



Meeting of the Chairpersons of COSAC on 14 September 2020

Background Note: Dealing with the Consequences of the COVID-19 Pandemic and Lessons Learned

Europe has been confronted by a public health challenge that quickly became the most drastic economic crisis in its history. The lack of coordinated measures at European level revealed weaknesses in cooperation at the beginning of the crisis and caused much discussion and some criticism. Since then, the reaction of the EU has become a more common and coordinated one, which has been substantially based on Commission's proposals. It is now widely understood that crises on this scale cannot be mastered at national level alone and a coordinated and common response is needed, in addition to national efforts. Hereafter, the EU's response to the crisis so far is described.

I. Economic measures

First of all, this common response of EU Member States and institutions is demonstrated by the unprecedented recovery plan, known as Next Generation EU (NGEU) that was agreed by the 27 EU Heads of Government, on the basis of a Commission's proposal, at the Extraordinary European Council of 17-21 July.

The European Council confirmed a recovery plan of EUR 2.364 trillion to relaunch the economy. Of this, **safety nets amounting to EUR 540 billion** are already in place, covering:

- Workers: SURE - EUR 100 billion Loans to Member States to help cover the costs of national short-time work schemes.
- Businesses: EUR 200 billion Pan-European guarantee fund for loans to companies (European Investment Bank)
- Member States: EUR 240 billion Pandemic crisis support for member states (European Stability Mechanism)

The essential purpose of the remaining amount is to mobilise the necessary investments. That consists of a two-fold response:

- **Next Generation EU (NGEU)**, a new recovery instrument of **EUR 750 billion** to boost the EU budget through new financing raised on financial markets for 2021-2024;
- A **(EUR 1.074 billion) multiannual financial framework (MFF)** for 2021-2027.

Relaunching the economy does not mean going back to the status quo before the crisis. The short-term damage must be repaired in a way that also invests in the long-term future. The Commission

proposed a reformed and modernised MFF for 2021-2027, focussed on the policy needs of the future, above all the **European Green Deal** and a **Europe fit for the Digital Age**. The MFF is combined with an extraordinary recovery effort under the NGEU instrument.

NGEU intends to:

- Help Member States to recover, in particular through the **Recovery and Resilience Facility**. EUR 312.5 billion as grants and EUR 360 billion as loans are proposed for investment in reforms and green and digital infrastructure, subject to fulfilment of the assessment criteria. According to the Conclusions of the Extraordinary European Council there should also be an extra EUR 47.5 billion for Cohesion Policy and an extra EUR 10 billion for the Just Transition Fund to help regions particularly affected by change.
- Support the economy for example through the **InvestEU** programme with an extra EUR 5.6 billion.
- Learn Lessons *inter alia* through an extra EUR 1.9 billion for the programme **RescEU**.

The funds will be raised through an instrument which is flexible and temporary. A time limited change to the Own Resources Decision will **temporarily lift the budget ceiling to 2 % of EU GNI**, allowing the **Commission** to use its strong credit rating to **borrow EUR 750 billion on the financial markets** over the period **2021-2024**, through the issuance of bonds. The **time limit for repayment** is 2058. **National Recovery and Resilience Plans** must be drawn up by the Member States and are evaluated by the Commission. The Commission's evaluation is supposed to be approved by a qualified majority in the Council of the EU. Payment requests will be subject to meeting milestones and targets.

The agreement in the European Council is only one step in the negotiations and not their completion. The MFF requires the consent of the European Parliament, by absolute majority. The Change to the Own Resources Decision is subject to an opinion by the European Parliament, but requires approval in the Council as well as ratification by all Member States, according to their own procedures.

II. Supporting research for treatments, diagnostics and vaccines

The European Commission has been supporting research and innovation and coordinating European and global research efforts. It has developed for instance a **Vaccines Strategy** to promote the production of vaccines in the EU and adapt the EU's regulatory framework to speed up development, authorisation and availability. The EU has pledged to invest **EUR 1 billion from Horizon 2020** (the 2014-2020 EU research and innovation programme, managed by the Commission), of which at least EUR 350 million are to support vaccine development. This includes, for example, EUR 48.2 million for 18 new research projects, involving 151 research teams from across Europe and beyond, funded within weeks of the outbreak through a special emergency call. On 23 April, the European Investment Bank (EIB) approved a EUR 75 million debt financing agreement with CureVac, a highly innovative European vaccine developer, and on 11 June, the EIB concluded a EUR 100 million debt financing agreement with BioNTech to support the company's vaccine pro-

gramme. (BioNTech became the first EU company to begin clinical testing.) According to the conclusions of the Extraordinary European Council, NGEU and the 2021-2027 MFF should allocate a total of **EUR 80.9 billion** to the **Horizon Europe** research and innovation programme.

With the **Coronavirus Global Response Initiative**, the EU is joining forces with global partners to raise funds for universal access to affordable coronavirus vaccination, testing and treatment. The initiative is the European Commission's response to the WHO's global call for collaboration in accelerating the development, production and equitable access to coronavirus tools. Since its launch, the Coronavirus Global Response has raised **EUR 16 billion in pledges** from donors worldwide. This includes funds raised through the "Global Goal: Unite for our Future" pledging summit, a **EUR 4.9 billion** pledge by the EIB, in partnership with the European Commission, and **EUR 485 million** committed by EU Member States.

III. Public health

The European Commission has worked to provide direct support to the EU healthcare sector, to offer medical guidance for Member States and to ensure the availability of personal protective equipment (PPE). This includes a 100 % EU funded **reserve of medical equipment**, such as ventilators, PPE, reusable masks, vaccines and therapeutics and laboratory supplies with an initial budget of **EUR 50 million**. Thanks to RescEU, 435,000 protective facemasks have already been delivered to Italy, Spain, Croatia, Lithuania, Montenegro and North Macedonia. The European Council agreement on the 2021-2027 MFF and NGEU includes a total budget of **EUR 3 billion for RescEU**, as well as a total budget of **EUR 1.7 billion** for the **new EU Health Programme**.

The European Commission's proposal EU4Health, was part of the negotiations in the European Council. Its financial capacity was cut by funding from the European Recovery Instrument, i.e. by around 83% of the total budget. So far, the Commission has not withdrawn the proposal.

The objectives of this EU4Health Programme for Union action in the field of health for the period 2021-2027 are as follows:

- protect people in the Union from serious cross-border threats to health;
- improve availability in the Union of medicines, medical devices and other crisis relevant products, and support innovation;
- strengthen health systems and the healthcare workforce, including by digital transformation and by increased integrated and coordinated work among the Member States, sustained implementation of best practice and data sharing, to increase the general level of public health.

In addition, direct support comes from the **Emergency Support Instrument**, which has been activated in April 2020 and through which EUR 2.7 billion are allocated for the Member States to fund crisis response, exit and recovery. It provides a broad EU tool-box to respond to needs which can be best addressed in a strategic, coordinated manner at European level.

The Commission has also provided the Member States with guidance on dealing with the Coronavirus at national level. For this purpose, the EU has published **guidelines on science-based and**

coordinated risk management measures and recommendations on matters such as physical distancing and the development of **mobile tracing apps**.

IV. Borders, mobility and tourism

The European Commission has guided Member States in their border and mobility management to contain the spread of the virus. For instance, the Commission has issued **European guidelines for border management measures**, guidance to ensure **free movement of workers**, especially in the health care and food sectors, and guidance on EU passenger rights. These efforts are reinforced by an allocation of **EUR 5.5 million for border management** in the 2021-2027 MFF as agreed on by the European Council.

On the basis of a proposal from the Commission, Member States adopted a Council Recommendation on the **temporary restriction on non-essential travel to the EU**. Equally, the Commission has set out principles to guide Member States when resuming tourism activities and developing COVID-related protocols for hospitality establishments to minimize risks of infection for both guests and host personnel. To facilitate a **safe relaunch of free movement and tourism** across Europe, the Commission has developed “**Re-open EU**”, a web platform with essential real-time information for travelers and tourists. The Commission will develop the European interoperability framework for mobile applications to support contact tracing.

Through the **implementation of ‘green lanes’ at internal borders**, the Commission has helped to ensure the speedy and continuous flow of vital goods throughout the crisis. Moreover, the Commission issued operational and organisational guidance to Member States on air cargo operations in order to **keep essential medical supplies and personnel moving** across the EU. Almost **600,000 citizens have been repatriated thanks to EU consular cooperation** and **almost 75,000 EU citizens have been repatriated through the EU Civil Protection Mechanism**.

The Commission has also provided Member States with guidance on **health worker mobility** to speed up the recognition of health workers' professional qualifications in different EU Member States and to clarify the rules allowing doctors and nurses in training to practice their profession.

V. Fighting disinformation

All European institutions are working on **fighting misinformation and disinformation, including on COVID-19**, in close cooperation with online platforms. The series of actions includes strengthening strategic communications and public diplomacy in the EU's immediate neighbourhood and around the world as well as supporting independent media and journalists. The Commission is working with **social media platforms** to promote authoritative sources, demote content that is fact-checked as false or misleading, and take down illegal and harmful content, for instance conspiracy theories about the origin of the virus or its alleged intended spread.

The Commission has furthermore launched a webpage on fighting disinformation, providing materials for myth busting and fact checking. So far more than **300 disinformation narratives on the coronavirus** were exposed, published and updated on www.EUvsDisinfo.eu.

Further Information:

Recovery Plan

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/recovery-plan-eu-rope_en

Research and innovation

https://ec.europa.eu/info/research-and-innovation/research-area/health-research-and-innovation/coronavirus-research-and-innovation_en

Public health

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/public-health_en

Borders, mobility and tourism

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/travel-and-transportation-during-coronavirus-pandemic_en

<https://reopen.europa.eu/en>

Fighting disinformation

https://ec.europa.eu/info/live-work-travel-eu/health/coronavirus-response/fighting-disinformation_en