, Croatia and neighbouring countries

The EU is coordinating and co-financing the delivery of aid not only in the Member States but also in the neighbouring countries in the fight against the COVID19 pandemic after receiving requests for assistance via the EU Civil Protection Mechanism. While Slovakia is helping Italy with masks and disinfectant, Austria is helping Croatia with gloves and disinfectant. As part of the overall EU support for the Western Balkans, Bosnia and Herzegovina, North Macedonia, Montenegro and Moldova will receive gloves, disinfectant and other items, while Serbia will also receive blankets, mattresses and tents for migrants.

Link: https://ec.europa.eu/echo/news/coronavirus-eu-mobilises-help-italy-croatia-and-neighbouring-countries_en

EU coordinates assistance to camps on Greek islands

The Commission is working together with the Greek authorities to help implement an emergency response plan to address risks of a potential outbreak of coronavirus in the refugee camps on Greek islands after Greece activated the EU Civil Protection Mechanism requesting accommodation and various hygiene and medical materials. In this context, Austria has offered 181 accommodation and sanitation containers via the Mechanism and the delivery costs will be co-financed by the EU.

Link to Daily News on 20 April: https://ec.europa.eu/commission/presscorner/detail/en/mex_20_698

Examples from the regions via the CoR COVID-19 Exchange Platform

A large number of contributions from European regions is reaching via our Covid-19 exchange platform, informing us about additional measures of local and regional governments, supplementing the efforts of the Member States:

Land Hessen (Germany): Support for companies, self-employed, agriculture and families

The state of Hesse has taken a number of measures to ease the impact of the covid19 pandemic. These include: funding schemes for companies, self-employed and other economic actors such as agriculture, family friendly measures to support parents whose income has been reduced, child care of children whose parents work in the health sector.

Pays de la Loire (France) €63.4 million for SMEs, cultural/sports organisations and the purchase of masks

The regional council of Pays De La Loire is investing €3 million to buy masks for hospitals, €4.3 million to support cultural and sports organisations that had events cancelled and €56 million to support SMEs. Students who were forced to stop their studies will continue to be supported through scholarships. In order to stop the spread of COVID19, public transport service has been reduced.

Governor of Central Macedonia donates 50% of his salary to COVID-19 response

Thousands of masks, gloves and antiseptic hand soap bottles have been delivered to health centres in the Region of Central Macedonia, Greece. Residents can also consult specialized doctors online to reduce the spread of the pandemic. The Governor of Central Macedonia will be also donating 50% of his salary for the next two months to support the fight against COVID-19.

The West Pomerania Region (Poland) is coordinating an Assistance Hub for Poles living in Belgium

The Hub started working on 18 March and now has more than 80 volunteers. Its main tasks include providing a helpline, translating official communications concerning the epidemic situation in Belgium, sewing masks, providing food to people who have lost their livelihoods or who can't leave their homes and to homeless people. A helpline is available where one can find information on the rules currently in force, request daily monitoring by phone, or talk to a psychologist or a priest. The helpline also has a "blue line" for victims of domestic violence. The organisation currently works with the Belgian Crisis Centre and various Belgian municipalities

Converting diving masks into masks for medical purposes

Estepona Municipal Council (Spain) is supporting 3D printing initiatives converting diving masks for medical purposes. The municipality has paid over €2.4 million to service providers during the month of March. Invoices are being settled within 7 days to support SMEs in these challenging times.

New respirator designed in Andalusia

Andalusia (Spain): The first clinical trial on a patient with a respirator designed in Andalusia has been successfully completed! The prototype 'Málaga Respira' was developed in less than a week by Andalusian doctors and engineers and passed the first test with a real patient in Antequera.

More stories on the Covid-19 exchange platform: <https://cor.europa.eu/en/engage/Pages/covid19-stories.aspx>

Commission announces exceptional measures to support the agro-food sector

On 22 April the European Commission published additional exceptional measures to further support agricultural and food markets most affected, as a further response to the Coronavirus crisis include:

- Private storage aid: the Commission proposes to grant private storage aid for dairy (skimmed milk powder, butter, cheese) and meat (beef, sheep and goat meat) products
- Flexibility for market support programmes: the Commission will introduce flexibility in the implementation of market support programmes for wine, fruits and vegetables, olive oil, apiculture and the EU's school scheme (milk, fruits and vegetables)

- Exceptional derogation from EU competition rules: applicable to the milk, flowers and potatoes sectors, the Commission will authorise the derogation from certain competition rules under Article 222 of the Common Markets Organisation Regulation that allows operators to adopt self-organisation market measures

The Commission aims to have these measures adopted by the end of April.

Increasing number of agriculture sectors are showing clear signs of market disruption

Flowers and live plants is undoubtedly the agriculture sector affected the most by the ongoing exceptional COVID-19 sanitary crisis and the lockdown policies implemented at national level. Flower shops, local markets and garden centres had closed, popular events around Easter, Mothers' Days, and May 1, which would have involved high demand for flowers, have been suspended. The lockdown had led to the immediate and massive collapse of European and international demand for these products putting the fall in demand at 80%, in a sector, which normally expects between 50% & 80% of annual demand to take place from March until June. The 15% of output that goes for export is also being disrupted by the crisis. "All products that have not been sold in time now inevitably go to waste, which implies the destruction of production and stocks to a massive scale across the EU and beyond.

Wine industry had already been hit by US tariffs of 25% as well as problems in Asian countries. Now it faced a significant loss of sales and income brought by the closure of the catering sector and other distribution channels. The pandemic was also having a devastating impact on wine export markets, wine-makers' activities and the oenotourism sector.

Sheep and goat meat have always been consumed during the Easter festivities. Because production is seasonal, it cannot be pushed back to another time of year. With both meats already severely impacted by the closure of the hotel and catering sector, there is a downward trend for prices at a time when there would usually be an upward trend. At the same imported products are still coming onto the EU market.

For **the dairy sector**, there has been a dramatic fall in milk prices, with SMP (Skim Milk Powder) down to the intervention level. The spread of the virus is leading to major difficulties in procurement and logistics in the processing industry, which is further compounded by possible personnel shortages, as well as the collapse in demand for certain products. The amount of milk produced on farms was too high for existing processing and market capacity and it will be worse in few weeks with the spring increase of milk production. Latest DG AGRI figures indicate that EU-27 Skimmed Milk Powder (SMP) prices are now at €242/100kg (-5% down, compared to the average of the previous 4 weeks), Whole Milk Powder prices are at €296/100kg (-1.3%), butter is at €350/100kg (-1.3%), while cheddar is at €305/100kg (+0.2%). As the 'Spring Flush' approaches, the EU-27 price for raw milk is currently at €35.3/100kg (-0.7% down on last month).

In the **beef and veal** sector, high-value cuts, which are 30% of the carcass value, have experienced serious drops in demand, leading to higher costs and detrimental consequences for prices while cheap cuts are still imported from Mercosur countries

Pig meat, poultry and eggs are also suffering from the loss of hotel and catering demand, which is leading to the collapse of many specialised producers, such as those producing suckling pig, duck, pigeon, quail, rabbit, guinea fowl and goose meat.

In the sugar sector, there is an increased use by some consumers of sugar for direct consumption during the lockdown. Even so, demand for sugar in 2019/2020 is expected to be down by 700 000 tonnes or 4% in the EU. Depressed world prices risk having a detrimental impact on European prices, even though the European market is balanced. A third year of non-remunerative prices for the EU sugar beet sector and in particular for sugar beet growers would be catastrophic and unbearable.
